



Values your trust

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of incorporation and domicile	Seychelles
Nature of business and principal activities	Import & distribution
Directors	Intiaz Umarji Gerard Adam Jamshed Pardiwalla Astride Tamatave Ashnik Hassan
Registered office	P.O. Box 364 Latanier House Latanier Road Mahe Seychelles
Postal address	P.O. Box 364 Victoria Mahe Seychelles
Shareholder	Government of Seychelles
Bankers	Nouvobanq ABSA Bank (Seychelles) Limited MCB (Seychelles) Limited Bank of Baroda Seychelles Commercial Bank Bank of Ceylon
Auditors	Pool & Patel Chartered Accountants Registered Auditors
Company Secretary	Dorina Matombe

SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2021

Directors' Report

The directors present herewith their report and audited financial statements of Seychelles Trading Company Limited ("the company") for the year ended 31 December 2021.

Principal activities

The principal activities of the company comprise importation, storage and distribution of essential commodities so as to ensure their continuous provision on the local market at most competitive prices. These activities remain unchanged as compared to the prior financial years.

Results	2021	2020
Profit/(Loss) before tax	10,641,144	(8,192,909)
Tax expense	(8,191,875)	(2,405,309)
Profit/(loss) for the year	2,449,269	(10,598,218)
Retained earnings brought forward	195,720,661	206,318,879
Retained earnings carried forward	198,169,930	195,720,661

The directors did not propose payment of a dividend for the current year (2020: Nil)

Consolidated accounts

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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.

	% HOLDING
Bois De Rose Investment Limited	100%

The Group sought permission from the Company Registrar, as per section 143 (2) of the Companies Ordinance, 1972, not to consolidate the financial statements as the directors consider that these would not materially affect the financial position of Seychelles Trading Company Limited and would cause additional expenses and unnecessary delays in the production of the consolidated accounts, therefore, the financial statements do not reflect the results of the above subsidiary.

Property, plant and equipment

Major changes to fixed assets during the year relates to the capitalisation of warehouse and office space on Eve Island Praslin costing R 8,415,957 and additions to plant and machinery totalling R 3,262,961. During the year the company closed down four of its Supermarkets resulting in the total disposal of assets amounting to R 7,357,448.

The carrying amounts of property, plant and equipment are reviewed to determine whether they are in excess of their market or recoverable amount at balance sheet date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount.

Directors and their interests in the company

The directors of the company during the year and their interest in accordance with the register maintained under Section 111 of the Companies Act 1972, were as follows:-

		SHARES HELD	
		1 January	31 December
Imtiaz Umarji	(appointed effective February 1, 2021)	-	-
Guy Morel	(term ended on February 1, 2021)	-	-
Gerard Adam		-	-
Ashnik Hassan		-	-
Jamshed Pardiwalla	(appointed effective February 1, 2021)	-	-
Astride Tamatave	(appointed effective February 1, 2021)	-	-
Farida Camille	(term ended on February 1, 2021)	-	-
Oliver Bastienne	(term ended on February 1, 2021)	-	-

No contract of significance subsisted with the company at any time during the year in which the directors had directly or indirectly, a material interest.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Directors' Report

Statement of board of directors responsibilities

The board of directors is required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:-

- prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the board of directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. The board also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The board of directors consider they have met their responsibilities as set out in the Companies Act 1972.

The financial statement are signed by the current directors of the company.

Going concern

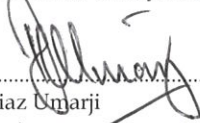
The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

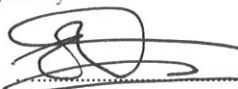
Auditors


The retiring auditors are Pool & Patel who are eligible for re-appointment.

Directors

The annual financial statements set out on pages 7 to 30, which have been prepared on the going concern basis, were approved by the board on 18/11/2022 and were signed by:


.....
Imtiaz Umarji
Director


.....
Gerard Adam
Director


.....
Jamshed Pardiwalla
Director


.....
Astride Tamatave
Director


.....
Ashik Hassan
Director

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements
Opinion

We have audited the accompanying financial statements of Seychelles Trading Company Limited "the Company" set out on pages 7 to 30, which comprise the statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and a five-year financial summary.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the, financial reporting provisions of International Financial Reporting Standards "IFRS's"; Seychelles companies Act 1972.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles. 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.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of our financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<i>IT systems and control over financial reporting</i>	
The Key Audit Matter	How the Matter was addressed in our audit
<p>The Company's IT systems are not integrated with its financial accounting and reporting process and are highly dependent on manual inputs which could result in the financial accounting and reporting records being materially misstated.</p> <p>These issues have been identified across all the IT systems from stock management systems, sales, trade & other receivables where schedules have been prepared manually on excel spread sheets.</p> <p>Due to the impact of financial reporting and accounting of transactions, our audit approach could significantly differ depending on the effective operation of the Company's IT controls, and as a result we have considered this to be a key audit matter.</p>	<p>Our audit procedures included, among other:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design effectiveness of key controls implemented by Management over generation of multiple system reports and collation of required information underpinning the significant amounts in the financial statements. • Examining Management's reconciliations between source systems and the general ledgers through to the spreadsheet workings, including substantiation of the source system balances. • Test-checking of source data with those on related system. • We assess the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements (cont...)

Responsibilities of Management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of IFRS's and Seychelles Companies Act, 1972, and for such internal control as the management determine is 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 Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 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.

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements (cont...)

Auditor's responsibilities for the audit of the financial statements (cont...)

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

Report on other legal regulatory requirements

Seychelles Companies Act, 1972

The Seychelles Companies Act 1972 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that we have obtained all the information and explanations necessary for the performance of our audit, and in our opinion,

- (i) proper books of accounting have been kept by the Company based on our examination of those records; and
- (ii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.

Public Enterprise Monitoring Commission Act, 2013

We confirm that we have obtained all the information and explanations necessary for the performance of our audit, and are satisfied with the information received.

