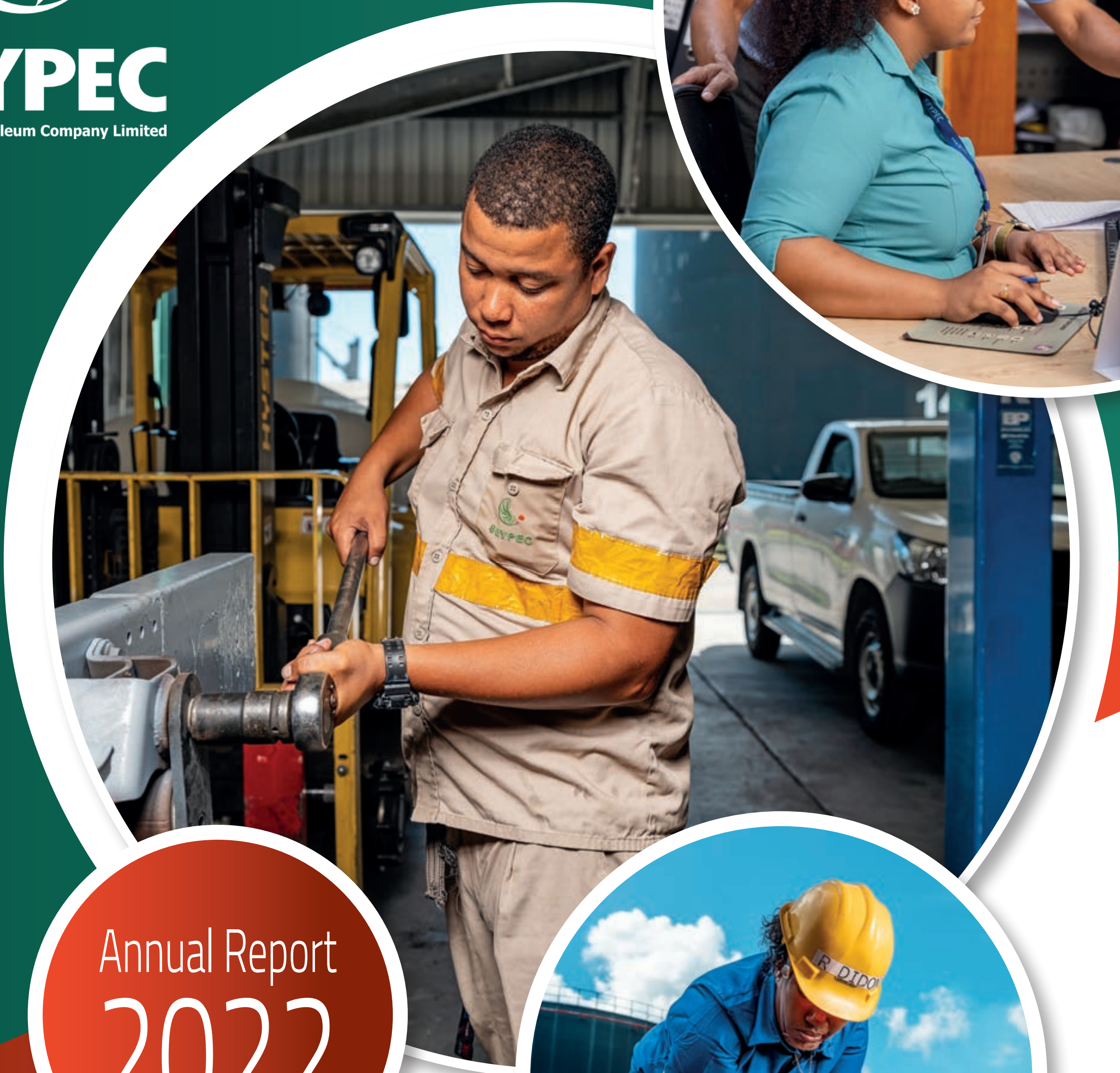
SEYPEC

Seychelles Petroleum Company Limited



Annual Report

2022

MAINTAINING SEAMLESS ENERGY SUPPLY

REVENUE USD485 M

Domestic Sales	Marine Bunkering	Aviation Refuelling	Shipping
USD 196 M	USD 186 M	USD 44 M	USD 59 M

PERFORMANCE

Net Profit
USD22 M

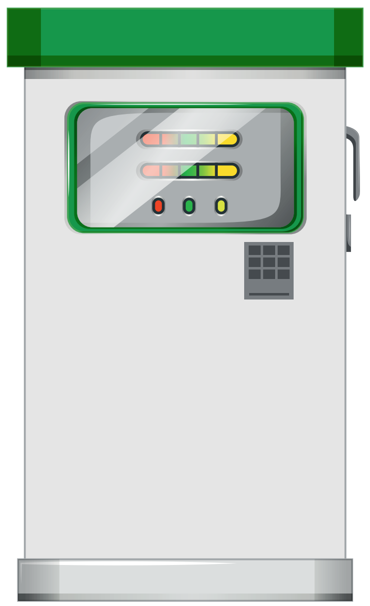
Net Profit Margin
4.6

Earnings Per Share
USD11.200

Dividends
US17 M

Return on Total Assets
6.8

SALES
430 M LITRES



Fuel Oil	93 M Litres
Gasoil	249 M Litres
Motor Gasoline	33 M Litres
Jet A-1	49 M Litres
LPG	5 M Kgs

11
Service Stations

100
LPG Outlets

STORAGE CAPACITY

Location	Fuel Storage	LPG
New Port Depot, Mahe	153,000 MT	2,150 MT
Praslin Depot	2,000 MT	100 MT
Airport Depot	4,300 MT	

OUR PEOPLE

Operations & Technical
149

Shipping
120

Admin
67

CONTENT

SEYPEC
Seychelles Petroleum Company Limited

Concept, Write-Up, Design & Production: RN VISION Ltd

OUR MISSION

To ensure the security of supply of petroleum for Seychelles' energy needs. In doing so, it shall provide its customers with fast, responsible and reliable services and products. SEYPEC will engage directly or indirectly in all petroleum-related activities that will add value to its business.

OUR VISION

To become the leading oil company in the Western Indian Ocean, making Seychelles a regional and strategic hub for petroleum related activities.

CHAIRPERSON'S REVIEW

ON BEHALF On behalf of the Board of Management, I am pleased to submit my review of the Company's operational and financial performance for the fiscal year ended December 31, 2022. SEYPEC has shown tenacity and adaptability throughout this difficult year, achieving successful results amidst a fast shifting global environment.

JENNIFER MOREL
Chairperson

The energy sector faced numerous challenges in 2022 on a global scale. Energy security and access became one of the most pressing global issues as a result of the conflict in Ukraine and related macroeconomic and geopolitical developments.

On the local standpoint, SEYPEC witnessed a change in its management structure with a new Board appointed in August 2022 and a new CEO in office at the beginning of 2023 year.

With careful planning and thoughtful decision-making, SEYPEC has addressed the problems that it faces on a daily basis. The Board has started a thorough evaluation of the strategic goals, business pillars, and priorities across various segments of the Group to match with the shifting landscape of the fast-paced and dynamic business climate.

The Board of SEYPEC upholds excellent corporate governance and ethical business practices as essential values. In order to protect shareholder interests, our newly appointed Board has been closely monitoring strategic and governance issues. In order to establish a governance framework that provides value and fosters long-term growth, plans and policies have been put into place.

Our business and its hardworking employees have excelled in the face of enormous uncertainty and ongoing global risks. In comparison to the year prior to the pandemic in 2019, our revenues reached an unprecedented USD 485 million, a phenomenal 27% increase.

> *On the local standpoint, SEYPEC witnessed a change in its management structure with a new Board appointed in August 2022 and a new CEO in office at the beginning of 2023 year.*

> *Our business and its hardworking employees have excelled in the face of enormous uncertainty and ongoing global risks.*

SEYPEC is among the biggest taxpayers in the country and makes a major contribution to the national economy. We actively promote the nation's financial well-being while maintaining a faultless energy supply by paying excise duties on imported goods on a regular basis and dividends to our single shareholder, the Government of Seychelles. In 2022, excise duties paid by SEYPEC for imports of its products amounted to SCR 766 M and the yearly business tax paid attained Rs SCR 73 M. Furthermore, the Group disbursed SCR 250 M as dividends to the Government. This represents a total contribution of SCR 1.08 Billion to the national treasury for the year actively supporting the nation's financial well-being while ensuring a faultless energy supply.

Our organization's collaborative culture, which places a high value on safety, responsibility, and honesty, is a testament to our performance. The Board of Directors is working alongside the management team, together committed to responsible operations and high standards.

We take pride in being an agile organization that promotes a positive, welcoming, and motivating work environment. SEYPEC provides possibilities for people with all backgrounds who aspire to make a difference. Our company fosters specialized careers at the national and international levels, representing the knowledge, technological acumen, and innovation-driven spirit that make us proud as a country. We will keep investing in our employees' developments, while also enhancing our culture of health and safety and boosting organizational skills.

To protect all stakeholders, we strengthened compliance and improved our Health, Safety, Security, and Environment (HSSE) program in 2022. We are still dedicated to tracking, evaluating, and reviewing our progress continuously while encouraging the company as a whole to share best practices, while focussing on staff welfare and excellent service delivery.

I want to express my gratitude to the other Board members, the senior management group led by the Chief Executive Officer, Mrs. Romain and all of our employees whose work ethics underpin the SEYPEC's culture and ongoing success. The Board is optimistic that the current reforms will produce long-term gains for all parties involved and prepare the Group for its upcoming period of growth.

As an important, successful, development-oriented, family-friendly, and socially responsible company, we are cognizant of the challenges that lie ahead. However, I firmly believe in our strategy and the capabilities of our exceptional staff. It is a privilege to assume my responsibilities at SEYPEC and I am proud of it too.

CEO'S **REVIEW**

IN 2022, SEYPEC accomplished its key objectives and demonstrated improved performance despite the challenges faced throughout the year. However, what truly matters is the Company's unwavering commitment to providing affordable energy access across all of its sectors, which directly contributes to improving livelihoods and fostering prosperity.

SARAH ROMAIN
CEO

Our achievements in 2022 were greatly supported by our well-defined organizational structure, the creation of essential resources and infrastructure, and our dedicated employees. These factors have enabled us to fulfill our country's mission of supplying energy safely and reliably to both the domestic and local industrial sectors as well as its international customers. Our tanker fleet performed well contributing to the significant profits of the company. We have continued to uphold transparent governance practices guided by discipline and a solid entrepreneurial culture. SEYPEC owes its current standing to the implementation of necessary systems, processes, and the competence of its workforce.

The global economy witnessed a recovery in 2022 as the final COVID-19 restrictions were lifted, signaling a substantial shift towards post-pandemic relaunch. The oil industry experienced impressive expansion during this period due to the worldwide economic rebound and the subsequent surge in demand for petroleum products. However, the global geopolitical situation involving Russia and Ukraine resulted in a steady rise in crude oil prices on the global market, leading to Brent crude oil reaching nearly US$ 130 a barrel in 2022.

Our achievements in 2022 were greatly supported by our well-defined organizational structure, the creation of essential resources and infrastructure, and our dedicated employees.

The Company distributed dividends amounting to USD 17.2 million and generated sufficient cash flow, ending the year with a positive cash and cash equivalent balance of USD 81.9 million.

Seychelles, being entirely reliant on imports for its energy products, remains vulnerable to turbulent global oil prices. SEYPEC nevertheless continued to carefully monitor prices and procure imported cargoes at competitive rates to mitigate the effects of oil price fluctuations while maintaining sufficient inventories to meet sales demand. Prices of Mogas and Gasoil for the year reached their highest during mid-year, at Rs 25.20 per litre for Mogas and Rs 25.61 for gasoil. The Group imported a total of 430 million liters of energy products, marking one of the highest import volumes since its establishment.

Despite the numerous challenges faced, SEYPEC weathered the storms and witnessed its ambitions soar. The confidence in achieving a positive year is reflected in our solid financial results. Revenue reached a highly satisfactory level of USD 485 million, surpassing 2019 pre-pandemic figures. Domestic petroleum sales revenue increased by 12%, international bunkering by 38%, and aviation sales generated 9% more revenue. In terms of shipping activities, the fleet yielded a revenue of US$ 58.8 million, a remarkable 65% increase compared to 2021, despite the sale of the Seychelles Pride at the beginning of 2022. The tankers' occupancy rate reached an unprecedented 94%, and gross commercial profit witnessed a stunning surge of 277%. This success was made possible with the valuable support of our shipping partner of choice, German Tanker Shipping (GTS), which manages the operations of our international tankers. The tanker fleet brought in a net profit of US$ 25.5 million in 2022 as opposed to a loss of US$ 2.9 million in 2021. This outstanding performance amidst a challenging economic backdrop and a volatile energy market showcases the Group's dedication to fulfilling its mandate of energizing the country.

The financial results for 2022 translated into very satisfactory performance for the year. Profit after tax rose to USD 22.4 million, with a net profit margin of 4.8%, demonstrating a consistently positive trend since 2017, excluding 2021. The Group distributed dividends amounting to USD 17.2 million and generated sufficient cash flow, ending the year with a positive cash and cash equivalent balance of USD 81.9 million. The Cash Ratio stood at 109.2 and is projected to increase in the coming years

SEYPEC had a comprehensive plan in place during the financial year to protect, maintain, and enhance the quality of its assets. Notably, the Beau Vallon Service Station underwent an overhaul, aligning it with new industry norms for petrol station buildings to meet increasing demand and replace aging infrastructure, including underground tanks and pipelines. The tarmac was resurfaced, resulting in a tidier forecourt area and smoother traffic flow through the station. Furthermore, our vehicle fleet for product delivery was upgraded with modern units, ensuring seamless distribution to retail outlets and the airport facility. Additionally, in early 2022, SEYPEC initiated an efficient program for electricity production, installing a photovoltaic system (PV System) on the workshops' roof and the new vehicle shed. This investment of SCR 1.8 million has already proven fruitful, reducing the company's electricity bill and carbon footprint, with average savings of 50% on the monthly electricity bill, amounting to about SCR 46,000.

