SEYCHELLES PETROLEUM COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

SEYCHELLES PETROLEUM COMPANY LIMITED

TABLE OF CONTENTS - DECEMBER 31, 2012

The Directors have pleasure in submitting their report on Seychelles Petroleum Company Limited together with the audited financial statements of the Group and the Company for the year ended December 31, 2012.

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 and ship management.

FINANCIAL PERFORMANCE

Net loss before tax for the year amounted to **USD 13.9M** (2011: USD 9.6M) for the Group and **USD 12.9M** (2011: USD 6.1M) for the Company.

The Directors did not recommend the payment of any dividend for the year under review (2011: Nil).

DIRECTORS

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

Seychelles Petroleum Company Limited
S Fanny (Chairperson) (as from March 14, 2012)
G Adam (Chairperson) (up to March 14, 2012)
A Afif (up to March 14, 2012)
C Benoiton
B Jivan
F Joubert
E Belle (as from March 12, 2012 and up to January 8, 2013)

Subsidiaries

(i) Seychelles Patriot Limited
G Adam (up to February 10, 2012)
M D Bradburn (up to September 06, 2012)
M Nalletamby (up to July 24, 2013)
A Butler-Payette (up to July 24, 2013
B Jivan (as from July 24, 2013)
S Fanny (as from July 24, 2013)
F Joubert (as from July 24, 2013)

(ii) Seychelles Pioneer Limited
G Adam (up to February 10, 2012)
A Afif (up to July 24, 2013)
S Renaud (up to July 24, 2013)
A Butler-Payette (up to July 24, 2013)
B Jivan (as from July 24, 2013)
S Fanny (as from July 24, 2013)
F Joubert (as from July 24, 2013)

(iii) Seychelles Progress Limited
G Adam (up to February 10, 2012)
A Afif (up to July 24, 2013)
S Renaud (up to July 24, 2013)
A Butler-Payette (up to July 24, 2013)
B Jivan (as from July 24, 2013)
S Fanny (as from July 24, 2013)
F Joubert (as from July 24, 2013)

(iv) Seychelles Prelude Limited
G Adam (up to February 10, 2012)
M D Bradburn (up to September 06, 2012)
M Nalletamby (up to July 24, 2013)
A Butler-Payette (up to July 24, 2013)
B Jivan (as from July 24, 2013)
S Fanny (as from July 24, 2013)
F Joubert (as from July 24, 2013)

DIRECTORS (CONT'D)

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

PROPERTY AND EQUIPMENT

The Group and the Company acquired property and equipment amounting to **USD 6.6M** during the year comprising mainly work-in-progress on buildings and plant and equipment. Buildings, tanks, pumps and petrol stations were revalued in 2012 to USD 295.4M. (Note 5)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Company 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 Company and those that are held in trust and used by the Company.

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

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

BOARD APPROVAL

S Fanny (Chairman)
Director

C Benoiton
Director

B Jivan
Director

F Joubert
Director

Date: July 25, 2013

Victoria,
Seychelles

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Quincy Street, Mahé
Victoria, Seychelles

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Report on the Financial Statements

We have audited the financial statements of Seychelles Petroleum Company Limited and its subsidiaries (the "Group") and the Company's separate financial statements set out on pages 3 to 39, which comprise the statements of financial position as at December 31, 2012, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As stated on page 1(a) of the Directors' Report, the Board of Directors are responsible for the preparation of the Financial Statements.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SEYCHELLES PETROLEUM COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

In our opinion, the financial statements on pages 3 to 39 give a true and fair view of the financial position of the Group and of the Company at December 31, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 1972.

Emphasis of matter

Going concern

The Group and the Company had net current liabilities of **USD 47.4M** (2011: USD 41.8M) and **USD 35.6M** (2011: USD 30.1M) respectively. The main shareholder has confirmed its continuous financial support to the Group and the Company and consequently the financial statements have been prepared on a going concern basis.

Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

We have no relationship with, or interests in, the Company, other than in our capacity as auditors, tax and business advisers 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 Company as far as it appears from our examination of those records.

Public Enterprise (Monitoring Act), 2009

In our opinion, proper accounting records have been kept by 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.