Pool & Patel
POOL & PATEL
CHARTERED ACCOUNTANTS

Date: 18/11/22

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

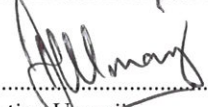
Statement of financial position

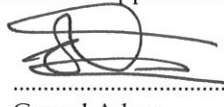
Financial statements are prepared in Seychelles Rupees

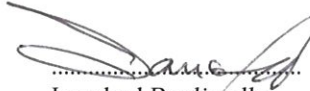
	Note	As at 31 December	
		2021	2020
Assets			
Property, plant and equipment	3	76,065,633	79,046,785
Intangible assets	4	102,602	98,692
Right-of-use assets	5	10,096,519	9,307,706
Investment in subsidiary - BDRIL	6	53,072,471	-
Investments - others	7	25,000	25,000
Non-current assets		139,362,226	88,478,183
Inventories	8	247,837,094	236,678,993
Trade and other receivables	9	15,416,658	16,340,975
Current tax asset	10	719,695	4,356,430
Cash and cash equivalent	11	49,596,837	76,364,661
Current assets		313,570,284	333,741,060
Total assets		452,932,510	422,219,243
Equity & Liabilities			
Lease liability	13	9,779,284	1,519,592
Deferred tax liabilities	10	5,463,456	1,441,789
Employee benefit obligations	14	25,970,585	23,126,587
Non-current liabilities		41,213,325	26,087,968
Borrowings	12	5,000,000	5,000,000
Lease liability	13	515,033	5,163,235
Trade and other payables	15	62,742,014	98,027,640
Current liabilities		68,257,047	108,190,876
Share capital	16	10,000	10,000
Contributed Capital	17	145,282,208	92,209,737
Retained earnings		198,169,930	195,720,661
Equity		343,462,138	287,940,398
Total liabilities and equity		452,932,510	422,219,242


The notes on pages 12 to 30 are an integral part of these financial statements.

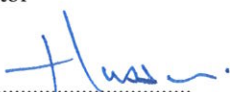
The annual financial statements have been approved by the board on the and were signed by:


.....
Imtiaz Umarji
Director


.....
Gerard Adam
Director


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Jamshed Pardiwalla
Director


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Astride Tamatave
Director


.....
Ashuk Hassan
Director

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Statement of Profit or Loss and Other Comprehensive Income

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 December	
		2021	2020
Revenue	18	990,786,228	1,011,782,106
Cost of sales	19	(804,502,479)	(805,013,474)
Gross profit		186,283,748	206,768,632
Other income	20	6,131,676	35,335,103
Provision for credit impairment		(615,604)	(515,130)
Bank charges & commissions		(6,467,854)	(6,118,327)
Cleaning expenses		(2,347,905)	(5,780,017)
Communication, printing & stationery		(4,357,261)	(4,507,570)
Depreciation & amortisation		(15,343,961)	(30,352,642)
Licenses & insurance		(1,873,758)	(2,361,537)
Other administrative expenses	21	(8,624,993)	(15,263,007)
Rental expenses		(11,069,313)	(1,703,920)
Repairs and maintenance		(9,385,342)	(7,442,039)
Staff costs	22	(111,471,850)	(122,051,057)
Transport, travelling & fuel expenses		(6,474,467)	(7,293,049)
Utilities		(27,541,468)	(26,591,698)
Operating (loss) / profit		(13,158,351)	12,123,743
Net finance income/(costs)	23	23,799,495	(20,316,652)
Profit/(loss) before tax		10,641,144	(8,192,909)
Tax expense	10	(8,191,875)	(2,405,309)
Profit/(loss) for the year		2,449,269	(10,598,218)

The notes on pages 12 to 30 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Statement of changes in equity

Financial statements are prepared in Seychelles Rupees

	Share capital	Contributed Capital	Retained earnings	Total
At 1 January 2020	10,000	92,209,737	206,318,879	298,538,616
Loss for the year	-	-	(10,598,218)	(10,598,218)
Dividends paid during the year	-	-	-	-
At 31 December 2020	10,000	92,209,737	195,720,661	287,940,398
Profit for the year	-	-	2,449,269	2,449,269
Addition for the year	-	53,072,471	-	53,072,471
Dividends paid during the year	-	-	-	-
At 31 December 2021	10,000	145,282,208	198,169,930	343,462,138

The notes on pages 12 to 30 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2021

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	Year ended 31 December	
		2021	2020
Cash flows from operating activities			
Profit/(loss) before income tax		10,641,144	(8,192,909)
Adjustments for:			
Depreciation of property, plant and equipment	3	9,614,054	11,452,615
Amortisation of intangible assets	4	71,865	68,076
Depreciation of right-of-use assets	5	6,040,645	18,869,212
Provision for employee benefit obligations	14	5,966,395	6,345,381
Net finance income/(costs)	23	(23,799,495)	20,316,652
Loan principal and interest waived off	12	-	(5,476,544)
Provision for credit impairment	9	615,604	515,130
Re-measurement of leases	13	3,289,654	(2,028,235)
Loss/(profit) on disposal of property, plant and equipment	20	1,584,328	(194,609)
		14,024,194	41,674,769
Changes in working capital			
(Increase)/Decrease in inventories		(11,773,709)	(65,312,415)
(Increase)/Decrease in trade and other receivables		924,318	255,704
(Decrease)/Increase in trade and other payables		(35,285,626)	25,368,237
Cash (used in)/ generated from operations		(32,110,824)	1,986,295
Tax paid	10	(533,472)	(8,205,549)
Employee benefit obligations paid	14	(3,122,397)	(2,620,697)
Net cash (used in)/ generated from operating activities		(35,766,692)	(8,839,951)
Cash flows from investing activities			
Additions to property, plant and equipment	3	(9,102,150)	(9,968,101)
Additions to intangible assets	4	(75,775)	(13,426)
Proceeds from disposal of property, plant and equipment		884,920	194,609
Interest received	23	217,691	2,286,861
Net cash (used in)/ generated from investing activities		(8,075,314)	(7,500,057)
Cash flow from financing activities			
Interest paid	23	(489)	-
Lease payments	13	(7,619,126)	(24,752,194)
Net cash generated from/(used in) financing activities		(7,619,615)	(24,752,194)
Net change in cash and cash equivalents		(51,461,621)	(41,092,202)
Movement in cash and cash equivalents			
As at January 1,		76,364,661	137,031,742
Net change in cash and cash equivalents		(51,461,621)	(41,092,202)
Net foreign exchange difference	22	24,693,797	(19,574,879)
As at December 31	11	49,596,837	76,364,661