Our employees remained instrumental in transforming the Company throughout 2022, demonstrating passion, loyalty, and commitment to creating value. Their dedication serves as the driving force behind SEYPEC's performance. We are privileged to be surrounded and supported by such an exceptional team, comprising both men and women who wholeheartedly embrace their roles. As an employer, SEYPEC strives to provide a positive employee experience, fostering an environment where everyone feels free to be themselves. We spare no effort in training our colleagues at all levels and promote a culture of safety, ensuring adequate standards for a secure workplace. In 2022, the Human Resource Department prioritized attracting and retaining talent while safeguarding employee well-being. Employees were encouraged to take the lead in their personal and professional development. A comprehensive training program was implemented to facilitate the adoption of new technologies and procedures. We continuously strive to evolve our company culture to prioritize the overall well-being of our employees. Within the shipping department, SEYPEC remained committed to supporting seafarers' careers. In April 2022, nine young Seychellois students received their certificates after completing two months and three weeks of pre-sea training at the Seychelles Maritime Academy (SMA). The students underwent a preparatory course in navigation and engineering, equipping them with comprehensive knowledge of onboard operations. While in the past, previous cohorts pursued further studies at the Colombo International Nautical and Engineering College (CINEC) in Sri Lanka, the COVID-19 pandemic hindered this opportunity in 2021 and 2022. However, SEYPEC's local training and schooling initiative enabled the students to follow the course in 2022, resulting in reduced costs.

We express our heartfelt gratitude to our customers, business partners, and stakeholders for their unwavering support. Furthermore, we extend our sincere thanks to all SEYPEC employees for their perseverance and hard work throughout the past year. Finally, we are grateful to the Board for their support, trust, and confidence, enabling SEYPEC to better serve the community while remaining true to our promise of fueling the nation under any circumstances.

Our employees remained instrumental in transforming the Company throughout 2022, demonstrating passion, loyalty, and commitment to creating value.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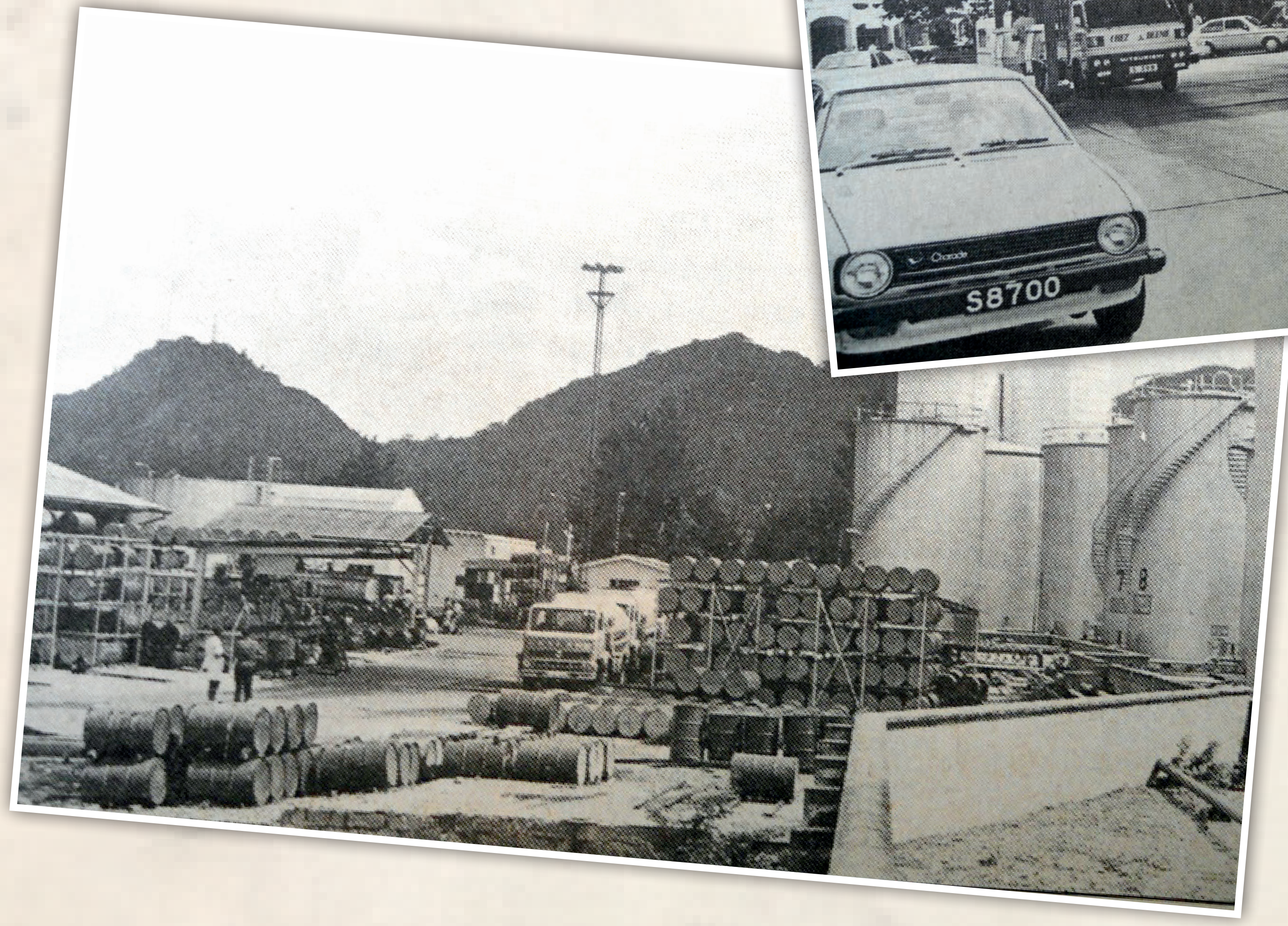


YEARS OF SHARED PROSPERITY

SEYPEC

- **1985** – INCORPORATION OF SEYCHELLES PETROLEUM COMPANY LTD
- **1986** – AGREEMENT WITH KUWAIT PETROL COMPANY FOR THE SUPPLY OF PETROLEUM AND OTHER MINERAL FUEL FOR 4 YEARS
- **1990** – ALTERNATIVE SOURCES OF SUPPLY SOUGHT IN BAHRAIN DUE TO IRAQ WAR
- **1992** – JOINT VENTURE WITH MALAYSIAN COMPANY PETRONAS
- **1993** – AGREEMENT TO EXPAND AND REVAMP STORAGE FACILITIES
- **1994** – INTRODUCTION OF LPG GAS FOR DOMESTIC USE IN SEYCHELLES
- **1995** – FIRST CONSIGNMENT OF LUBRICANTS FROM ABU DHABI
- **1999** – NEW EXPORT STRATEGIC PLAN
- **2002** – FIRST TANKER «SEYCHELLES PRIDE» RECEIVED
- **2004** – ISO CERTIFICATION RECEIVED
- **2005** – SECOND AND THIRD TANKERS «SEYCHELLES PIONEER» & «SEYCHELLES PROGRESS» DELIVERED
- **2005** – NEW PETROL STATION VICTORIA SOUTH, OFFICIALLY OPENED
- **2005** – EXPORT OF SCR 864 MILLION WORTH OF PETROLEUM PRODUCTS
- **2007** – MINERAL FUEL ACCOUNTS FOR 25% OF THE AGGREGATE AMOUNT OF COUNTRY'S IMPORTS
- **2008** – ARRIVAL OF FOURTH TANKER «SEYCHELLES PRELUDE»
- **2008** – NEW PETROL STATION AT LA DIGUE OPENED
- **2008** – INAUGURATION OF NEW ADMINISTRATION BLOCK
- **2008** – OPENING OF LPG STORAGE & FILLING PLANT ON PRASLIN

YEARS OF SHARED PROSPERITY

SEYPEC

2008	ARRIVAL OF FIFTH TANKER «SEYCHELLES PATRIOT»
2008	RENOVATION OF THE AIRPORT PETROL STATION
2009	ARRIVAL OF SIXTH TANKER «SEYCHELLES PARADISE»
2011	SEYPEC STARTED PURCHASING FUEL FROM TOTAL
2013	TANKS 26,27 & 28 WITH 63,000 CUBIC METRES ADDED TO STORAGE CAPACITY
2013	NEW SEYPEC HEAD OFFICE BUILDING SEYPEC HOUSE, OPENS AT NEW PORT
2013	OPENING OF NEW PETROL STATION AT GRAND ANSE MAHE
2014	FIRST RECRUITMENT OF COHORT 1 SHIPPING CREW RECRUITS TO WORK ON BOARD TANKERS
2014	SEYPEC CLINCHES FIRST PRIZE FOR BEST SAFE WORKPLACE AWARD 2014 IN THE PUBLIC UTILITIES CATEGORY AND WINS BEST OVERALL SAFE WORKPLACE
2014	INSTALLATION OF NEW FILTERS SEYPEC PIPELINE
2014	NEW SEYPEC DISTRIBUTION CENTRE FOR LPG
2015	SEYPEC CELEBRATES ITS 30TH ANNIVERSARY
2015	INTRODUCTION OF DIESEL WITH LOWER SULPHUR CONTENT (50 PPM)
2015	INTRODUCTION OF LPG SHRINKABLE CAPSULE
2015	RECRUITMENT COHORT 2 - SEYPEC CREW TRAINING PROGRAM
2016	INTRODUCTION OF IMPROVED GASOIL QUALITY ON DOMESTIC MARKET
2016	3RD COHORT OF SEAFARERS RECRUITED

YEARS OF SHARED PROSPERITY

SEYPEC

- **2016** — INTRODUCTION OF COMPOSITE CYLINDERS
- **2017** — TANKERS FULLY PAID OFF
- **2017** — EXTENSION OF BUNKERING PIPELINE TO ILE DU PORT HANDLING SERVICES
- **2018** — CONSTRUCTION OF VICTORIA NORTH PETROL STATION
- **2018** — FIRST SEYCHELLOIS FEMALE 2ND OFFICER ON BOARD SEYPEC TANKER
- **2019** — OPENING OF VICTORIA NORTH PETROL STATION
- **2019** — 6th COHORT OF SEAFARERS RECRUITED
- **2019** — LEAD REPLACEMENT FUEL (LRF) PHASED OUT
- **2020** — 35 YEARS CELEBRATIONS
- **2020** — COVID-19 PANDEMIC CREATES HAVOC
- **2020** — FIRST SEYCHELLOIS CHIEF ENGINEER ON AN OCEAN TANKER
- **2021** — 7TH COHORT OF SEAFARERS RECRUITED
- **2022** — 8TH COHORT OF SEAFARERS RECRUITED
- **2022** — BEAU VALLON SERVICE STATION RENOVATED
- **2022** — NEW CEO APPOINTED
- **2022** — NEW BOARD NOMINATED

LOCATION

The Group's Head Office is located at New Port in Victoria and its fuel infrastructure consist of 28 storage tanks with a total capacity of 188,000 cubic metres. The Group owns a fleet of five double-hull tankers, four through its Isle of Man subsidiaries and one held directly by SEYPEC. Apart from the main depot at New Port, the Company owns two other depots and 11 service stations throughout the main islands.

SEYPEC
Seychelles Petroleum Company Limited

REGULATORY ENVIRONMENT

The SEYPEC Group is governed by the following main laws:

- Seychelles Companies Act, 1972
- Public Enterprises Monitoring Commission Act, 2013
- The Public Finance Management Act 2012
- Seychelles Employment Act, 1995
- Merchant Shipping Act, 1994
- Corporate Social Responsibility Tax Act, 2013
- Business Tax Act, 2009
- Value Added Tax, 2012
- Income & Non-Monetary Tax Act, 2009
- Isle of Man Companies Acts, 1931 to 2004
- Isle of Man Income Tax Act, 1970
- Occupational Safety & Health Decree, 1978
- Environment Protection Act, 1994
- The International Convention for the Prevention of Pollution from Ships (MARPOL)
- The International Convention for the Safety of Life at Sea (SOLAS)
- The International Ship and Port Facility Security (ISPS) Code
- ISM Code - International Maritime Organization (ISM) Code
- The International Convention on Load Lines
- The International Regulations for Preventing Collisions at Sea 1972 (COLREGs)
- The International Convention on Standards of Training, Certification and Watch
- keeping for Seafarers (STCW)
- The Merchant Shipping (Minimum Standards) Convention, 1976 (No. 147)

REGISTERED OFFICE AND PRINCIPAL & PLACE OF BUSINESS

Newport,
Victoria, Mahé
Seychelles

DIRECTORS

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

Resigned effective May 24, 2022
Suketu Patel

Resigned effective August 15, 2022
Selwyn Gendron (Chairperson)
Veronique Laporte
Michael Nalletamby
Yannick Vel

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

SECRETARY

Corporate Registrars (Pty) Limited
P O Box 18, The Creole Spirit
Victoria, Mahé
Seychelles

AUDITORS

BDO Associates
Chartered Accountants
Seychelles

BANKERS

The Mauritius Commercial Bank (Seychelles) Limited
Absa Bank (Seychelles) Limited
The Mauritius Commercial Bank Limited
Seychelles International Mercantile Banking Corporation Limited
Ostfriesische Volksbank eG


SEYPEC
SEYPEC
SEYPEC

GROUP STRUCTURE

SEYPEC is incorporated under the Seychelles Companies Act, 1972 and its present group structure is as follows: Seychelles Pioneer, Seychelles Progress, Seychelles Patriot and Seychelles Prelude Limited are four companies incorporated in the Isle of Man. They are wholly owned by SEYPEC and each of these companies owns a double-hull tanker which is leased back on bareboat charters to SEYPEC.

GOVERNMENT OF SEYCHELLES

SEYCHELLES PETROLEUM COMPANY LIMITED- (SEYPEC)

- SEYCHELLES PIONEER LIMITED
- SEYCHELLES PROGRESS LIMITED
- SEYCHELLES PATRIOT LIMITED
- SEYCHELLES PRELUDE LIMITED

SEYCHELLES ECONOMIC REVIEW

Seychelles' robust economic recovery in 2022, driven by a rapid tourism sector rebound, has been accompanied by fiscal consolidation and social support. Real GDP growth reached 10.6% in 2022 and is expected to moderate to 5.4% in 2023. Average inflation declined to 3.0% in 2022 and was mainly caused by higher import prices and the fading of the rupee's appreciation impact.

The primary fiscal deficit was 1.1% of GDP, reflecting an extraordinary consolidation of 13.6 percentage points in two years. Debt sustainability risks have reduced, with the public debt-to-GDP ratio declining to 68% by end-2022, a 21-percentage-point reduction in two years. The primary balance will shift to a surplus in 2023, compensating for increased capital expenditure through revenue measures.

The government provided social support, including targeted cash transfers to protect the vulnerable from rising food and fuel prices, expected to continue until early 2023. Seychelles has Sub-Saharan Africa's highest prosperity, with a GDP per capita of $10,764. The economy remains tourism-dependent but shows growing investor interest in the blue economy sector. Fisheries rank as the largest sector after tourism.