BDO Associates

BDO ASSOCIATES
Chartered Accountants

Dated: July 25, 2013
Seychelles

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2012

	Notes	THE GROUP 2012 USD	THE GROUP 2011 USD	THE COMPANY 2012 USD	THE COMPANY 2011 USD
ASSETS					
Non-current assets					
Property and equipment	5	475,766,331	393,228,894	354,974,593	259,869,378
Intangible asset	6	7,277	25,869	-	-
Investment in subsidiary companies	7	-	-	78,778,543	79,029,952
Investment in financial assets	8	12,545,343	11,755,644	12,545,343	11,755,644
		488,318,951	405,010,407	446,298,479	350,654,974
Current assets					
Inventories	9	24,379,422	15,036,836	24,379,422	15,036,836
Trade and other receivables	10	43,844,288	51,973,538	43,807,663	51,956,363
Cash and cash equivalents	26(b)	7,578,649	7,442,215	7,532,154	7,289,763
		75,802,359	74,452,589	75,719,239	74,282,962
Total assets		564,121,310	479,462,996	522,017,718	424,937,936
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	11	8,595,053	8,595,053	8,595,053	8,595,053
Other reserves	12	235,161,864	167,196,381	235,164,012	167,198,712
Retained earnings		87,423,845	101,495,622	109,491,319	122,343,982
Owners' interest		331,180,762	277,287,056	353,250,384	298,137,747
Non-controlling interest		(131,928)	(123,574)	-	-
Total equity		331,048,834	277,163,482	353,250,384	298,137,747
LIABILITIES					
Non-current liabilities					
Borrowings	13	59,408,842	69,311,909	6,971,931	5,689,743
Deferred tax liabilities	14	49,484,119	15,783,063	49,484,653	15,782,935
Retirement benefit obligations	15	1,005,544	991,396	1,005,544	991,396
		109,898,505	86,086,368	57,462,128	22,464,074
Current liabilities					
Trade and other payables	16	73,137,700	69,274,955	72,608,991	68,693,578
Borrowings	13	50,036,271	46,938,191	38,696,215	35,642,537
		123,173,971	116,213,146	111,305,206	104,336,115
Total liabilities		233,072,476	202,299,514	168,767,334	126,800,189
Total equity and liabilities		564,121,310	479,462,996	522,017,718	424,937,936

These financial statements have been approved for issue by the Board of Directors on July 25, 2013.

S Fanny (Chairperson)
Director

C Benoiton
Director

B Jivan
Director

F Joubert
Director

The notes on pages 7 to 39 form an integral part of these financial statements.
Auditors' report on pages 2 and 2(a).

STATEMENTS OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2012

	Notes	THE GROUP 2012 USD	THE GROUP 2011 USD	THE COMPANY 2012 USD	THE COMPANY 2011 USD
Revenue	2(l) & 18	413,953,330	390,031,879	413,953,330	390,031,879
Cost of sales	19	(420,386,089)	(390,557,854)	(422,473,105)	(391,482,781)
Gross loss		(6,432,759)	(525,975)	(8,519,775)	(1,450,902)
Selling and marketing expenses	19	(152,681)	(128,763)	(152,681)	(128,763)
Administrative expenses	19	(8,995,214)	(12,078,960)	(7,845,245)	(10,913,502)
Other income	20	6,485,045	7,042,421	6,484,981	7,042,373
Other gains - Net	21	408,990	7,119,853	408,990	7,119,853
		(8,686,619)	1,428,576	(9,623,730)	1,669,059
Net finance costs	22	(5,010,412)	(8,614,350)	(3,046,396)	(5,414,307)
Loss before taxation	23	(13,697,031)	(7,185,774)	(12,670,126)	(3,745,248)
Taxation charge	17	(181,888)	(2,402,199)	(182,537)	(2,402,481)
Loss for the year		(13,878,919)	(9,587,973)	(12,852,663)	(6,147,729)
Other comprehensive income:					
Increase/(Decrease) in fair value of available-for-sale financial assets	12	789,699	(363,550)	789,699	(363,550)
Reversal of deferred tax effect on revaluation of property and equipment	12	-	20,046,224	-	20,046,224
Reversal of revaluation reserves on disposal of property and equipment written off	12	-	(138,762)	-	(138,762)
Deferred tax effect on revaluation of property and equipment	12	(32,711,261)		(32,711,261)	
Gains on revaluation of property and equipment	12	99,125,032	-	99,125,032	-
Reversal of capital reserves	12	(649,089)	-	(649,089)	-
Share of non-controlling interest					
- Other reserves	12	55	(144)	-	-
- Currency translation differences retained earnings		(1,262)	2,519	-	-
Currency translation differences					
- Other reserves	12	1,411,157	(3,429,639)	1,410,919	(3,429,019)
- Retained earnings		(201,267)	634,202	-	-
Transfer to non-controlling interest					
- Retained earnings		1,262	(2,519)	-	-
- Other reserves	12	(55)	144	-	-
Other comprehensive income for the year, net of tax		67,764,271	16,748,475	67,965,300	16,114,893
Total comprehensive income for the year		53,885,352	7,160,502	55,112,637	9,967,164
Loss attributable to:					
Owners of the parent		(13,871,772)	(9,596,704)	(12,852,663)	(6,147,729)
Non-controlling interest		(7,147)	8,731	-	-
		(13,878,919)	(9,587,973)	(12,852,663)	(6,147,729)
Total comprehensive income attributable to:					
Owners of the parent		53,893,706	7,149,396	55,112,637	9,967,164
Non-controlling interest		(8,354)	11,106	-	-
		53,885,352	7,160,502	55,112,637	9,967,164