The notes on pages 12 to 30 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Five year financial summary

Financial statements are prepared in Seychelles Rupees '000

	2021	2020	2019	2018	2017
Statement of financial position					
Share capital					
Authorised	10	10	10	10	10
Issued and Fully paid	10	10	10	10	10
Contributed capital	145,282	92,210	92,210	92,210	92,210
Retained earnings	198,170	195,721	206,319	182,661	168,196
Net assets employed	343,462	287,941	298,539	274,881	260,416
Statement of income					
Turnover	990,786	1,011,782	1,137,622	1,089,287	1,096,903
Profit/(loss) before taxation	10,641	(8,193)	37,948	31,844	23,589
Exceptional items	-	-	-	(4,574)	-
Taxation	(8,192)	(2,405)	(14,290)	(12,805)	(9,840)
	2,449	(10,598)	23,658	14,465	13,749
Retained earnings - 1 January	195,721	206,319	182,661	168,196	154,447
Retained earnings - 31 December	198,170	195,721	206,319	182,661	168,196

The notes on pages 12 to 30 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

Seychelles Trading Company Limited (STCL) is a limited liability company, incorporated and domiciled in the Republic of Seychelles. It commenced its activities on 1 March 2008, after taking over some of the activities and assets of the Seychelles Marketing Board. The Government of Seychelles is the ultimate owner of the Company. The address of the company's registered office is at Latanier Road, Victoria, Seychelles which is also its principal place of business.

The principal activities of the company comprise importation, storage and distribution of essential commodities so as to ensure their continuous provision on the local market at most competitive prices.

The financial statements of the company will be submitted for consideration and approval at the forthcoming Annual General Meeting of the company.

2 Summary of significant accounting policies

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

2.1 Basis of presentation

The financial statements have been prepared in accordance with the requirements of the Seychelles Companies Act, 1972, the International Financial Reporting Standard (IFRS) issued by International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Standards Interpretations Committee. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.17. (Significant accounting judgements and estimates.) The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

New standards, amendments and interpretation adopted by the company

The following amendments to the International Accounting Standards that are relevant for the preparation of the financial statements have been adopted by the company for the first time with effect from financial year beginning on 1 January 2021.

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- IFRS 16 amendment - Covid-19-Related Rent Concessions.

New standards and amendments issued but not yet effective

- IAS 1 amendments on classification of liabilities as current or non-current.
- IFRS 17 - Insurance contracts and amendments to insurance contracts.
- Amendments to IAS 16 - Proceeds before intended use.
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 37- Onerous contracts.
- Amendment to IFRS 3 updating a reference to the Conceptual Framework.
- Definition of Accounting Estimates - Amendments to IAS 8
- 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

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.2 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest of levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.3 Financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade receivables
- Equity instruments
- Cash and cash equivalents
- Trade payables
- Loans and borrowings

Financial assets

Financial assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired and contractual terms of cashflows.

Fair value through profit or loss (FVTPL)

This category comprises only in-the-money derivatives. The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Fair value through other comprehensive income (FVOCI)

These assets arise from strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. The company holds no such investments.

Amortised cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial liabilities which require payments of contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method. The company's cash and cash equivalents, trade receivables, other current assets (excluding prepaid expenses and advances), and due from related parties are classified as financial assets at amortised cost.

The financial asset is derecognized when the rights to receive cashflows has expired or rights the asset have been transferred and the company has transferred all the risks and rewards of ownership .

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services (performed in the ordinary course of business) less provision as per the expected credit loss model. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Equity instruments

Unlisted investments in subsidiaries or associates are carried at cost or the investments underlying value, if lower. On disposal gains or losses are included in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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2.3 *Financial instruments (cont.)*

Financial liabilities

Financial liabilities are recognized at amortised cost, namely original debt less principal payments and amortisations. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognized when the obligation under the liability are discharged, cancelled or expired.

Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Other liabilities are stated at original debt less principal repayments and amortizations.

Loans and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortised costs using effective interest rate method.

Borrowings are classified as non-current liabilities if the borrowings are only repayable on the availability of net cash flows of the company and such availability is not anticipated for at least 12 months after the reporting date.

2.4 *Financial risk management*

The company's activities expose it to risks that arise from its use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them.

The Directors have overall responsibility for the determination of the risk management objectives and policies that seek to reduce risk as far as possible without unduly affecting the competitiveness and flexibility and, whilst retaining ultimate responsibility, it delegates the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the finance function.

The company's risk management policies are established to identify and analyse the risks faced by the company, focusing the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities and its role in the Republic of Seychelles. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales and cash resources. It is company's policy to seek advance payments and to assess the credit risk of new customers before entering into contracts or providing services. Cash deposits are held with banks with high credit ratings,

Impairment and uncollectibility of financial assets

Impairment of financial assets are estimated based on an 'expected credit loss' (ECL) model. The impairment model applies to financials assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The company considers past events, current and future conditions that can affect recoverability of cash flows when assessing ECL.

Whilst cash and cash equivalents are subject to impairment due to risk of changes in fair values, the identified impairment loss is considered immaterial.

The company considers the demographics of the company's customer base, including the type of customer, which consists of government institutions, other business enterprises, and staffs.

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2.4 Financial risk management (cont.)

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

On that basis, the loss allowance for 31 December 2021 and 2020 for trade and other receivables was determined as follows,

Trade & other receivables	<30 days	30-60 days	60-90 days	90-180 days	180-360 days	>360 days	Total
31 December 2021	8,367,393	1,663,848	274,820	244,677	174,874	7,568,401	18,294,013
31 December 2020	8,136,385	1,388,949	254,105	346,390	677,250	6,674,859	17,477,938
Loss allowance							
31 December 2021	76,404	32,464	11,405	51,170	49,270	5,216,398	5,437,111
31 December 2020	74,983	24,487	10,395	66,333	306,460	4,338,851	4,821,508
Expected loss rate							
31 December 2021	0.9%	2.0%	4.1%	20.9%	28.2%	68.9%	29.7%
31 December 2020	0.9%	1.8%	4.1%	19.1%	45.3%	65.0%	27.6%

Market risks

Foreign currency risk

The company is exposed to currency risk arising from commercial transactions, assets and liabilities are denominated in foreign currency. The company imports goods from foreign countries and is exposed to foreign exchange risk arising from various currency exposures. The foreign currencies in which the set transactions primarily denominated are United State Dollars (USD) and Euro (EUR). The company aims to aggregate a net position for each currency so that natural hedging can be achieved.