Development challenges include increasing productivity, labour force participation, and overall economic performance for shared prosperity. Institutional challenges involve barriers to business operations, public sector inefficiencies, limited statistical capacity, the need for strategic and sustainable social protection, and broader access to quality education and skills development. Climate change adaptation, including disaster preparedness and coastal management, is crucial.

In summary, Seychelles' 2022 economic recovery has been strong, mainly fuelled by tourism. Fiscal consolidation and social support have played a significant role. GDP growth was impressive, inflation declined, and debt sustainability risks reduced. The government's cash transfer program supports vulnerable populations. Seychelles which leads Sub-Saharan Africa in prosperity, now seeks diversification beyond tourism. Challenges lie in productivity, labour force participation, and economic performance, alongside institutional barriers and climate change adaptation.


NO SMOKING
SEYCHELLES PARADISE

WORLD OIL MARKET

In 2022, the crude oil market witnessed significant price fluctuations influenced by various factors. Tight supplies due to the ongoing war in Ukraine and weakened demand from China, the leading importer, played a pivotal role in driving this turbulence.

By the end of 2022, the spot price of Brent crude oil, a global benchmark primarily priced in Northwest Europe, closed at USD 85 per barrel, marking a USD 7 increase compared to January's price of USD 78. Although Brent prices experienced a substantial rise in the first half of the year, they generally declined in the latter half. The West Texas Intermediate (WTI) spot price, a benchmark for U.S. crude oil, followed a similar pattern, ending the year USD 4 higher than in January. The average spot price for Brent crude oil in 2022 was USD 100, while the WTI spot price averaged USD 95.

During the first half of the year, crude oil prices surged due to concerns regarding supply. Russia's full-scale invasion of Ukraine coincided with a period of consecutive decreases in global crude oil inventory over eight quarters, from the third quarter of 2020 to the second quarter of 2022. The reduced inventory resulted from the withdrawal of stored oil to meet the rising demand stemming from increased economic activity following the easing of pandemic-related restrictions.

From June onwards, crude oil prices generally declined as apprehensions about a potential economic recession dampened demand. High petroleum prices contributed to persistent broad-based inflation in 2022, impacting consumer budgets and reducing gasoline demand. Rising gasoline prices led to a decrease in U.S. gasoline consumption. Additionally, stringent COVID-19 containment measures in China contributed to a global decline in petroleum demand. In December, the price of Brent crude oil reached its lowest point of the year at USD 75.

FINANCIAL PERFORMANCE HIGHLIGHTS

Return on Total Assets

The significant increase in 2020 (8.7%) was the result of exceptional profit made by the Group following unrealised gains on exchange upon conversion of mainly some monetary assets from functional currency to presentation currency . This gain in exchange turned into a loss in 2021 (-2.8%) swinging the Group's results from a gain in 2020 to a net loss in 2021 but the Group recovered in 2022 (6.8%) and return turned again to a positive but lower than expected mainly due to a change in functional currency from Seychelles Rupee to US Dollar, thereby aligning the functional and reporting currency effective 2022 and impact upon on translation of fixed assets from historical rates.

Return on Equity

A substantial growth in 2020 (10%) following exceptional results due to unrealised exchange gain which reversed to a loss in 2021 (-3.3%) but picked up again in 2022 (9.1%) when Group reported profit.

Current Ratio

This ratio is on the increasing trend and went up to reach 2.3 in 2019 and 2.2 in 2020 and was stable at 2.1 and 2.0 in 2021 and 2022 respectively which indicates the Group's very good financial health.

Revenue

The increase in sales from 2018 to 2019 is the direct result of higher volume of sales with a significant fall in 2020 due to effect of COVID-19 and lock down of the country and closure of all borders be it air or sea but economy picked up thereafter with a turnover of USD 485.3M reported in 2022.

Earnings Per Share

Earnings per share is the portion of the Group's profit allocated to each outstanding share and is an indicator of the Group's profitability. EPS has been increasing consistently since 2018 to 2020 with a fall due to the loss reported in 2021 (USD-5.900/share) due to exchange losses as explained already and back again to positive in 2022 (USD 11.200/share).

Gross Profit Margin

Gross profit margin in 2020 was able to be maintained at a reasonable 5.9% but this fell to 2.7 % in 2021 due to the high costs of oil on the World market in spite of weekly pricing mechanism which mitigates impact of foreign exchange fluctuations. GP margin improved in 2022 to 4.8% due to better revenue following higher sales and prices as well as continued costs containment.

Net Profit Margin

While gross profit margin provides a general indication of profitability, net profit margin is a more accurate measure. Increases in revenue do not necessarily create increases in profitability. Net profit margin reveals the percentage of revenue that reflects the Group's profit per dollar of sales and this ratio has been on a positive trend since 2087 and with a significant increase in 2020 (13.5%) but a reported loss in 2021 (-3.8%) due to exchange losses and hike in price of oil and net profit was back again in 2022 (4.6%) as already explained earlier.

Dividends

The dividends amount paid during the year is the direct result of the good performance and turnaround of the Group since 2018. Lower dividends were paid in 2020 as compared to 2019 since the Group was prudent in not distributing profit made up from unrealised exchange gains and also difficulty in predicting the Covid-19 effect on the Group's financials. Higher dividends were paid in 2021 and 2022.

Dividends Per Share

This ratio indicates how much money the Group is returning to its shareholders, the Government of Seychelles. It also indicates that the Group is well past its growth stage and is now well established and Management expects such sustainability for the future. The decrease in 2020 was due to less dividends being paid out and in 2021 due to a net loss for the year, dividends were paid out of Company's reserves and in 2022, dividends were able to be paid out of generated profits.

Cash Flow

The net loss during the year in 2021 led to a negative cashflow from operating activities in 2021. Investing activities generated positive cash due to the investment in financial assets. Financing activities showed a cash outflow due to dividends payment. In spite of a net decrease in cash equivalent movement in 2021, the Group was able to generate sufficient cash flow in 2022 and ended the year with a positive cash and cash equivalent at December 31, 2022, of USD81.9M

Cash Ratio

The Cash Ratio of 109.2 is expected to continue increasing following full repayments of the Group's borrowings and cash generated by operations and other activities. The positive cash ratio is an indication that the Group has a very sound liquidity position.

HIGHLIGHT OF STATEMENT OF FINANCIAL POSITION

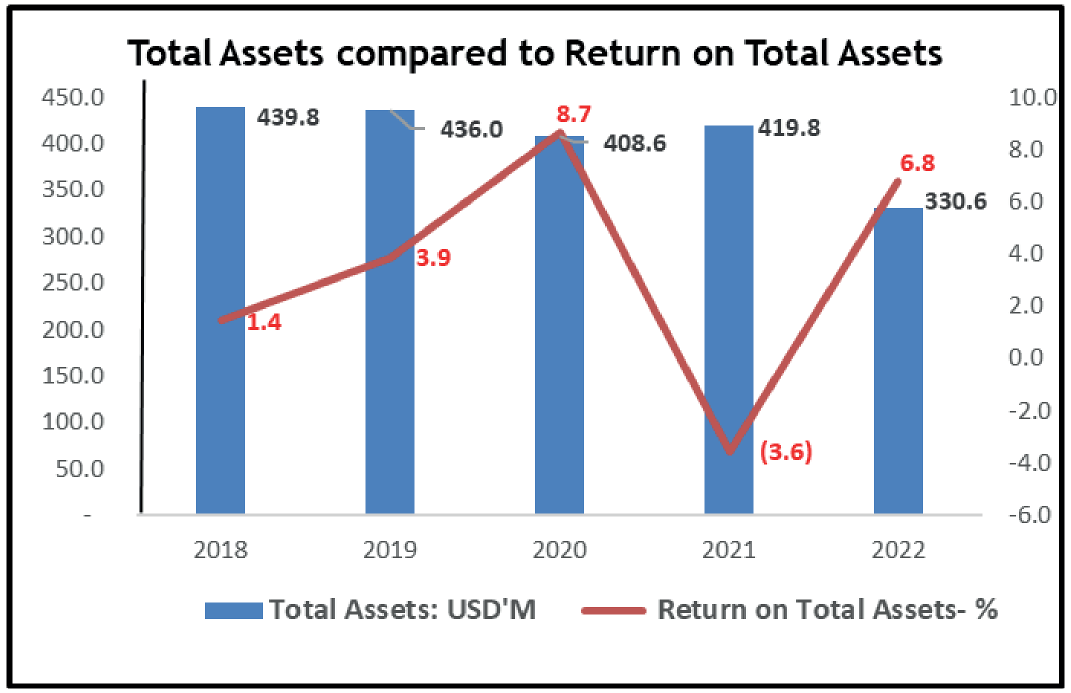
	THE GROUP USD'M				
	2022	2021	2020	2019	2018
NON-CURRENT ASSETS	179.9	325.2	348.5	357.8	372.9
CURRENT ASSETS	150.7	94.6	60.1	78.2	66.9
TOTAL ASSETS	330.6	419.8	408.6	436.0	439.8
TOTAL EQUITY	245.9	362.9	354.3	381.4	378.2
NON-CURRENT LIABILITIES	9.7	11.7	27.2	20.5	24.5
CURRENT LIABILITIES	75.0	45.2	27.1	34.1	37.1
TOTAL LIABILITIES	84.7	56.9	54.3	54.6	61.6
TOTAL EQUITY & LIABILITIES	330.6	419.8	408.6	436.0	439.8

HIGHLIGHT OF STATEMENT OF PROFIT OR LOSS

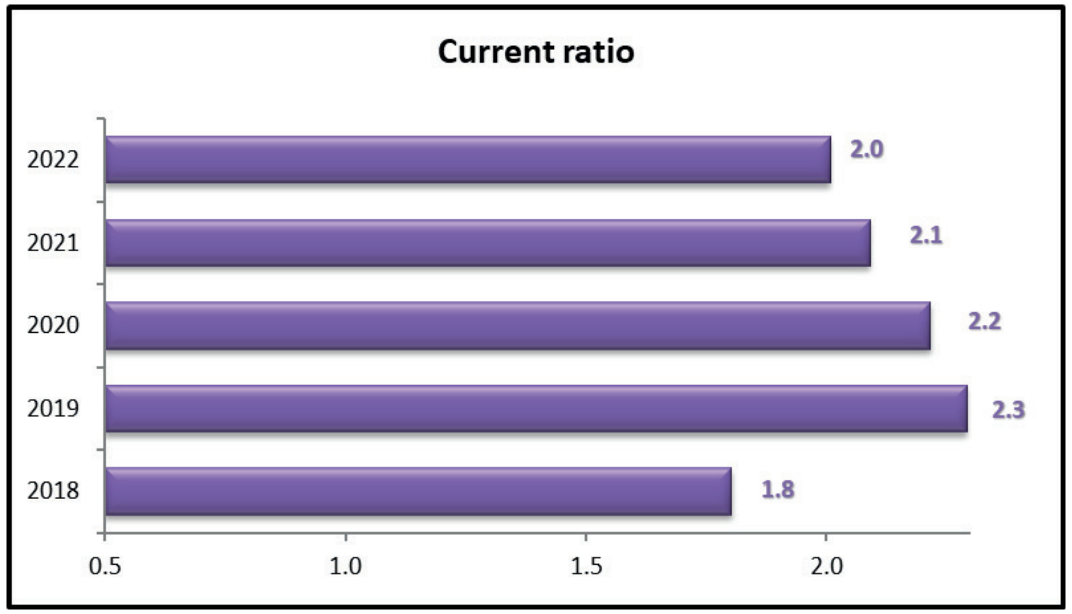
	THE GROUP USD'M				
	2022	2021	2020	2019	2018
REVENUE	485.3	308.0	262.4	382.2	397.1
GROSS PROFIT	23.4	8.3	15.5	25.0	17.8
PROFIT (LOSS) BEFORE TAXATION	25.0	(33.9)	59.2	19.6	11.6
TAXATION	(2.6)	22.1	(23.7)	(2.7)	(5.3)
PROFIT FOR THE YEAR	22.4	(11.8)	35.5	16.9	6.3

HIGHLIGHT OF STATEMENT OFSTATEMENT OF CASH FLOWS:

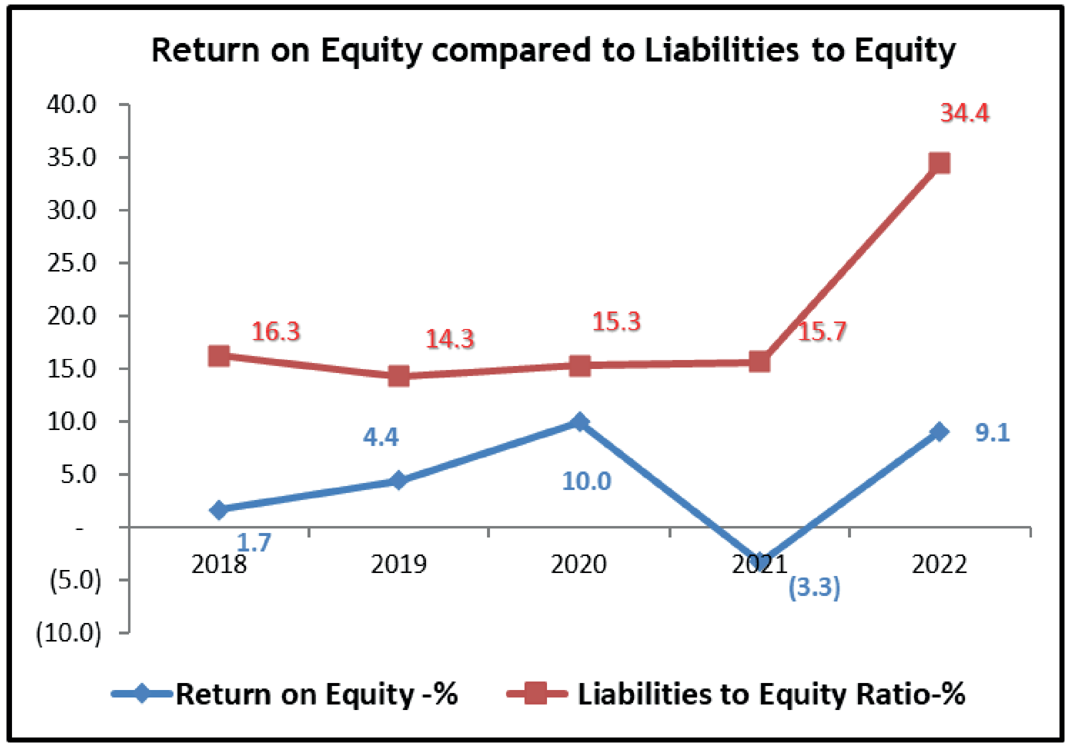
	THE GROUP USD'M				
	2022	2021	2020	2019	2018
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	56.5	(27.4)	81.9	40.9	13.5
NET CASH FLOW USED IN INVESTING ACTIVITIES	3.1	5.9	(5.9)	(9.7)	(4.4)
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	(17.2)	(16.5)	(10.5)	(14.1)	(10.6)
NET CHANGE	42.4	(38.0)	65.5	17.1	(1.5)
EXCHANGE DIFFERENCES	4.2	51.6	(67.0)	1.3	(1.6)
AT JANUARY 1	35.3	21.7	23.2	4.8	7.9
AT DECEMBER 31,	81.9	35.3	21.7	23.2	4.8