The notes on pages 7 to 39 form an integral part of these financial statements.
Auditors' report on pages 2 and 2(a).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2012

THE GROUP	*Attributable to owners of the parent*					
	Share Capital	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	USD	USD	USD	USD	USD	USD
Balance at January 1, 2012	8,595,053	167,196,381	101,495,622	277,287,056	(123,574)	277,163,482
Total comprehensive income/(expense) for the year	-	67,965,483	(14,071,777)	53,893,706	(8,354)	53,885,352
Balance at December 31, 2012	**8,595,053**	**235,161,864**	**87,423,845**	**331,180,762**	**(131,928)**	**331,048,834**
Balance at January 1, 2011	8,595,053	151,081,964	110,460,643	270,137,660	(134,680)	270,002,980
Total comprehensive income/(expense) for the year	-	16,114,417	(8,965,021)	7,149,396	11,106	7,160,502
Balance at December 31, 2011	8,595,053	167,196,381	101,495,622	277,287,056	(123,574)	277,163,482

THE COMPANY	Share Capital	Other Reserves	Retained Earnings	Total
	USD	USD	USD	USD
Balance at January 1, 2012	8,595,053	167,198,712	122,343,982	298,137,747
Total comprehensive income/(expense) for the year	-	67,965,300	(12,852,663)	55,112,637
Balance at December 31, 2012	**8,595,053**	**235,164,012**	**109,491,319**	**353,250,384**
Balance at January 1, 2011	8,595,053	151,083,819	128,491,711	288,170,583
Total comprehensive income/(expense) for the year	-	16,114,893	(6,147,729)	9,967,164
Balance at December 31, 2011	8,595,053	167,198,712	122,343,982	298,137,747

The notes on pages 7 to 39 form an integral part of these financial statements.

Auditors' report on pages 2 and 2(a).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2012

		THE GROUP		THE COMPANY	
	Notes	2012	2011	2012	2011
		USD	USD	USD	USD
Cash flows from operating activities					
Cash generated from operations	26(a)	18,495,248	35,372,647	4,156,734	22,695,246
Interest paid	22	(4,224,051)	(4,208,052)	(2,139,427)	(1,775,883)
Interest received	20	15,435	11,871	15,371	11,823
Tax paid	17(a)	(1,805,721)	(3,641,768)	(1,805,721)	(3,641,768)
Net cash generated from operating activities		12,480,911	27,534,698	226,957	17,289,418
Cash flows from investing activities					
Purchase of property and equipment	5	(6,640,572)	(12,157,041)	(6,640,572)	(12,154,377)
Purchase of investment in available-for-sale financial assets	8	-	(2,222,480)	-	(2,222,480)
Proceeds from sale of equipment		211,969	40,465	211,969	40,465
Net cash used in investing activities		(6,428,603)	(14,339,056)	(6,428,603)	(14,336,392)
Cash flows from financing activities					
Loans received		10,000,000	5,455,370	10,000,000	5,455,370
Repayment of borrowings		(16,804,987)	(22,321,491)	(5,664,134)	(10,341,818)
Net cash (used in)/from financing activities		(6,804,987)	(16,866,121)	4,335,866	(4,886,448)
Net decrease in cash and cash equivalents		(752,679)	(3,670,479)	(1,865,780)	(1,933,422)
Movement in cash and cash equivalents					
At January 1,		7,442,215	5,776,674	7,289,763	5,514,960
Decrease		(752,679)	(3,670,479)	(1,865,780)	(1,933,422)
Exchange differences		889,113	5,336,020	2,108,171	3,708,225
At December 31,	26(b)	7,578,649	7,442,215	7,532,154	7,289,763