The currency profile of assets and liabilities denominated and foreign currency are as follows:

At 31 December 2021	In SCR '000					Total
	SCR	USD	Euro	ZAR	Others	
Assets						
Property, plant and equipment	76,066	-	-	-	-	76,066
Intangible assets	103	-	-	-	-	103
Right-of-use assets	10,097	-	-	-	-	10,097
Investments	25	-	-	-	-	25
Inventories	247,837	-	-	-	-	247,837
Trade and other receivables	15,417	-	-	-	-	15,417
Current tax asset	720	-	-	-	-	720
Cash and cash equivalents	41,645	5,105	2,758	-	89	49,597
	391,908	5,105	2,758	-	89	399,860
Liabilities						
Borrowings	5,000	-	-	-	-	5,000
Lease liability	10,294	-	-	-	-	10,294
Deferred tax liabilities	5,463	-	-	-	-	5,463
Employee benefit obligations	25,971	-	-	-	-	25,971
Trade and other payables	39,989	14,317	5,694	1,888	855	62,743
	86,717	14,317	5,694	1,888	855	109,471
Net balance sheet position	305,191	(9,212)	(2,936)	(1,888)	(766)	290,389

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2.4 Financial risk management (cont.)

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The company's interest risk would arise from long term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

Other price risk

The company is not exposed to other price risks such as commodity price risk, prepayment risk, and residual value risk.

Liquidity risk

Liquidity risk arises from the management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company identifies this risk through periodic liquidity gap analysis and maturity profile of assets and liabilities, and when necessary by keeping committed credit lines available.

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

	In SCR '000			
	Less than 12 months	1 - 5 years	After 5 years	Total
At 31 December 2021				
Borrowings	5,000	-	-	5,000
Lease liabilities	1,596	3,481	5,218	10,295
Trade and other payables	62,742	-	-	62,742
	69,338	3,481	5,218	78,037
At 31 December 2020				
Borrowings	5,000	-	-	5,000
Lease liabilities	2,752	319	3,534	6,605
Trade and other payables	98,028	-	-	98,028
	105,780	319	3,534	109,633

2.5 Capital risk management

The company's policy is to maintain a strong capital base so as to provide sufficient liquidity to the business, maintain creditor and market confidence and to sustain future development of the business. The company's main objectives when managing capital are;

- to maintain flexibility to pursue strategic development opportunities and ensure adequate liquidity to withstand weakening economic conditions; and
- to maintain an appropriate balance between debt financing vis-à-vis capital as measured by gearing ratio.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, return capital, issue new shares or sell assets to reduce debt.

The company manages gearing on the basis of gearing ratio,

	2021	2020
Borrowings	5,000,000	5,000,000
Net debt	5,000,000	5,000,000
Total equity	343,462,138	287,940,398
Gearing ratio	1.46%	1.74%

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2.6 Foreign currency

Functional and presentation currency

The financial statements are presented in the Seychelles Rupee (SCR), which is the reporting currency under the Companies Act, 1972.

Foreign currency translation

Foreign currency transactions are translated in the Seychelles Rupee at the rate of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or costs". All other exchange gains and losses are presented in within "sundry income or expenses".

The Bank mid-rates for the period were:

Currency	Exchange rates at 31 December			Changes in percent (SCR)	
	2021	2020	2019	2021-2020	2020-2019
SCR/US\$	14.69	17.58	14.00	16%	-26%
SCR/Euro	16.51	20.21	15.73	18%	-28%

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the company. The carrying amount of the replaced part is derecognized. All repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

	Years
Buildings	25
Plant and machinery	10
Office equipment	5
Computer equipment	5
Furniture and fixtures	10
Motor Vehicle	4
Freehold land and construction work in progress are not depreciated	

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income" in the statement of income.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income taxes.

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2.8 Intangible assets

Purchased software is recognised as an intangible asset and amortised over its expected useful life (3 - 5 years).

The assets residual values and amortisation methods are reviewed, impaired and adjusted prospectively, if there is an indication or a significant change since the last reporting date. The amortisation expense is recognized in the income statement within "Depreciation and amortisation".

2.9 Right-of-use assets and lease liability

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

2.9 Right-of-use assets and lease liability (cont.)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases

The company has elected not to recognise right of use assets and lease liabilities for short term leases. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.10 Provisions

Provisions are recognised, where the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The company recognizes a provision for onerous contracts when the expected benefit to be derived from a contract are less than the unavoidable costs of meeting the obligation under the contract.

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2.11 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment plan under which the company pays fixed contribution to the Seychelles Pension Fund and the company has no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees.

Defined benefit plans

Employment Amendment Act (1999) requires employees to be compensated upon retirement or resignation provided the employee has completed 5 years of continuous service. Provision for length of service is reviewed at the end of each financial year based on current wage of existing employees at the end of the financial year.

2.12 Dividends

Dividends are recognised as a liability in the period in which it is declared.

2.13 Contingent liability

A contingent liability is either a possible obligation whose existence will only be confirmed in the future, or a present obligation that is not recognised as either it is not probable, or the amount cannot be measured reliably. Contingent liabilities are not recognised but are disclosed, unless the possibility of an outflow of economic resources is remote.

2.14 Revenue recognition

The company operates in the wholesale and retail industry. The revenue is recognised based on the identified performance obligation. The transaction price is determined taking into account variable consideration. The transaction price is allocated to performance obligations and recognises the revenue either over the time of the contract or point in time upon analysis of each sale of goods in all divisions. Revenue is recognised at a point in time when the company satisfies performance obligation by transferring promised goods to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligation and reports these amounts as advances from customers in trade and other payables in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises a receivable in its statement of financial position, where only the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of goods is transferred to the customer, usually on delivery of the goods. Sales are measured at the fair value of consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Value added taxes).

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Rental income

Rental income from operating leases on renting out of premises is recognised in profit or loss on a straight line basis over the term of the agreement. Rental income is recognised as other income.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the asset.