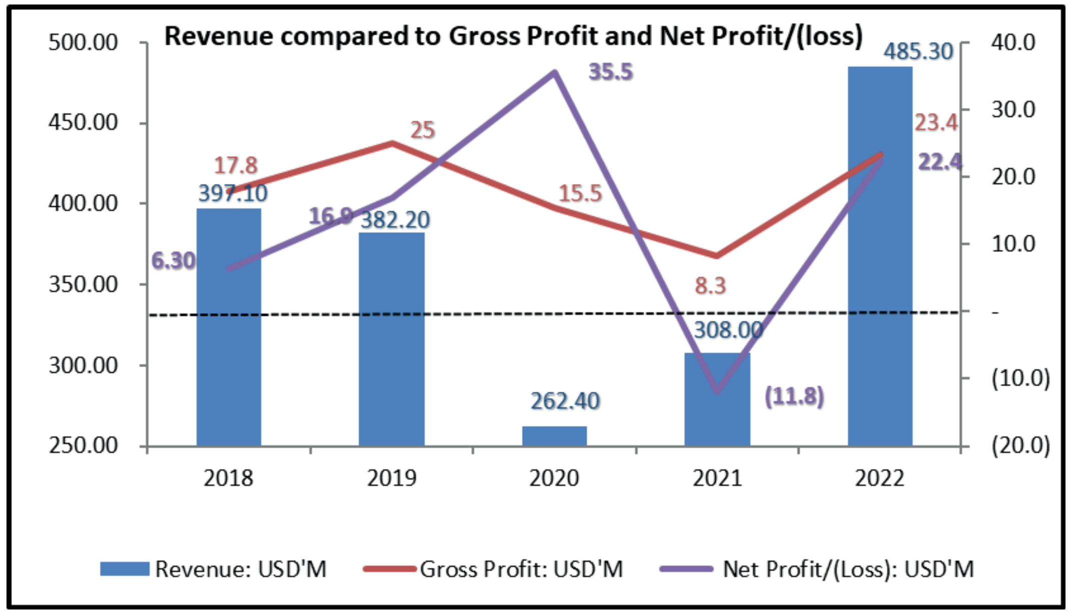
	2018	2019	2020	2021	2022
Total Assets: USD'M	439.8	436.0	408.6	419.8	330.6
Return on Total Assets- %	1.4	3.9	8.7	(3.6)	6.8



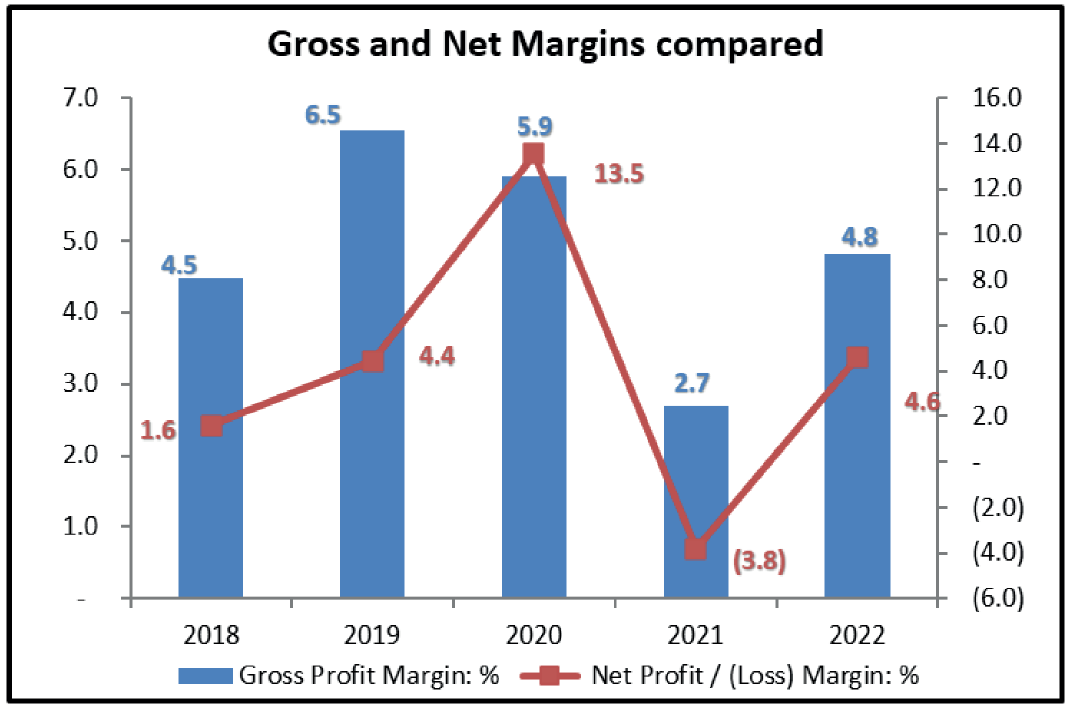
	2018	2019	2020	2021	2022
Current ratio	1.8	2.3	2.2	2.1	2.0



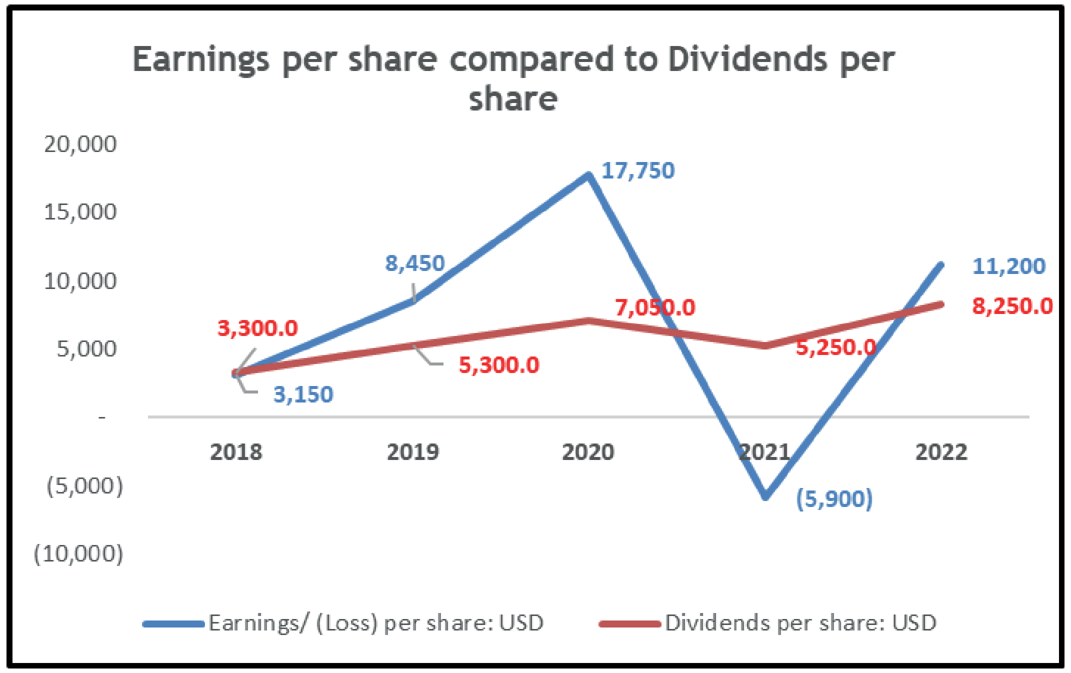
	2018	2019	2020	2021	2022
Return on Equity -%	1.7	4.4	10.0	(3.3)	9.1
Debt to Equity Ratio-%	16.3	14.3	15.3	15.7	34.4



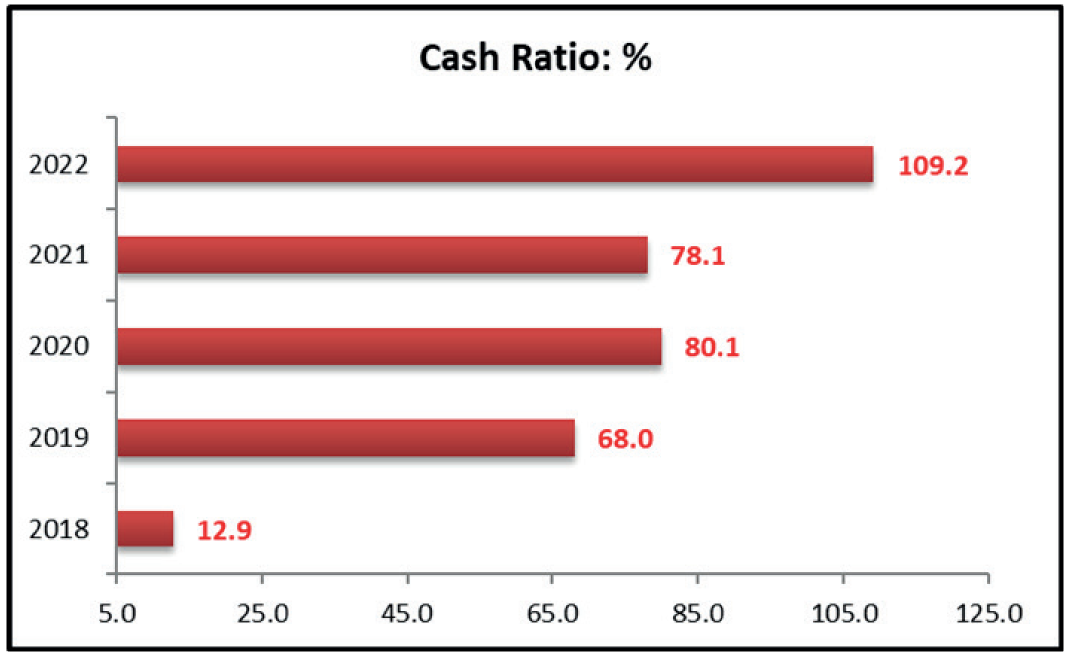
	2018	2019	2020	2021	2022
Revenue: USD'M	397.10	382.20	262.40	308.00	485.30
Gross Profit: USD'M	17.8	25	15.5	8.3	23.4
Net Profit: USD'M	**6.30**	**16.9**	35.5	(11.8)	22.4



	2018	2019	2020	2021	2022
Gross Profit Margin: %	4.5	6.5	5.9	2.7	4.8
Net (Loss) / Profit Margin: %	1.6	4.4	13.5	(3.8)	4.6



	2018	2019	2020	2021	2022
Earnings/ (Loss) per share: USD	3,150	8,450	17,750	(5,900)	11,200
Dividends per share: USD	3,300.0	5,300.0	7,050.0	5,250.0	8,250.0



	2018	2019	2020	2021	2022
Cash Ratio: %	12.9	68.0	80.1	78.1	109.2

GOOD GOVERNANCE

SEYPEC upholds the principles of strong corporate governance, recognizing its significance in fostering trust and building solid relationships with all stakeholders, including customers, shareholders, employees, suppliers, and the general public. Key elements such as independence, accountability, and transparency underpin this commitment.

The Board assumes responsibility for guiding the Group towards achieving its objectives, developing effective strategies and policies, and delivering desired results. In doing so, it acts in the best interests of the Group and its associated businesses. The Management, on the other hand, oversees the Group's overall affairs and implements policies directed by the Board. A crucial aspect of the Board's role is to ensure the existence of robust risk management and internal control systems within SEYPEC.

Adapting to the challenges posed by the unprecedented events of the global pandemic, SEYPEC has taken proactive measures to simplify and streamline its governance framework since 2021. This has allowed the company to respond effectively to the constraints and uncertainties arising from the prevailing circumstances.

The overarching governance principles at SEYPEC are guided by several key factors.

- having the appropriate balance of skills, experience, independence and knowledge of the Group and industry to discharge duties and responsibilities effectively.
- clarifying the conduct and accountability of management, its roles and responsibilities and ensuring the alignment of management's and shareholders' interests.
- adopting transparent arrangements for considering how to apply corporate reporting, risk management and internal control principles and maintaining an appropriate relationship with the Group's auditors.
- conducting corporate governance in a professional way without conflict of interest and free from any internal and external influence or pressure.

The Group places great importance on adopting transparent practices in corporate reporting, risk management, and internal control. By establishing clear arrangements to determine how these principles are applied, SEYPEC ensures a structured approach to corporate governance. Furthermore, the Group maintains a constructive relationship with its auditors, ensuring that the audit process is conducted in an appropriate and professional manner.

SEYPEC is committed to conducting its corporate governance affairs without conflicts of interest. It strives to operate independently, free from any internal or external influence or pressure. This commitment fosters an environment where decisions are made in the best interests of the Company and its stakeholders.

Looking ahead, SEYPEC remains dedicated to continuously enhancing its governance practices. By upholding these principles, the company aims to instil trust, promote ethical conduct, and drive sustainable growth.


R DIDON

RISK MANAGEMENT

SEYPEC recognizes the significance of aligning its risk management practices with its purpose, strategy, and the evolving global landscape. As a dynamic and responsible business dedicated to energizing communities, it places great emphasis on managing risks effectively. The approach is thorough and resilient, encompassing strong structures, up-to-date insights into its risk landscape, and robust processes. This ensures that the Group has a clear understanding of its risks and enables us to make informed decisions at the right time.

The risk governance structure of SEYPEC is designed to provide clear business ownership and oversight. The Board determines the level of risk tolerance and gives the Management the responsibility for handling these specific risks. This later offers risk advice, coordinates risk management activities, facilitates risk discussions, and conducts periodic reviews. By following this structure, the Group maintains a comprehensive and proactive approach to managing risks.

The risk management framework is structured around the classic three lines of defence: The first involves operational management directly assessing, controlling, and mitigating risks. The second is provided by compliance and enterprise risk management experts, who offer specialized expertise and internal controls. Finally, internal audit forms the third line of defense, providing independent assurance and evaluation.

As an energy Group operating in a dynamic environment, SEYPEC faces evolving risks. It addresses these with a robust and adaptable approach to risk and capital management. This enables Management to effectively navigate uncertainties and maintain resilience in an ever-changing landscape.

SEYPEC recognizes the growing importance of Environmental, Social, and Governance (ESG) topics in today's world. It is committed to embracing these changes and working collaboratively with its stakeholders to integrate these values into the core of the business. As a responsible company, SEYPEC understands its ethical and environmental responsibilities. In 2022, it intensified its efforts to collaborate with stakeholders, aiming to maximize sustainable social value while minimizing any adverse impacts on social and environmental matters arising from its activities.

Moving forward, SEYPEC will continue to foster a culture of risk management and governance excellence, working hand in hand with its stakeholders to build a better, more sustainable future. By embracing change, it reinforces its dedication to conducting business ethically, respecting the environment, and positively impacting society.


HYSTER

BUSINESS SEGMENTS

SEYPEC is responsible for crucial activities that ensure a steady supply of petroleum products to local users, ships, and aircraft. The Group also holds the exclusive role of being the sole supplier of LPG for the nation. With a commitment to excellence, SEYPEC has forged strong and reliable partnerships with residential, commercial, and wholesale customers. These enduring relationships form the backbone of the Group's operations, facilitating seamless distribution and sales of petroleum products.

SEYPEC's extensive sales network serves retail stations and outlets, catering for corporate consumers and the general public. The Group's primary objective is to deliver exceptional customer service and satisfaction while optimizing costs for its valued clientele. While ensuring a robust infrastructure, SEYPEC diligently maintains and continuously upgrades a network of storage tanks, pipelines, and other bulk transportation facilities across the country. This infrastructure backbone plays a vital role in maintaining a reliable supply chain, contributing to the nation's energy security.

Revenue & Income Sources

The Group derives its revenue (income in the ordinary course of business) from the following main sources:

- Domestic sales
- International sales (Marine Bunkering & Aviation Refuelling)
- Shipping activities

Domestic Sales

SEYPEC has a national mandate to supply gasoil, fuel oil, Motor gasoline, Jet A-1 and LPG to users in Seychelles. The main customers are: The Public Utilities Corporation (PUC), petrol stations, hotels, industries, and the Seychelles Public Transport Corporation (SPTC). For the year 2022, domestic sales represented 40% of total revenue.

International sales

Another significant part of the activities of SEYPEC is its international sales service for marine bunkering and aviation refuelling. In 2022, 48% of total sales revenue was generated by this activity.

Marine Bunkering

This segment consists of supplying of fuel to vessels operating in the Indian Ocean or transiting in the region. Seychelles Petroleum Company Limited has a relative competitive advantage in the region for traffic from the Far East to Africa and vice-versa. The strengths of the country and SEYPEC meet the convenience of the visiting vessels along these following considerations:

- Prime location in the Indian Ocean
- ISO 8217-2010 certified products (Gasoil and Fuel Oil are ISO 8217 and 2017 certified)
- Large storage facilities
- Safe and efficient bunkering management
- Highest quality service and expertise
- Competitive cost
- Nearly four decades of experience in the petroleum trade.

Aviation Refuelling

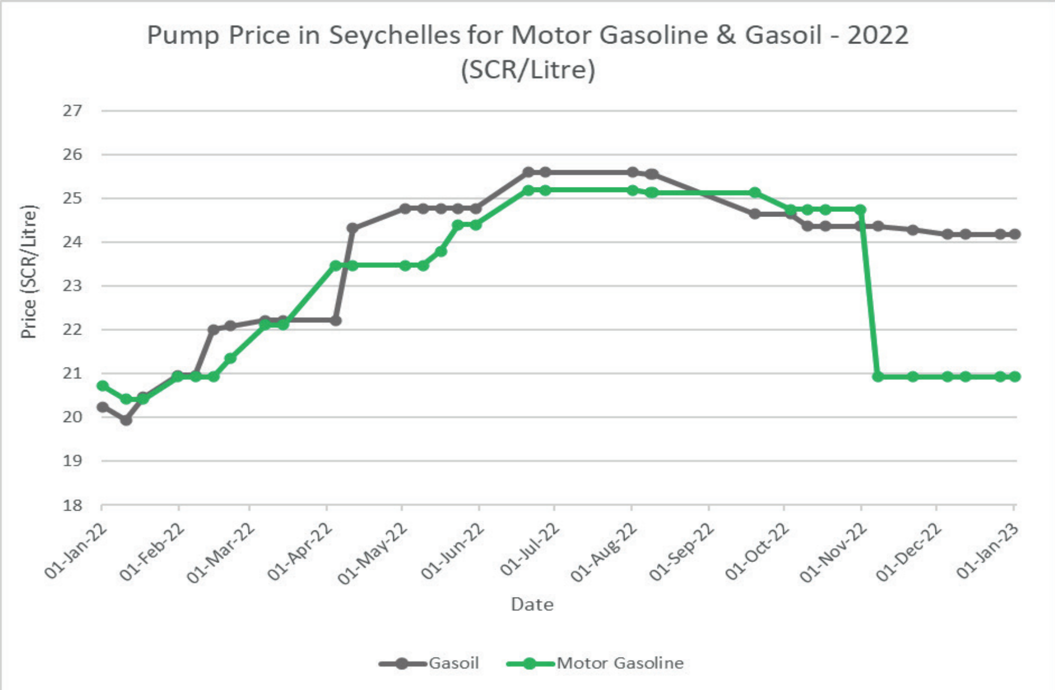
In 2022, SEYPEC refuelled JET A-1 to the following airlines: Emirates, Air Seychelles, Turkish Airlines, Ethiopian Airlines, Etihad Airways, Edelweiss Airways, Qatar Airways, Aeroflot, Condor, Air France, World Fuel Services, Sri Lankan Airline, Cargo Air Chartering, Kenya Airways, Air Austral.

Shipping Activities

At the start of the year under review, SEYPEC and its subsidiaries owned six double-hull tankers. The *Seychelles Pride* was sold in January 2022. The four larger remaining vessels were leased on either time or voyage charter for the international transportation and transhipment of petroleum and chemical products. The management of these four international tankers has been outsourced to German Tanker Shipping (GTS) since the beginning of 2014. The fifth tanker, *Seychelles Paradise* ensures shipment of energy products to the Praslin depot and for bunkering of foreign vessels that anchor at the Victoria Harbour. In general, during the year under review, shipping activities contributed 12% to the Company's total revenue for the year.


TECMER
SEYPEC
Fuelling Seychelles' Petroleum Needs Since 1985
STRALIS
400

PRICES AT THE PUMP



Throughout 2022, consumers experienced a challenging year at the fuel pumps as prices soared and volatility became the norm. The cost of filling up their tanks was marked by a steady upward trajectory, with significant price increases. At the beginning of the year, both Mogas and Gasoil prices started at around Rs 20 per litre. However, as the months unfolded, prices steadily climbed, reaching the Rs 24/25 range for Gasoil by April and for Mogas by May. These price hikes were substantial and departed from the usual pricing trends.

Gasoil prices remained consistently high from the second quarter onwards, persisting until the year's end. Mogas prices, on the other hand, experienced a period of elevated costs that spanned from April to October. However, relief came in November when prices took a notable downturn, returning to the Rs 20 mark. This lower price point remained relatively stable for the remainder of the year, providing some respite to consumers. Notably, the months of June and August saw the highest prices throughout the year. Fluctuations in global oil markets, supply and demand dynamics, and geopolitical factors all contributed to the price volatility experienced at the pumps.

In order to limit the increase in retail prices during that volatile year, SEYPEC took necessary steps and implemented all necessary policies. Stocks were effectively managed, import prices were continuously monitored, and distribution was carefully planned. Though unequal global growth picked up speed in 2022, it was mostly a year of dealing with great volatility. Throughout the course of the year, SEYPEC insisted on regularly informing the public about the changes in the prices through media releases. These clarified the economics underlying the intricate world of energy products as well as the justification for the national petroleum company's price-fixing choices in order to carry out its responsibility on behalf of the country.

GASOIL PRICES 2022	
Year average price	Rs 23.05
Increase from Jan to Dec 2022	Rs 03.94 (+19%)
Highest price	Rs 25.61 (June to August)

MOGAS PRICES 2022	
Year average price	Rs 22.77
Increase from Jan to Dec 2022	Rs 00.20 (+1%)
Highest price	Rs 25.20 (June to August)


MAERSK
MAERSK
NO SMOKING

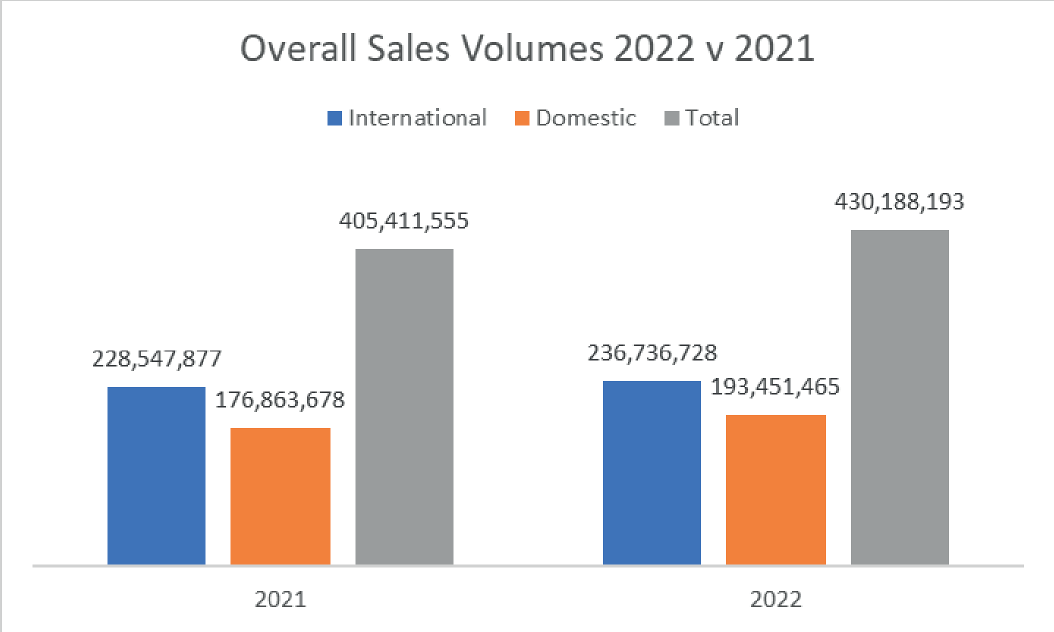
SALES

Overall Sales

Total volumes increased by 6% in 2022 (24,77 million litres) – this consists of a 4% increase in the international market and 9% in the domestic market. The domestic market was up by 16.58 million litres and the international market by 8,18 million litres in 2022.

Gasoil (1%) and Fuel Oil (1%) posted a relatively low increase in sales. On the other hand, three products experienced a higher volume growth for 2022 being Jet A-1 (55%), Mogas (14%) and LPG (10%).

Volume in Litres			
	2021	2022	%
International	228,547,877	236,736,728	4%
Domestic	176,863,678	193,451,465	9%
Total	**405,411,555**	**430,188,193**	**6%**
** Inclusive of LPG (Kg)*			

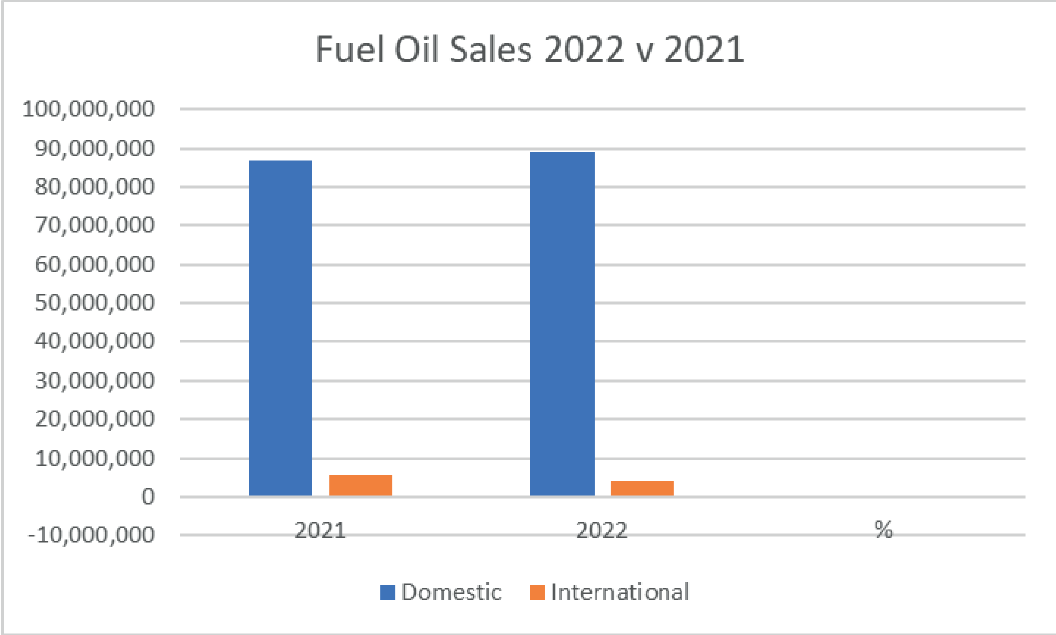


Fuel Oil

Fuel Oil volumes increased by 1% (0.85 million litres) in 2022. Domestic sales grew by 3% (2.29 million litres) which was mainly due to an increase in PUC consumption to the tune of 2.24m litres.

The international sector decreased by 26% (1.4 million litres). The usual Fuel Oil operated cruise ships had not been visiting Seychelles since the outbreak of Covid-19, with only 528K litres bunkered in December 2022.