Other income

Other income is recognised on the accrual basis. Net gains and losses on the disposal of property, plant and equipment and in other non-current assets including investments, are accounted for in the statement of profit or loss, after deducting from proceeds on disposals, the carrying amount of the assets and related selling expenses. Breakage income arising from loyalty points not redeemed is accounted for under other income.

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2.15 Taxation

The tax expense for the period comprises of current business and deferred taxes.

Current business tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Inventories

Inventories of the company comprise food, beverages, retailer products, building materials, spares and consumables.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

In the case of manufactured inventories and work in progress, cost includes design cost, raw materials, direct labour, and other direct costs. Goods in transit are determined based on actual cost.

The company reviews the carrying amount of the inventories on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of inventories based on management's appraisal.

2.17 Significant accounting judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, and disclosures of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Impairment of financial assets

To measure expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected losses are based on historical credit losses which are adjusted to reflect current and future economic factors which can affect the ability of customers to settle the receivables.

Impairment of other assets

At each financial reporting year end, company's management reviews and assesses the carrying amounts of other assets and where relevant, write them down to their recoverable amounts based on best estimates.

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2.17 Significant accounting judgements and estimates (cont.)

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates may change the utility of certain depreciable assets.

Employment benefit obligations

The cost of the defined benefit plans has been determined using the method as per the Seychelles Employment Act and management has estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

Deferred taxes

At each reporting date, deferred tax assets are reviewed and adjusted, if necessary, by a valuation allowance, so that the net carrying amount equals the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profits. Any changes to the valuation allowance are recognized in the tax expense.

2.18 Investment in subsidiary

Subsidiaries are entities controlled by the company. The company 'controls' an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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3 Property, plant and equipment

Cost	Land	Freehold Buildings	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Motor Vehicle	Work in progress	Total
At 1 January 2020	3,076,323	55,988,845	39,237,190	15,027,239	12,384,400	26,593,708	27,518,602	990,711	180,817,018
Additions	-	-	1,603,439	107,103	348,871	64,428	1,176,848	6,667,411	9,968,101
Disposals	-	-	-	-	-	-	(393,364)	-	(393,364)
At 31 December 2020	3,076,323	55,988,845	40,840,629	15,134,342	12,733,271	26,658,136	28,302,086	7,658,122	190,391,755
Additions	-	9,168,798	3,262,961	720,056	534,885	301,527	-	1,076,801	15,065,030
Disposals	-	(272,368)	(3,418,428)	(826,126)	(1,821,543)	(3,238,765)	(249,200)	(5,963,147)	(15,789,576)
At 31 December 2021	3,076,323	64,885,275	40,685,163	15,028,274	11,446,614	23,720,899	28,052,886	2,771,776	189,667,209
Accumulated depreciation and impairment									
At 1 January 2020	-	13,566,979	20,399,216	13,710,005	9,326,142	17,448,579	25,834,798	-	100,285,719
Annual depreciation	-	2,199,053	3,355,491	1,204,631	1,070,357	2,177,546	1,445,536	-	11,452,615
Disposals	-	-	-	-	-	-	(393,364)	-	(393,364)
At 31 December 2020	-	15,766,032	23,754,707	14,914,636	10,396,499	19,626,125	26,886,970	-	111,344,970
Annual depreciation	-	2,220,444	3,610,925	890,943	563,394	1,626,615	701,733	-	9,614,054
Disposals	-	(54,473)	(1,844,632)	(1,403,551)	(1,097,638)	(2,707,953)	(249,200)	-	(7,357,448)
At 31 December 2021	-	17,932,003	25,521,001	14,402,061	9,862,221	18,544,786	27,339,503	-	113,601,575
Carrying amount									
At 1 January 2021	3,076,323	40,222,813	17,085,921	219,706	2,336,772	7,032,011	1,415,116	7,658,122	79,046,785
At 31 December 2021	3,076,323	46,953,272	15,164,162	626,213	1,584,393	5,176,113	713,383	2,771,776	76,065,633

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4 Intangible assets

	2021	2020
Cost		
As at January 1,	2,021,545	2,008,119
Additions	75,775	13,426
As at December 31,	2,097,320	2,021,545
Accumulated amortisation		
As at January 1,	1,922,853	1,854,776
Amortisation for the year	71,865	68,077
As at December 31,	1,994,718	1,922,853
Net book value as at December 31,	102,602	98,692

(a) Intangible assets comprise of computer software.

(b) Cash outflow for the purchase of intangible assets was SCR 75,775 for the current year (2020: 13,426).

5 Right-of-use assets

	2021	2020
Cost		
As at January 1,	43,761,349	142,400,799
Additions	6,829,458	-
Remeasurement	-	(98,639,450)
As at December 31,	50,590,807	43,761,349
Accumulated amortisation		
As at January 1,	34,453,643	15,584,431
Depreciation	6,040,645	18,869,212
As at December 31,	40,494,288	34,453,643
Net book value as at December 31,	10,096,519	9,307,706

6 Investments in subsidiary

6.1 Fair value of BDRIL

	2021	2020
Percentage ownership	100%	0%
At nominal value	53,072,471	-

In May 2021, the Company acquired 100% shares in Bois Des Rose Investments Limited (BDRIL) granting it ultimate control over BDRIL at nil consideration.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs (inventories and customer relationships) and processes. The Company has determined that the acquired inputs and processes significantly contribute to the ability to create revenue. The Company has concluded that the acquired set is a business.

Taking control over BDRIL will enable the company to reduce cost through reduction in rental charges incurred by the Company. For the seven months ended 31 December 2021 acquisition of BDRIL has contributed to a savings in cost amounting to SCR 13,715,630.

6.2 Settlement of pre-existing relationship

The Company and BDRIL were parties to a long term lease agreement under which BDRIL leased to the Company space which is currently being used for one of the Company's main retail outlet. This pre-existing relationship was effectively terminated when the Company acquired BDRIL.

SEYCHELLES TRADING COMPANY LIMITED

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6 Investments in subsidiary (cont.)

6.3 Acquisition-related costs

The company incurred acquisition related cost of SCR 175,535,000 on legal fees. These costs have been included in "administrative expenses".

6.4 Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Property, plant & equipment	14,479,891
Investment properties	100,594,017
Work in progress	12,159,417
Deposit on leasehold land	46,188,756
deferred tax	27,094,686
Inventories	417,431
Trade & other receivable	1,443,223
Cash and cash equivalents	13,155,906
loans and borrowings	(117,701,817)
Trade & other payables	(5,287,079)
Total identifiable net assets acquired	92,544,431

7 Investments - others

2021 2020

Investments are stated at historical cost less any accumulated impairment losses in the following unquoted investment in a company incorporated in the Seychelles.

Seychelles Commercial Bank Limited	25,000	25,000
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Based on directors' valuation, the investment would be worth of SCR 88,606 (2021 : SCR 85,263).

8 Inventories

2021 2020

Finished goods	203,524,098	204,394,955
Raw materials	12,336,226	12,481,132
Goods in transit	32,030,547	21,739,695
Inventories-Provisions	(53,777)	(1,936,790)
Total	247,837,094	236,678,992

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

In 2021, inventories of SCR 785,209,049 (2020: SCR 779,615,087) were recognised as an expense during the year and included in 'cost of sales' (note 19).

9 Trade and other receivables

2021 2020

Trade receivables (note 9.1)	10,811,201	10,841,527
Other receivables (note 9.2)	2,045,701	1,799,914
Related party receivable	607,785	-
Deposits and prepayments	1,951,970	3,699,535
Total	15,416,658	16,340,975

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9 Trade and other receivables (cont.)

9.1 Trade receivables

	2021	2020
Gross trade receivables	13,691,858	13,563,190
Less : Provision for impairment loss	(2,880,657)	(2,721,663)
Total	10,811,201	10,841,527

Movement in provision for impairment loss:

	2021	2020
As at 1 January	2,721,663	2,206,534
Provision made during the year	158,994	515,129
Total	2,880,657	2,721,663

9.2 Other receivables

	2021	2020
Gross other receivables	4,602,155	3,914,749
Less : Provision for impairment loss	(2,556,454)	(2,114,835)
Total	2,045,701	1,799,914

Movement in provision for impairment loss:

	2021	2020
As at 1 January	2,114,835	2,114,604
Provision made during the year	441,618	231
Total	2,556,454	2,114,835

10 Taxation

	Statement of financial position		Statement of income	
	2021	2020	2021	2020
10.1 Current tax				
Balance refundable/(payable) from prior year	4,356,430	(1,310,298)	-	-
Payment for prior year	-	5,324,852	-	-
Provision for the current year	(3,636,735)	-	3,636,735	-
Provisionally paid for the current year	-	341,876	-	-
Total	719,695	4,356,430	3,636,735	-
10.2 Deferred tax asset				
Employee compensation obligation	1,491,599	6,937,976	412,016	(1,117,405)
Other temporary deductible differences	153,901	1,450,819	888,024	(154,495)
Total	1,645,500	8,388,795	1,300,040	(1,271,900)
10.3 Deferred tax liability				
Deferred due to concessional tax depreciation	7,108,956	9,830,584	2,721,628	(1,138,388)
Total deferred tax liability/(credit)	5,463,456	1,441,789	4,021,668	(133,512)
10.4 Corporate social responsibility tax			533,472	2,538,821
Total income tax expense			8,191,875	2,405,309

11 Cash and cash equivalent

	2021	2020
Current and savings balances with banks	48,677,031	37,403,751
Term deposits with banks	-	37,695,825
Cash in hand	919,807	1,265,085
Total	49,596,837	76,364,661

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12 Borrowings

	2021	2020
As at January 1,	5,000,000	10,476,544
Loan principal and interest waived	-	(5,476,544)
As at December 31,	5,000,000	5,000,000
Sources of finance		
The Livestock Trust Fund	5,000,000	5,000,000
Maturity analysis		
Payable within 1 year	5,000,000	5,000,000

The company entered into a bridging loan agreement of SCR 5,000,000 with The Livestock Trust Fund repayable by 15th May 2020 to finance the upgrading of infrastructure on cold storage facilities which shall be used exclusively to facilitate marketing of local produce purchased from farmers as a support initiative for agricultural and livestock development of the country. This bears interest at 2.5% per annum and is payable monthly after a grace period of six month from the disbursement date. Extended time for settlement is being negotiated. The Livestock Trust Fund in view of the impact of COVID-19 pandemic.

13 Lease liability

	2021	2020
As at January 1,	6,682,827	144,658,503
Additions	6,829,458	-
Remeasurement	3,289,654	(116,252,116)
Interest cost	1,111,504	3,028,634
Payments made	(7,619,126)	(24,752,194)
As at December 31,	10,294,317	6,682,827

Minimum lease payments payable on lease commitment is as follows

	Future minimum lease payments	Interest cost	Present value of minimum lease payments 31-12-2021	Present value of minimum lease payments 31-12-2020
Within 1 year	1,200,000	684,967	515,033	5,163,235
Later than 1 year	21,476,702	11,697,419	9,779,284	1,519,592
As at December 31,	22,676,702	12,382,386	10,294,317	6,682,827

Amounts recognised in the statement of profit or loss,

	2021	2020
Amortisation charge of right to use asset (note 5)	6,040,645	18,869,212
Interest cost	1,111,504	3,028,634
Variable lease payments included in administrative expenses	14,304,801	3,705,323
Re-measurement of leases	(3,289,654)	(2,028,235)
Total	18,167,296	23,574,934

The company received numerous forms of concessions from lessors due to the company being unable to operate fully for certain period of time. Concessions received includes the following:

- Rent forgiveness;
- Deferrals of rent from Ministry of Habitat, Infrastructure & Land Transport effective September 2020, wherein the cabinet approved the exemption of payment of rent by STC for land lease for the next five years; and
- The company has elected to apply the practical expedient introduced by the amendments of IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concession entered into during the year satisfy the criteria to apply the practical expedient.

With the intention to downsize its operation, four retail outlets were closed during the year and as a result the leases were renegotiated for these properties.

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14 Employee benefit obligations

	2021	2020
Retirement benefit obligations	22,114,899	19,092,024
Long term employee benefit obligations	3,855,686	4,034,563
Total	25,970,585	23,126,587
As at January 1,	23,126,587	19,401,903
Provision made during the year	5,966,395	6,345,381
Benefits paid	(3,122,397)	(2,620,697)
As at December 31,	25,970,585	23,126,587

The company has estimated that the provisions for employee benefits are reasonable and would not materially differ had the obligation been computed based on Actuarial Cost Method as recommended by International Accounting Standard - IAS 19 on Defined Benefit Obligations.