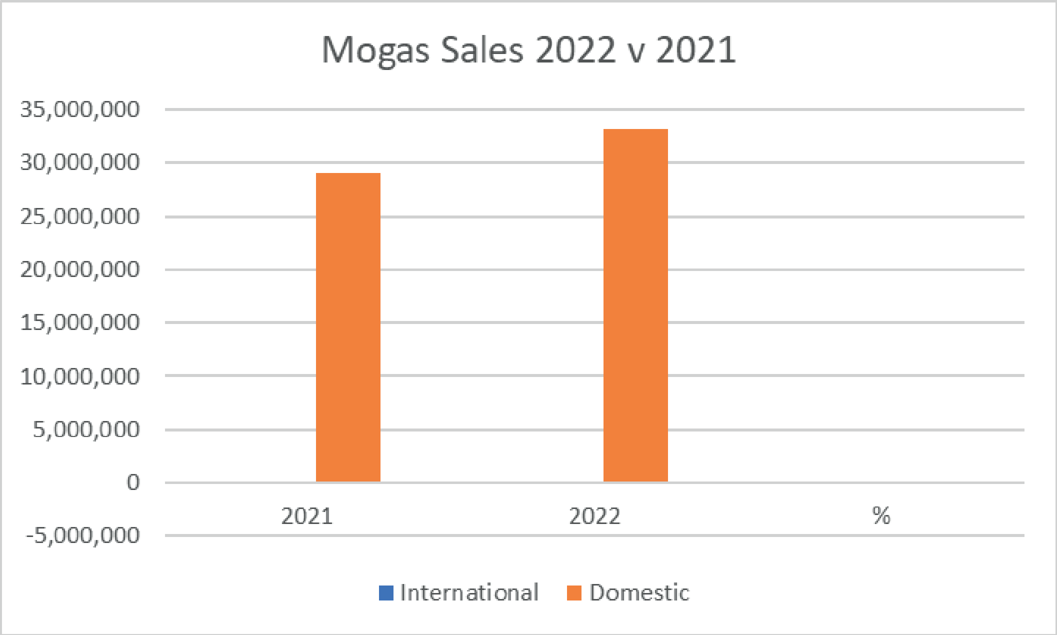
Fuel Oil			
Fuel Oil (Litres)	**2021**	**2022**	**%**
Domestic	86,722,500	89,013,833	3%
International	5,559,974	4,118,826	-26%
Total	**92,282,474**	**93,132,659**	**1%**



Motor Gasoline

Total Motor Gasoline volumes were up by 14% (4.14 million litres) in 2022. The average monthly volumes rose from 2.4 million litres in 2021 to 2.7 million litres in 2022. The Covid-19 related restrictions in the first quarter of 2021 were eased in the later months prompting a relaunch of consumption at domestic levels. The retailer segment, mainly the service stations, was the sole driver of the increase in the three last quarters of the year.

Motor Gasoline			
Motor Gasoline (Litres)	**2021**	**2022**	**%**
International	10,300	2,500	-76%
Domestic	29,136,845	33,294,178	14%
Total	**29,147,145**	**33,296,678**	**14%**



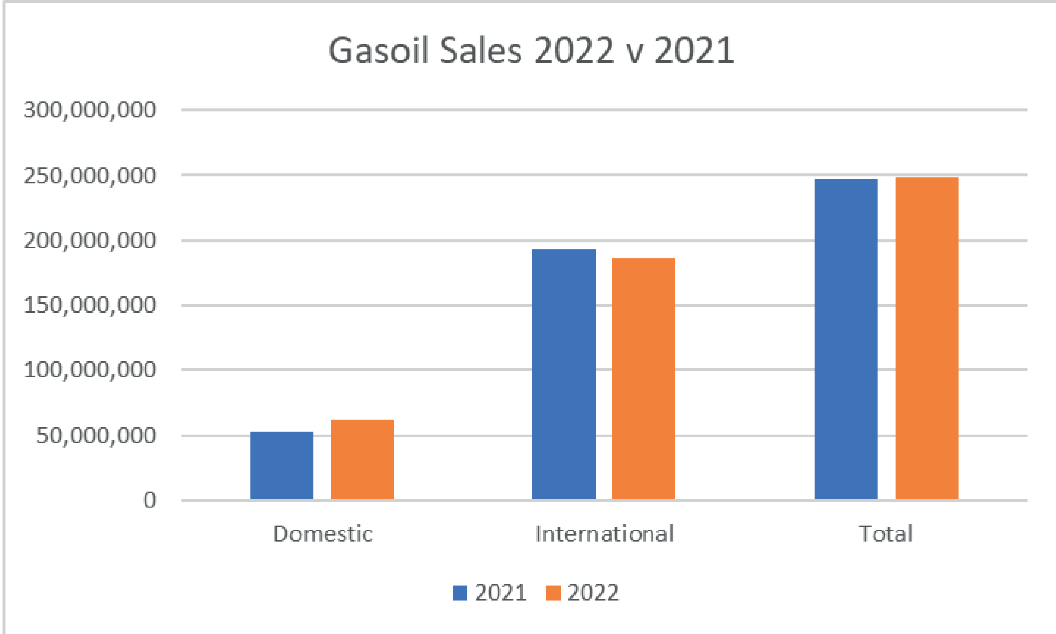
Gasoil

Total Gasoil sales were nearly the same as in 2021 with a slight increase of 1% (1.9 million litres) in 2022.

The domestic segment increased by 8.78 million litres with the Consumer market was up by 16% (3.86 million litres).

Total international volumes decreased by 4% (6.87 million litres). International bunkering volumes dropped by 4% (7.53 million litres) whereas the International Trade Zone (ITZ) companies increased their purchases by 26% (660,000 litres).

Gasoil			
Gasoil (Litres)	**2021**	**2022**	**%**
Domestic	53,260,426	62,040,816	16%
International	193,426,599	186,555,612	-4%
Total	**246,687,025**	**248,596,428**	**1%**

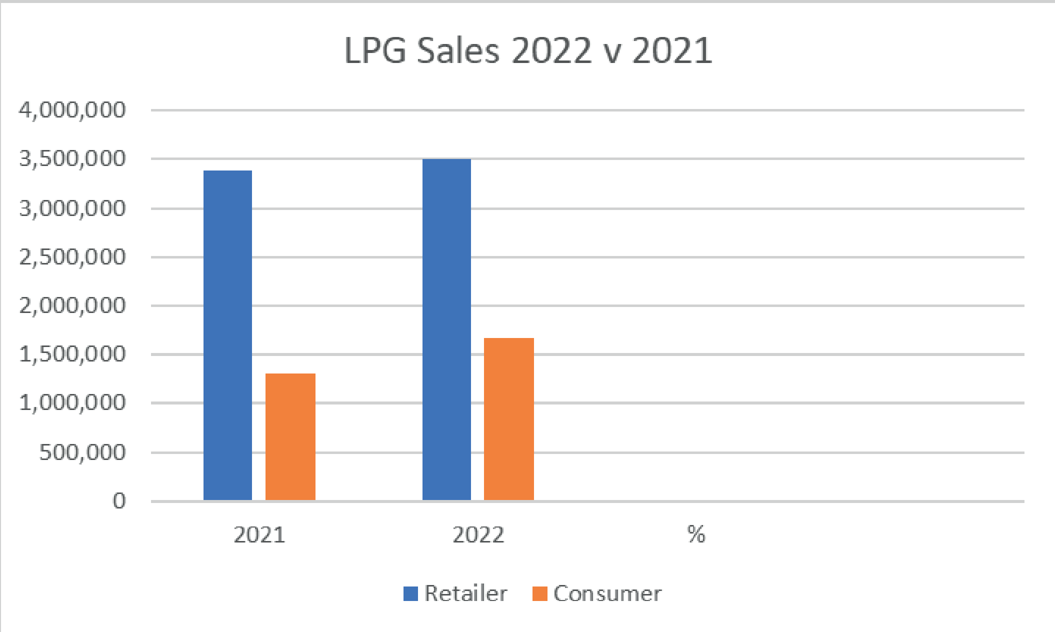


Liquefied Petroleum Gas (LPG)

Total LPG sales increased by 10% (490,159 kg) in 2022. Average monthly volumes increased from 390,787 kg in 2021 to 431,658 kg in 2022. Both the retail and corporate consumer sales posted higher figures during the year with 4% and 28% respectively. The post-Covid relaunch of the economic activities in hotels, catering establishments and other industries boosted the consumption in the corporate consumer sector by almost one third.

The retail sales went up by 121,800 kg whereas the corporate sales showed an increase of 368,653 kg during the year under review.

Liquefied Petroleum Gas			
LPG (Kg)	**2021**	**2022**	**%**
Retailer	3,388,963	3,510,763	4%
Consumer	1,300,486	1,669,139	28%
LPG (kg)	**4,689,449**	**5,179,902**	**10%**



JET A1

The Jet A-1 total sales during 2022 showed an increase of 55% (17.36 million litres)

The domestic figures went up by 38% (860,000 litres) whereas the international sales increased by 56% (16.50 million litres).

Improving global and local Covid-19 situation is the main driver of sales increases for the aviation sector.

Average domestic monthly volumes rose from 186,600 to 258,300 litres in 2022 and average international monthly volume rose form 2.46 million litres to 3.84 million litres in 2022.


SEYPEC
Seychelles Petroleum Company Limited
Beau Vallon
Petrol Station
OPENING HOURS
OUT

PLANT AND EQUIPMENT

Storage Facilities

Refurbishment of Gasoil Tanks 23 and 24 at Port Victoria Depot

To ensure the longevity of assets, a significant refurbishment was undertaken for Tanks 23 and 24 at Port Victoria Depot. After being in service for 22 years, the tanks' bottoms and initial shell strakes underwent meticulous sandblasting and were painted with a protective epi-coating. This essential treatment not only safeguards the integrity of the steel surfaces but also extends the lifespan of these critical assets, ensuring optimal storage conditions for gasoil.

Completion of Concrete Reinforcement Project for Bunds

To align with the latest industry standards, the final phase of the Port Victoria Depot upgrade involved reinforcing the interior floors of bunds for Tanks 16, 17, and 25. This comprehensive project, initiated in July 2022, reached its successful conclusion in mid-October of the same year. The application of a reinforced

concrete layer to the bund interior floors further enhances safety measures and reinforces compliance with regulatory requirements, fortifying the storage infrastructure to withstand future demands.

Distribution

Upgrading Water Deluge Rings for Fuel Tanks at Praslin Depot

The objective of this project was to replace the water spray rings on the four vertical storage tanks at Praslin Depot. These galvanized rings, tailored to the specific tank sizes, were ordered from a specialized company in Durban, South Africa, and successfully arrived in the Seychelles in November 2022. The installation and commissioning of the new water deluge rings are scheduled to take place in the first quarter of 2023, further enhancing the safety measures and operational efficiency of the fuel storage facilities on Praslin.

Fuel Storage and Delivery Facilities for Seychelles Defence Forces

In 2022, SEYPEC proactively responded to the needs of the Seychelles Defence Forces by undertaking the setup and financing of crucial fuel storage and delivery facilities. These facilities include:

1. a towable Jet A1 bowser with a capacity of 6,000 litres for the Seychelles Air Force
2. a double compartment tank with associated pipelines and infrastructure for the Coast Guard premises at Ile du Port, enabling the storage and dispensing of unleaded mogas and gasoil
3. a gasoil storage and delivery facilities for marine vessels on Assumption Island. The latter project involves the installation of two 40m3 storage tanks, along with loading and supply pipelines, pumps, filtration units, and necessary civil infrastructure.

Delivery of all installations will be completed in 2023.

Jet A1 Transfer Pipeline: Inspection and Condition Report

SEYPEC recently commissioned the expertise of *'Intero & Oleum Process & Pipeline Services,'* a specialist company based in the Netherlands, for the interior inspection of the underground Jet A1 transfer pipeline. Spanning 8.4 kilometres, this crucial pipeline connects the Port Victoria Depot to the Airport Depot via the East Coast Highway. Utilizing advanced ultrasonic intelligent technology, the inspection took place in June 2022, providing a comprehensive assessment of the pipeline's interior condition. Fortunately, no irregularities were detected during the inspection, affirming the robustness and integrity of the infrastructure. To ensure continuous maintenance, a subsequent inspection is planned a decade from now.

Upgrade of LPG Cylinder Filling Scale

The mechanical LPG cylinders filling scale at the Praslin Depot was replaced with a more efficient semi-automatic unit. This new scale enables the seamless filling of LPG cylinders ranging from 4.5 kg to 12 kg, ensuring smoother operations and improved productivity.

Renovation of Beau Vallon Petrol Station

The renovation of the Beau Vallon Petrol Station was successfully completed in April 2022. The extensive renovation project, initiated in the 3rd Quarter of 2021, involved the complete refurbishment of the forecourt, canopy, LPG cylinders storage shed, as well as sales, storage, and office building. Additionally, all mechanical and electrical installations were upgraded, further enhancing safety and efficiency at the station.

Transportation Equipment

Vehicle Replacements

In a strategic move to improve efficiency and maintain high standards, SEYPEC implemented several vehicle replacements in 2022. A brand-new forklift was acquired, replacing an aging 17-year-old model. The new fork lift is dedicated to the lubricant section, enabling efficient offloading of containers, such as drums and cartons, and organizing them on racks and shelves within the warehouse. It also plays a crucial role in loading and unloading trucks, facilitating the smooth transfer of lubricant products from the warehouse to the Distribution Centre for customer sales.

Furthermore, a minivan was purchased to support the electro mechanics team in maintaining mechanical and electrical equipment across various sites, including petrol stations and the Airport Depot. This reliable vehicle allows them to efficiently carry out their maintenance tasks at off-base locations.

In 2022, SEYPEC successfully received two significant additions to its transport fleet that were ordered in the previous year. A 10,000-liter tanker truck now enhances the Company's transportation capabilities, ensuring a reliable supply chain for petroleum products. Moreover, an aircraft refueler was acquired, bolstering SEYPEC's capacity to provide essential refuelling services to aircraft at the designated facilities.

IT

In the Information & Technology field, 2022 was a year full of business challenges, from the acceleration of digitisation and process automation multiple regulatory requirements, upgrading of hardware equipment, among others. This was also reflected in a high increase in requests for changes and upgrades to information systems and IT solutions. A new host server was commissioned for the upgrade (re-implementation) of the Industrial and Financial Systems, IFS 9 to 10. Visual communication tools were improved, IT security measures re-enforced, and office digital equipment replaced or increased in capacity.


SEYCHELLES PROGRESS
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SHIPPING

World Overview

The tanker market experienced a significant upswing in 2022, better than the earlier projections. The conflict in Ukraine, which started in February 2022, disrupted international trade, and created an unprecedented demand for carriers resulting in a sharp increase in the need for tankers. With Russia facing challenges in exporting oil and refined products due to the war and subsequent sanctions, there was a scarcity of these commodities in the global market. This scarcity drove up the demand for oil tankers.

Furthermore, the conflict caused changes in trade patterns as nations looked for substitute supplies for Russian oil and processed goods. Due to this interruption, the trade of oil became inefficient, and the need for tanker transportation surged dramatically and above pre-invasion forecasts. In this two-tiered market, Russian cargo-carrying vessels were in high demand..

Meanwhile, the global tanker fleet experienced slower growth in 2022 due to delays, higher costs, and reduced demand faced by shipyards during the Covid-19 pandemic. The imbalance between supply and demand was made worse by the lack of available tankers, which led to an increase in freight prices.

Despite concerns about inflation and monetary policy, the projected recovery in oil demand as travel and consumer goods consumption resumed, coupled with increased oil production in the Americas and the easing of OPEC+ production cuts, fueled increased demand for oil. This strong demand positively impacted all petroleum tankers. These factors combined to create a remarkable 'super cycle' in the tanker market, with clean tanker rates reaching unprecedented highs.

SEYPEC'S Tanker Fleet Performance

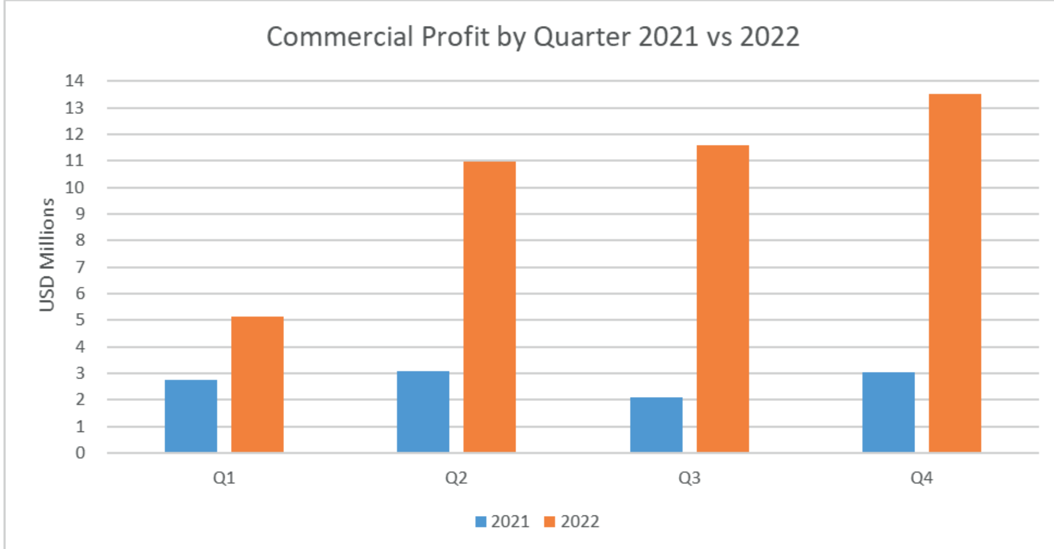
The tanker market's remarkable upswing in 2022 presented a favorable operating environment for SEYPEC's fleet. SEYPEC strategically capitalized on the market dynamics to optimize fleet utilization and maximize operational efficiency. Consequently, following a challenging 2021, the SEYPEC tanker fleet set its sights on a rebound in 2022. Mirroring the broader tanker market, the fleet benefited from the extraordinary "super cycle" and delivered exceptional results throughout the year. Occupancy rates soared to a remarkable 94%, marking a 4% increase compared to the previous year. The fleet's downtime was primarily attributed to scheduled dry dock maintenance, which was necessary for ensuring vessel reliability and safety.

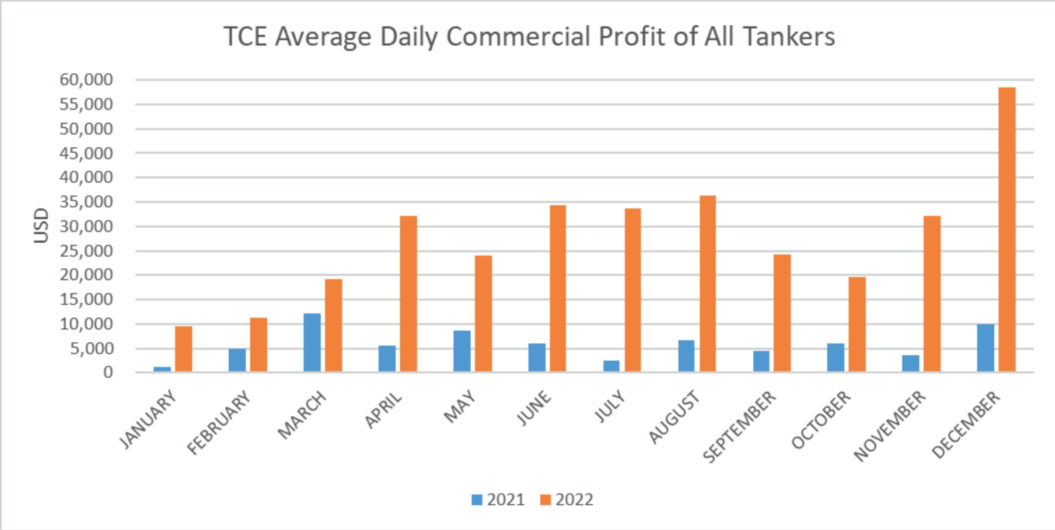
Revenue increased to USD 58.8 million, a stunning 65% increase over 2021. SEYPEC had also successfully hired out two vessels on 'time charter', excluding them from any commercial costs. Despite bunker prices being 70%–80% higher than in 2021, this strategic approach resulted in a noteworthy 29% reduction in costs.

By the conclusion of the year, the fleet had generated a gross commercial profit of USD 41.2 million as a result of the convergence of these elements. This amount equaled the biggest documented profit in the fleet's history and represented a 277% gain over the previous year.

Summary of Finances 2021

FLEET SUMMARY	2021	2022	DIFFERENTIAL YEAR-ON-YEAR	
FLEET OCCUPANCY	90%	94%	-	4%
	USD	USD	USD	%
REVENUE	35,557,373	58,820,027	23,262,684	65%
COMMERCIAL EXPENDITURE	24,632,054	17,597,735	(7,034,319)	-29%
GROSS COMMERCIAL PROFIT	10,925,319	41,222,322	30,297,003	277%





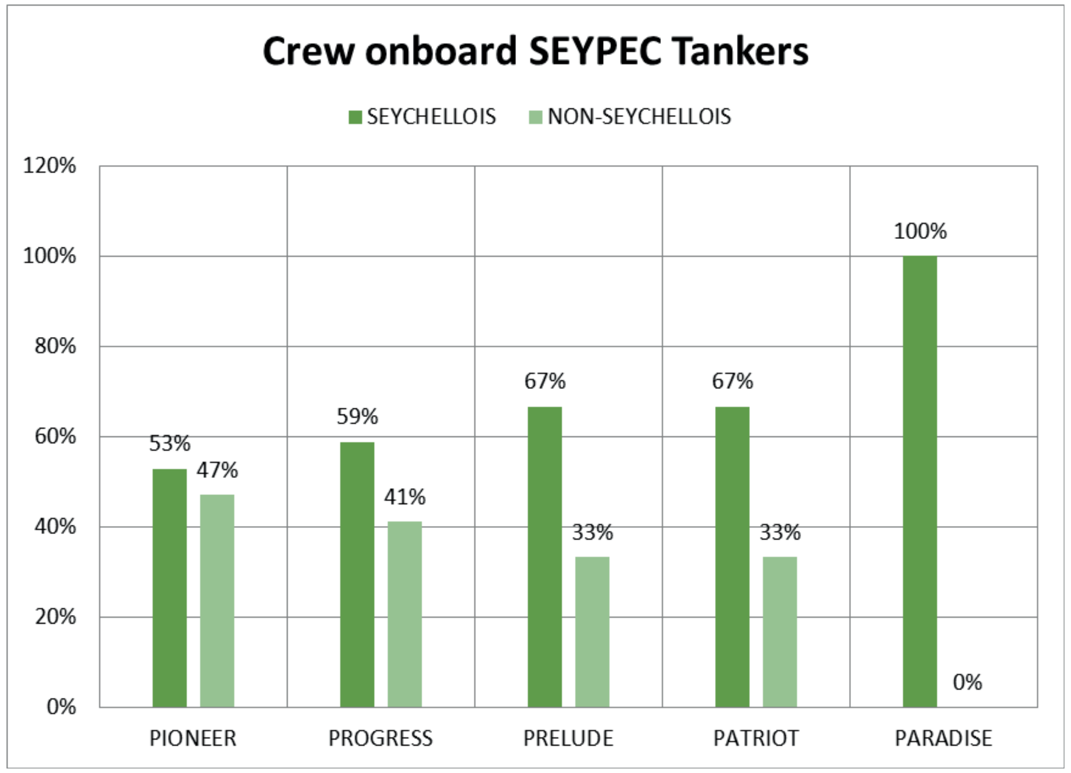
The Seychellois Fleet and Crew

At the end of 2022, the SEYPEC tanker fleet was employing 114 Seychellois seafarers including 6 Masters. 32 of the crew (16%) were on long term training. During that same year, the 8th Cohort of trainees was recruited. 13 trainees (10 Deck & 3 Engine) followed their Basic STCW courses at the Seychelles Maritime Academy (SMA) before pursuing with their first seagoing contract on a tanker.

In July 2022, the 10 Cadets continued with Phase 5 of their Nautical Cadetship training at the Colombo International Nautical and Engineering College (CINEC) in Sri Lanka. After the 12-month training, the Cadets will sit for their written exams at CINEC and would sit for their Oral exams the Seychelles Maritime Safety Authority, in Seychelles. Upon successful completion of same they will be issued with their Certificate of Competency (CoC) by SMSA to be eligible to sail as an Officer in charge of a Navigation Watch.

3 tankers went in drydocking during the year under review. The *Seychelles Paradise* sailed to Albwardy, UAE, where she underwent her 3rd intermediate survey and together with some extensive works. During the month of November *Seychelles Pioneer* docked at in Odense, Denmark for a Class Renewal and First CAP Survey. She was joined by the *Seychelles Prelude* during the same month for a Class Renewal CAP Survey.

VESSEL	PIONEER	PROGRESS	PRELUDE	PATRIOT	PARADISE	TOTAL AVERAGE
SEYCHELLOIS	53%	59%	67%	67%	100%	**69%**
NON-SEYCHELLOIS	47%	41%	33%	33%	0%	**31%**



HUMAN RESOURCE MANAGEMENT

SEYPEC understands that people are the key to its success and believes that collaboration between individuals representing a variety of age, genders, and cultures produces the finest results, The policy that promotes diversity and inclusion in the workplace is ongoing. To encourage employees to prioritize themselves and maintain a healthy work-life balance, the organization offers a variety of well-being and vitality projects. Recruiting, retaining, and growing a highly trained and motivated workforce is a crucial part of the human resource approach. Employees individualized and professional training to enhance their capabilities.

A revised appraisal system was put into place in 2022 to improve the evaluation procedure inside the Group. To obtain insightful opinions, numerous talks with staff members from various departments were held. To make the assessment process simpler, a new user-friendly and streamlined appraisal form was devised. A key focus of the new system is to encourage supervisors and managers to engage in meaningful discussions with their respective employees during the appraisal process. This effort strives to encourage open communication between employees and their supervisors in order to improve communication, understanding, and constructive criticism, ultimately fostering both personal and professional progress.

The Employee Wellness Office has spent the last year working to promote employees' wellbeing through a variety of activities. Both current employees and job candidates underwent thorough testing, allowing for the early identification of health and social issues. Additionally, counseling sessions and awareness campaigns were held with the goal of improving employee health generally

through information and support. The Ministry of Health's certified training attracted a lot of interest from staff members, demonstrating their dedication to personal care. Additionally, a number of welfare programs were put into place, including an expanded birthday gift voucher, free basic eye tests, and a discounted mobile and internet data package plan.

In 2022, the training policy was fully aligned with the commercial strategy with a direct connection to the most significant issues employees face in their day-to-day workplaces. These included topics related to safety, the growth of soft skills, and technical specifications for certain jobs. Trainings were given by local organizations, by sending employees abroad, or by inviting international instructors to Seychelles to conduct classes. The development programmes also stressed on critical subjects such as compliance and safety to more specialist professional, technical and leadership development initiatives.


JET FUEL
MAX PRESSURE
50 P.S.I. 3.5 BARS
MAX SUCTION
11 P.S.I. 0.8 BAR
JET A-1
SEYPEC
Seychelles Petroleum Company Limited
Fuelling Seychelles'
Petroleum Needs Since 1985
JET A1

HEALTH, SAFETY, SECURITY & ENVIRONMENT

In 2022, SEYPEC remained steadfast in its commitment to upholding the Integrated Management Policy, ensuring a safe and healthy work environment for its employees. The Group's dedication to maintaining and improving HSSE (Health, Safety, Security & Environment) standards permeates every level of the organization and involves close collaboration with partners and suppliers.

During the first quarter of the year, SEYPEC successfully navigated the post-Covid-19 transition to resume normal operations. A comprehensive review of standard operating procedures was initiated early on, assessing the control measures implemented during the pandemic restrictions. Regular reminders were sent to all workplaces, stressing the importance of adhering to hygiene protocols and encouraging staff members to remain vigilant as the Covid-19 virus persisted.

Training

Recognizing the significance of HSSE training in cultivating a strong safety culture, SEYPEC implemented a robust training program in 2022. Despite the challenges posed by the pandemic, regular training sessions were conducted at all levels. A total of 66 safety training sessions were organized throughout the year, featuring a refreshed curriculum designed to effectively engage employees and stakeholders. The curriculum encompasses both mandatory modules and self-learning opportunities, leveraging digital, classroom, and on-the-job training methods.

LPG Stockist Inspections

In line with its commitment to safety, SEYPEC conducted 24 inspections of LPG stockists, some of which were carried out jointly with the Seychelles Fire and Rescue Services Authority. Follow-up inspections were conducted to assess the suitability of sites for storing LPG cylinders and to monitor compliance with firefighting measures.

Service Stations Inspections

Scheduled service station inspections were diligently conducted, revealing significant improvements. The introduction of subcontractors on-site for maintenance works contributed to the resolution of identified issues. The inspections of petrol stations on Praslin and La Digue were carried out by the Praslin Depot Manager.

SEYPEC's unwavering focus on health, safety, security, and the environment underscores its commitment to ensuring the well-being of its workforce and maintaining high standards across its operations. By prioritizing HSSE training, conducting thorough inspections, and implementing necessary measures, SEYPEC continues to promote a culture of safety and environmental responsibility in its operations.

Cleaner Energy

In a bold move towards a greener future, SEYPEC has embarked on an innovative program to harness solar power for electricity generation. The installation of a state-of-the-art photovoltaic system (PV System) on the workshops' roof and new vehicle shed marks a significant milestone in the company's commitment to clean, renewable energy. Blessed with an abundance of sunshine, Seychelles provides the perfect setting for tapping into this sustainable resource.