The company meets these liabilities as and when they fall due, out of its working capital and not externally funded.

15 Trade and other payables

	2021	2020
Trade payables	54,010,212	84,460,867
Accruals and other payables	8,731,802	13,566,774
Total	62,742,014	98,027,640

16 Authorised & issued capital

	2021	2020
Authorised and issued and fully paid 100 shares of R 100 each	10,000	10,000

17 Contributed Capital

	2021	2020
Seychelles Marketing board	92,209,737	92,209,737
Bois De Rose Investment Limited (note 6)	53,072,471	-
Contributed Capital	145,282,208	92,209,737

The contributed capital represents the carrying amounts of net assets taken over from Seychelles Marketing Board (SMB) on 1st March 2008 and subsequent transfers in 2009 and Bois De Rose Investment Limited in May 2021. This is interest free and is recognised as quasi equity. The Ministry of Finance, National Planning and Trade is considering converting this into ordinary shares.

Details of assets taken over from SMB were as follows;

Property, plant and equipment	40,555,653
Inventories	61,173,670
Cash floats taken over	19,900
Less: Amount credited to share capital	(10,000)
Net assets taken over on 1st March 2008	101,739,223
Less: Transfer from property, plant and equipment in 2009	(6,837,477)
Less: Transfer from inventories in 2009	(2,692,009)
Net contributed capital	92,209,737

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18 Revenue

Analysis by type of sales and service	2021	2020
Retail and wholesale sales	990,645,546	1,014,651,032
Less: Reward points awarded	-	(3,765,499)
Net sales	990,645,546	1,010,885,533
Event management service	140,682	896,573
Total	990,786,228	1,011,782,106

In 2020, the loyalty point scheme was discontinued and unutilised points were recognised as income. No claims were received from customers subsequent to the closure of this scheme for under payment made to customers on this account.

19 Cost of sales

	2021	2020
Cost of inventories	785,209,049	779,615,087
Packing expenses	3,327,377	3,693,758
Stock write-offs and related expenses	9,125,097	14,371,328
Import rental	2,662,324	1,943,207
VAT Expenses	4,178,632	5,390,094
Total	804,502,479	805,013,474

20 Other income

	2021	2020
Rental Income	5,394,149	7,563,084
Government grant received	-	25,000,000
Sundry income	2,321,855	2,577,410
Profit on disposal of property, plant and equipment	(1,584,328)	194,609
Total	6,131,676	35,335,103

21 Other administrative expenses

	2021	2020
Adverts, promotion & publicity	825,502	541,732
Donations and gifts	119,265	2,728,393
Audit fees	560,000	500,000
Professional fees	452,907	563,448
Security expenses	1,991,533	3,526,204
Bond fees	82,585	70,025
Books and subscriptions	34,650	51,658
Administration expenses	117,107	78,143
Sundry expenses	4,441,444	7,203,405
Total	8,624,993	15,263,007

22 Staff costs

	2021	2020
Salaries and wages	98,466,430	104,742,542
Staff overtime	204,449	1,987,623
Staff bonus	1,345,000	3,040,000
Pension cost	2,877,852	3,003,072
Retirement and other long term benefits	5,966,395	6,345,381
Staff welfare	1,009,289	1,496,393
Staff benefits	655,956	696,414
Casual wages	462,314	87,431
Directors fees (note 22(a))	132,802	474,000
Staff training	169,914	47,206
Staff Travelling	181,449	130,997
Total	111,471,850	122,051,057

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22 Staff costs (cont.)

(a) Directors fees

		2021	2020
Imtiaz Umarji	(appointed effective February 1, 2021)	-	-
Guy Morel	(term ended on February 1, 2021)	9,358	114,000
Gerard Adam		8,250	90,000
Ashnik Hassan		53,847	90,000
Jamshed Pardiwalla	(appointed effective February 1, 2021)	-	-
Astride Tamatave	(appointed effective February 1, 2021)	46,347	-
Farida Camille	(term ended on February 1, 2021)	7,500	90,000
Oliver Bastienne	(term ended on February 1, 2021)	7,500	90,000
Total		132,802	474,000

(b) Other key management fees

		2021	2020
Christine Joubert		818,223	958,800
Siana Bistoquet	(On October 1, 2021 was appointed as the CEO)	219,000	-
Total		1,037,223	958,800

Total directors and key management personnel benefits	1,170,026	1,432,800
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The retirement benefit obligation has not been valued by an actuary since management have decided that it will not have a material impact if it was computed by an external actuary.

23 Net finance (income)/costs

	2021	2020
Interest expense	489	-
Interest income	(217,691)	(2,286,861)
Interest on lease liability	1,111,504	3,028,634
Exchange (gain)/loss	(24,693,797)	19,574,879
Total	(23,799,495)	20,316,652

24 Related party balances

	2021	2020
<u>Balances with related parties</u>		
Government of Seychelles (note 17)	92,209,737	92,209,737
Loan payable to Livestock Trust Fund (note 12)	5,000,000	5,000,000
<u>Transactions</u>		
Interest on borrowings	-	(368,451)
Sale of goods and services	9,041,941	7,892,869
<u>Directors and key management personnel benefits</u>		
Key management salary	1,037,223	958,800
Board fees	132,802	474,000

(a) Goods & services sold to related parties comprises of finished goods available for sale. The above balance represent amount due to the company as at year end. SCR 2,340,514 (2020: SCR 2,081,063) has been recognised in the current year and prior year for bad or doubtful debts in respect of amounts owned by related parties.

(b) All outstanding balances with these related parties are priced on an arms length basis. None of the balances is secured.

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25 *Capital and operating commitment*

	2021	2020
<i>Capital commitments</i>		
Approved and contracted for	80,795,000	-
Approved but not contracted for	31,960,000	31,960,000
<i>Operating commitments</i>		
Letters of credits	24,246,668	53,813,049

Capital commitments are ongoing projects which have been approved by the board as at the reporting date. It includes both contracted out projects and as well as those yet to be contracted out.

26 *Contingent liabilities*

	2021	2020
Bank guarantees for bonded warehouse	10,000,000	10,000,000
Corporate guarantees for employee loan	400,000	400,000
Total	10,400,000	10,400,000

The directors are of the opinion that none of the contingencies would end up with material liability to the company which may impact the presentation of the financial statements at the reporting date.

SEYCHELLES TRADING COMPANY LIMITED

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Other information

Statements are prepared in Seychelles Rupees

Social benefit to customers on subsidised price of essential

Appendix 1

	2021	2020	2019	2018	2017
	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000
<i>Revenue</i>					
Subsidised sales	221,422	187,010	190,136	196,686	211,400
Non-subsidised sales	769,465	824,772	947,486	892,601	885,503
Total	990,887	1,011,782	1,137,622	1,089,287	1,096,903
<i>Cost of social benefits</i>					
Cost to the company	65,344	30,950	24,815	24,864	22,252
Tax impact	28,004	10,154	10,849	12,141	9,717
Total	93,348	41,104	35,664	37,005	31,969
Average exchange rate - CBS	16.92	18.07	14.11	14.07	13.84
Global food index - FAO	125.30	97.00	169.33	168.67	178.60

Social benefit cost is calculated based on the loss of revenue on the subsidised goods had the same mark up been maintained in pricing and the tax effect at the effective tax rates.

Economic value added statement

Appendix 2

	2021		2020	
	SCR	%	SCR	%
<i>Economic value generated</i>				
Revenue	990,786,228		1,011,782,106	
Finance income	24,911,488		1,918,410	
Rental & other income	6,131,676		35,335,103	
	1,021,829,391		1,049,035,619	
Operating cost	(890,358,917)		(919,272,262)	
Economic value added	131,470,475		129,763,357	
<i>Economic value distributed</i>				
Employee wages & benefits				
- Salaries, wages & other benefits	110,126,850	83.8%	118,221,983	91.1%
- Performance bonus and 13th month salary	1,345,000	1.0%	3,315,000	2.6%
Payments to government				
- Government loan interest	-	0.0%	(368,451)	-0.3%
- Government tax	7,658,403	5.8%	2,405,310	1.9%
Corporate social responsibility	533,472	0.4%	5,267,215	4.1%
Economic value distributed	119,663,724	91.0%	128,841,057	99.3%
<i>Economic value retained</i>				
Depreciation	9,285,616		11,452,442	
Amortisation	71,865		68,076	
Profit/(loss) for the year	2,449,269		(10,598,218)	
Retained for reinvestment/growth	11,806,751	9.0%	922,300	0.7%
Total economic value distributed & retained	131,470,475	100.0%	129,763,357	100.0%

The above does not form part of the audited financial statement set out on page 7 to 30.

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Detailed profit and loss

Statements are prepared in Seychelles Rupees

	2021	2020
Revenue		
Sales	995,187,657	1,019,015,603
Discount allowed	(4,542,111)	(4,364,571)
Customer Loyalty	-	(3,765,499)
Event management service	140,682	896,573
	990,786,228	1,011,782,106
Cost of sales		
Cost of inventories	(785,209,049)	(779,615,087)
Packing expenses	(3,327,377)	(3,693,758)
Shrinkage and wastage	(75,125)	(1,076)
Stock written off	(8,932,495)	(14,796,437)
Demurrages	(50,173)	(19,881)
Movement in finished goods stocks	(67,305)	446,066
Import rental	(2,662,324)	(1,943,207)
VAT Expenses	(4,178,632)	(5,390,094)
	(804,502,479)	(805,013,474)
Gross profit	186,283,748	206,768,632
Other income		
Sundry income	366,435	787,872
Rental Income	5,394,149	7,563,084
Government grant received	-	25,000,000
Excess and short collections	32,648	45,127
Other income	338,444	1,939,020
	6,131,676	35,335,103
Admin and other expenses		
Depreciation	(9,285,616)	(11,415,354)
Depreciation - ROU	(5,986,479)	(18,869,212)
Amortisation	(71,865)	(68,076)
Electricity and water charges	(27,541,468)	(26,591,698)
Rental expenses	(11,069,313)	(1,703,920)
Repairs and maintenance	(8,079,620)	(6,237,875)
Computer expenses	(1,305,723)	(1,204,164)
Vehicle expenses	(1,388,702)	(2,192,553)
Transport, travelling and fuel expenses	(5,085,765)	(5,100,496)
Bad debts provision	(615,604)	(515,130)
Cleaning expenses	(2,347,905)	(5,780,017)
Credit card commissions	(4,255,445)	(3,744,962)
Bank charges	(2,212,409)	(2,373,365)
Telephone and faxes	(1,872,527)	(2,145,358)
Postage, printing and stationery	(2,484,733)	(2,362,211)
Insurance	(1,527,287)	(1,992,556)
Licences	(346,471)	(368,981)
Adverts, Promotion & Publicity	(825,502)	(541,732)
Donations and gifts	(119,265)	(2,728,393)
Audit Fees	(560,000)	(500,000)
Professional fees	(452,907)	(563,448)
Security Expenses	(1,991,533)	(3,526,204)
Bond fees	(82,585)	(70,025)
Books and subscriptions	(34,650)	(51,658)
Administration expenses	(117,107)	(78,143)
Miscellaneous expenses	(4,441,444)	(7,203,405)
Salaries	(98,466,430)	(104,742,542)
Overtime	(204,449)	(1,987,623)
Bonus	(1,345,000)	(3,040,000)
Casual	(462,314)	(87,431)
Pension	(2,877,852)	(3,003,072)

Benefit	(655,956)	(696,414)
Training	(169,914)	(47,206)
Travelling	(181,449)	(130,997)
Retirement Benefit	(5,966,395)	(6,345,381)
Staff Welfare	(1,009,289)	(1,496,393)
Directors fees	(132,802)	(474,000)
Total administrative and other expenses	(205,573,775)	(229,979,993)
Operating (loss)/profit	(13,158,350)	12,123,743
Exchange gain/(loss)	24,693,797	(19,574,879)
Net finance income	(894,302)	(741,773)
Interest expense	(489)	-
Interest income	217,691	2,286,861
Interest on Lease	(1,111,504)	(3,028,634)
Profit/(loss) before tax	10,641,144	(8,192,909)
CSR	(533,472)	(2,538,821)
Taxation	(7,658,403)	133,512
Profit/(loss) after tax	2,449,270	(10,598,218)