The PV systems were successfully commissioned in mid-January, and their impact is already being felt. By harnessing the power of the sun, SEYPEC has not only managed to reduce its electricity bill but also significantly shrink its carbon footprint. The investment of SCR 1.8 million in the installation of 283 solar panels on the two roof spaces is proving worthwhile, with a projected return on investment within just three years.

Anticipated average savings of 50% on the Group's electricity bill translate into annual savings exceeding half a million rupees. Simultaneously, SEYPEC's commitment to cleaner energy is making a tangible difference, as the carbon footprint is expected to be reduced by a remarkable 96 tons annually. Unlike traditional energy sources, solar panels operate without consuming water or releasing harmful gases into the environment. Furthermore, Seychelles enjoys an abundant and free supply of solar energy, making it a sustainable and cost-effective solution for SEYPEC.


SEYCHELLES PROGRESS

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2022

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) Transhipment 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 Northen 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.

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 currecny 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:

<u>Seychelles Petroleum Company Limited</u>

Appointed effective August 15, 2022

Jennifer Morel (Chairperson)	Tony P. Imaduwa
Brian Commettant	Nichol Elizabeth
Patrick Joseph	Marie-May Jeremie
Muhammad D. Saley	Marc D. Hoareau
Yannick Vel	

Resigned effective May 24, 2022

Suketu Patel

Resigned effective August 15, 2022

Selwyn Gendron (Chairperson)
Veronique Laporte
Michael Nalletamby
Yannick Vel

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

<u>Subsidiaries</u>

i) Seychelles Patriot Limited
(iv) Seychelles Prelude Limited
(ii) Seychelles Pioneer Limited
(iii) Seychelles Progress Limited

F Racombo
U Romain
R Hoareau
S Romain

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

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

BOARD APPROVAL

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

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.

BDO

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.

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 perfomance of the group audit. We remain soley 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.

BDO

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.

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

BDO

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
ASSETS					
Non-current assets					
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
		179,929,979	325,213,438	200,324,924	348,799,564
Current assets					
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
		150,658,660	89,955,414	150,658,660	89,955,414
Non-current asset held for sale	12	-	4,610,484	-	4,610,484
		150,658,660	94,565,898	150,658,660	94,565,898
Total assets		330,588,639	419,779,336	350,983,584	443,365,462
EQUITY AND LIABILITIES					
Capital and reserves					
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
		245,908,101	362,884,567	266,316,775	386,484,159
LIABILITIES					
Non-current liabilities					
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
		9,693,332	11,731,727	9,693,332	11,731,727
Current liabilities					
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
		74,987,206	45,163,042	74,973,477	45,149,576
Total liabilities		84,680,538	56,894,769	84,666,809	56,881,303
Total equity and liabilities		330,588,639	419,779,336	350,983,584	443,365,462

The notes on pages 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

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 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

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 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

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

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

The notes on pages 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

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

THE GROUP

		Attributable to owners of the parent				Non-	
	Note	Share Capital	Other Reserves	Retained Earnings	Total	Controlling Interest	Total Equity
		USD	USD	USD	USD	USD	USD
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		-	(31,216,997)	22,396,643	(8,820,354)	-	(8,820,354)
Effect of change in functional currency		(5,295,834)	-	(85,685,278)	(90,981,112)	-	(90,981,112)
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

THE COMPANY

	Note	Share Capital	Other Reserves	Retained Earnings	Total
		USD	USD	USD	USD
At January 1, 2022		8,595,053	253,563,886	124,325,220	386,484,159
Total comprehensive income for the year		-	(29,774,199)	20,639,642	(9,134,557)
Effect of change in functional currency		(5,295,834)	-	(88,561,993)	(93,857,827)
Dividends	29	-	-	(17,175,000)	(17,175,000)
At December 31, 2022		3,299,219	223,789,687	39,227,869	266,316,775
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 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
Cash flows generated from operations					
Cash generated from / (used in) operations	27(a)	61,489,458	(17,094,075)	55,329,580	(23,118,757)
Finance income	23	9,430	289,552	9,430	289,552
		61,498,888	(16,804,523)	55,339,010	(22,829,205)
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)
Net cash generated / (used in) from operating activities		56,483,454	(27,409,993)	50,323,576	(33,434,675)
Cash flows from investing activities					
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)
Net cash generated from investing activities		3,075,025	5,951,829	3,075,025	5,951,829
Cash flows from financing activities					
Dividends and Net cash used in financing activities	29(a)	(17,175,000)	(16,496,097)	(17,175,000)	(16,496,097)
Net increase / (decrease) in cash and cash cash equivalents		42,383,479	(37,954,261)	36,223,601	(43,978,943)
Movement in cash and cash equivalents					
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
At December 31,	27(b)	81,900,518	35,384,870	81,900,518	35,384,870

The notes on pages 114 to 157 form an integral part of these financial statements.
Independent Auditor's Report on pages 104 to 106.

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

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 transhipment 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.

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.

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.

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:

	Years
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.

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.

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.

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 measurer 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 negligable.

(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 reclassifed directly to Retained Earnings and is not reclassified to Statements of Profit and Loss.

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

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

Definition of default

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

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

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

Write-off policy

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

Derecognition of a financial asset

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

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

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

(c) Offsetting financial instruments

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

(h) Deferred tax

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

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

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

(i) **Inventories**

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

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

(j) **Employee benefits**

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

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.

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:

	2022 USD	2021 USD
1 Seychelles Rupee	0.0687	0.0660
1 Euro	1.0643	1.1316

(l) Impairment of non financial assets

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

(m) Revenue recognition

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

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

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

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

Other revenues

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).

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 usethe 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 fromits 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.

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.

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
	111,715,282	59,347,918

(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	Between 1 & 2 years	Between 2 & 5 years	Total
	USD'000	USD'000	USD'000	USD'000
At December 31, 2022				
Gross lease liabilities	214	433	11,757	12,404
Trade and other payables	74,984	-	-	74,984
At December 31, 2021				
Gross lease liabilities	217	433	12,055	12,705
Trade and other payables	45,160	-	-	45,160

THE COMPANY

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

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
- 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.

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.

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.

(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.

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	Cost	Cost	Valuation	Cost	Cost	
COST OR VALUATION	USD	USD	USD	USD	USD	USD	USD	USD
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)
At December 31, 2021	10,071,590	201,314,279	1,714,760	36,724,157	279,615,879	6,648,295	2,630,522	538,719,482
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)	-
At December 31, 2022	10,577,948	181,607,105	1,559,444	20,596,635	178,992,498	5,181,621	1,604,237	400,119,488
ACCUMULATED DEPRECIATION								
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)
At December 31, 2021	2,674,185	134,554,519	1,228,320	13,579,021	59,891,439	5,270,411	-	217,197,895
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)
At December 31, 2022	2,558,443	134,260,959	1,005,527	6,777,751	75,214,449	4,115,842	-	223,932,971
NET BOOK VALUE								
At December 31, 2022	8,019,505	47,346,146	553,917	13,818,884	103,778,049	1,065,779	1,604,237	176,186,517
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

(b) THE COMPANY

	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	
	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION								
At January 1, 2021	10,071,590	44,914,132	1,673,686	34,379,787	279,615,879	5,897,145	1,905,865	378,458,084
Additions	-	659	84,944	478,470	-	794,195	2,590,557	3,948,825
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)
Transfers to / (from)	-	-	-	1,865,900	-	-	(1,865,900)	-
Transfer to assets held for sale	-	(20,642,963)	-	-	-	-	-	(20,642,963)
At December 31, 2021	10,071,590	24,271,828	1,714,760	36,724,157	279,615,879	6,648,295	2,630,522	361,677,031
Additions	-	-	204,571	2,041,539	-	350,368	-	2,596,478
Disposals	-	-	(12,926)	(71,942)	-	(87,493)	-	(172,361)
Profit / (Loss) on revaluation (notes 14(a) & 14(b))	3,415,987	-	-	-	(11,250,296)	-	-	(7,834,309)
Effect of change in functional currency	(2,909,629)	(9,177,979)	(346,961)	(18,673,968)	(89,373,085)	(1,729,549)	(449,436)	(122,660,607)
Transfers to / (from)	-	-	-	576,849	-	-	(576,849)	-
At December 31, 2022	10,577,948	15,093,849	1,559,444	20,019,786	178,992,498	5,181,621	2,181,086	233,606,232
ACCUMULATED DEPRECIATION								
At January 1, 2021	2,282,546	19,988,295	1,212,321	12,566,506	49,890,696	4,891,505	-	90,831,869
Charge for the year	391,639	922,551	59,869	1,012,515	10,000,743	421,951	-	12,809,268
Disposal adjustment	-	-	(43,870)	-	-	(43,045)	-	(86,915)
Transfer to assets held for sale	-	(16,032,479)	-	-	-	-	-	(16,032,479)
At December 31, 2021	2,674,185	4,878,367	1,228,320	13,579,021	59,891,439	5,270,411	-	87,521,743
Charge for the year	361,463	603,744	79,422	1,511,247	16,280,453	436,947	-	19,273,276
Disposal adjustment	-	-	(12,926)	(71,830)	-	(87,493)	-	(172,249)
Effect of change in functional currency	(477,205)	2,362,270	(289,289)	(8,240,687)	(957,443)	(1,504,023)	-	(9,106,377)
At December 31, 2022	2,558,443	7,844,381	1,005,527	6,777,751	75,214,449	4,115,842	-	97,516,393
NET BOOK VALUE								
At December 31, 2022	8,019,505	7,249,468	553,917	13,242,035	103,778,049	1,065,779	2,181,086	136,089,839
At December 31, 2021	7,397,405	19,393,461	486,440	23,145,136	219,724,440	1,377,884	2,630,522	274,155,287

(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
	23,675,890	17,802,778	19,273,276	12,809,268

(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 hierachy.

(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	20,209,932	19,582,841	2,665,472	2,866,535

6. LEASES

(a) Right-of-use assets

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

(b) Lease liabilities

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

(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

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

	THE GROUP AND THE COMPANY 2022 USD	2021 USD
AMORTISATION		
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
NET BOOK VALUE		
At December 31,	1,526,402	1,371,724

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2022 USD	2021 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

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	534	497	354	373

December 31, 2021

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

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	-	-	-	-

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	-	-	-	-

(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.

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
	34,412,868	19,371,038

(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)
	28,501,127	23,638,760
Prepayments	4,475,076	10,597,633
Others	1,313,637	320,116
Tax receivable (note 18)	55,434	642,997
	34,345,274	35,199,506

(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.

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				
	0-30 days	31-60 days	61-90 days	>90 days	Total
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				
	0-30 days	31-60 days	61-90 days	>90 days	Total
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 egross 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

(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.

13. SHARE CAPITAL

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

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
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	(52,288,153)	306,817,885	(575)	254,529,157
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	(477,527)	223,793,859	(4,172)	223,312,160

(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)
Deacrease in fair value and reversal of reserve	-	-	(4,172)	(4,172)
At December 31, 2022	-	223,793,859	(4,172)	223,789,687

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
	5,182,488	7,669,013

(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,	5,182,488	7,669,013
Credit for the year is analysed as follows:		
Statement of Profit or Loss (note 18(b))	(2,486,525)	(28,026,657)

(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	(1,566,081)	(10,637,800)	(974)	(12,204,855)
(Credit) / Charge for the year	(30,699)	10,637,800	(36,658)	10,570,443
At December 31, 2022	(1,596,780)	-	(37,632)	(1,634,412)

(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 2022	2021	THE COMPANY 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

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

	THE GROUP 2022	2021	THE COMPANY 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
	74,984,007	45,160,101	74,970,278	45,146,635

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,	(55,434)	(642,997)
Disclosed under:		
Trade and other receivables (note 11)	(55,434)	(642,997)

(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)	2,572,964	(22,123,082)

(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 2022	2021	THE COMPANY 2022	2021
	USD	USD	USD	USD
Profit / (Loss) before taxation	24,969,607	(33,915,627)	23,212,606	(34,947,960)
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
	5,059,489	5,903,575	5,059,489	5,903,575

(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
	485,282,121	308,000,403

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)	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
Total expenses	474,904,287	310,665,043	476,516,102	311,697,376

(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
	474,904,287	310,665,043	476,516,102	311,697,376

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
	11,753,056	7,925,023	11,607,870	7,925,023

22. OTHER LOSSES - NET

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

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)
Net finance income	(212,411)	60,415	(212,411)	60,415

24. PROFIT / (LOSS) FOR THE YEAR

Profit / (Loss) is arrived at after:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Crediting:				
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
and Charging:				
Depreciation charge on property plant and equipment (note 5)	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

(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	-
	119,754	103,025

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
	5,497,560	3,947,451

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	1,681	1,447

27. NOTES TO THE CASH FLOW STATEMENTS

(a) *Cash generated from operations*

	Notes	THE GROUP 2022 USD	THE GROUP 2021 USD	THE COMPANY 2022 USD	THE COMPANY 2021 USD
Profit / (Loss) before taxation	Page 5	24,969,607	(33,915,627)	23,212,606	(34,947,960)
Adjustments for:					
Depreciation on property, plant and equipment	5	23,675,890	17,964,940	19,273,276	12,971,430
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)
Changes in working capital					
- 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
Cash generated from / (used in) operations		61,489,458	(17,094,075)	55,329,580	(23,118,757)

(b) *Cash and cash equivalents*

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

28. RELATED PARTY TRANSACTIONS

THE GROUP	Other related corporations 2022 USD'000	Other related corporations 2021 USD'000	Directors 2022 USD'000	Directors 2021 USD'000
Amount due to	43	43	-	-
Amount due from	595	5,369	-	-
Remuneration	-	-	342	274
Purchases of products and services	1,349	770	-	-
Sales	76,896	57,319	-	-

THE COMPANY	Subsidiary companies 2022 USD'000	Subsidiary companies 2021 USD'000	Other related corporations 2022 USD'000	Other related corporations 2021 USD'000	Directors 2022 USD'000	Directors 2021 USD'000
Amount due to	-	-	43	43	-	-
Amount due from	60,487	70,938	595	5,369	-	-
Investment in	5	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.

(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
	341,996	274,157

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	19,296	99,760	129,107	104,678	101,355
Capital & reserves					
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	245,908	362,884	354,301	381,577	378,254

(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	39,228	124,326	153,647	130,060	128,455
Capital & reserves					
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	266,317	386,484	380,702	406,773	405,351

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