The notes on pages 7 to 39 form an integral part of these financial statements.
Auditors' report on pages 2 and 2(a).

1. GENERAL INFORMATION

Seychelles Petroleum Company Limited is a limited liability Company incorporated and domiciled in Seychelles. The main activities of the Company is the supply of petroleum products, marine bunkering, aviation refueling and transhipment services and transportation of petroleum and chemical products by tankers. Its registered office is situated at New Port, Victoria, Mahé, Seychelles.

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 adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 1972. Where necessary comparative figures have been amended to conform with change in presentation in the current year. The financial statements of the Group have been prepared under the historical cost convention, except that:

(i) certain property and equipment are carried at revalued amounts/deemed costs;
(ii) available-for-sale financial assets are stated at their fair value;
(iii) relevant financial assets and financial liabilities are measured at fair value/amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Disclosures - Transfers of Financial Assets (Amendments to IFRS 7). These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are not expected to have any impact on the Group's financial statements.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1).These amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are not expected to have any impact on the Group's financial statements.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Group's financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2013 or later periods, but which the Group/Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income (Effective July 1, 2012)
IFRS 9 Financial Instruments
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 19 Employee Benefits (Revised 2011)
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Amendment to IFRS 1 (Government Loans)
Annual Improvements to IFRSs 2009-2011 Cycle
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Where relevant, the Group is still evaluating the effect of these standards, amendments to published standards and interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS 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 4.

(b) Property and equipment

Buildings, tanks, pumps and petrol stations are carried at revalued amounts based on periodic triennial valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Property and equipment (cont'd)

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in owners' interest. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

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 of the assets, to their residual values over their estimated useful life as follows:

	Years
Leasehold land and buildings	Over the period of the lease
Double hull tankers	15 & 25 years
Furniture, fittings & other equipment	3 - 10 years
Plant and equipment	3 - 50 years
Tanks, pumps and petrol stations	2½ - 10 years
Vehicles and refuellers	4 - 7 years

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

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

Gains and losses on disposals of property and equipment are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(c) Intangible asset

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

(d) 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Investment in subsidiaries (cont'd)

Consolidated financial statements
Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another 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. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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 comprehensive income.

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.

(e) Financial instruments

(i) Financial assets
Categories of financial assets
The Group classifies its financial assets in the following categories : financial assets through profit or loss, loans and receivables, held-to-maturity, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Categories of financial assets (cont'd)

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting. Management classifies its investments as available-for-sale financial assets.

Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months to the end of the reporting period.

Initial measurement

Purchases and sales of available-for-sale financial assets are recognised on trade-date (or settlement date), the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value plus transaction costs and subsequently carried at fair value.

Derecognition

Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses on financial assets.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in the statement of comprehensive income. Impairment losses for an investment in an equity instrument are not reversed through the statement of comprehensive income.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (cont'd)

(ii) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the statement of comprehensive income.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of comprehensive income.

(iii) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the date of the reporting period.

(iv) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(vi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, short term deposits held with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(vi) Share capital

Ordinary shares are classified as equity.

(f) 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(g) Inventories

Inventories are stated at lower of cost and net realised value. Cost is determined by the first-in, first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

(h) Retirement benefit obligations

Defined benefit plans

The Group provides for a payment of gratuity to permanent employees. Gratuities are paid every five years (except in the case of early retirement) as from January 2007, for continuous service. The amount provisioned every year is based on the number of years the employee has worked after the last payment date. This type of employee benefits has the characteristics of a defined benefit plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined obligation at the reporting date less fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

(i) Foreign currencies

(i) Functional and presentation currency

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

(ii) 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 comprehensive income.

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(i) **Foreign currencies (cont'd)**

(ii) **Transactions and balances (cont'd)**

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 available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) **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:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting period;

(b) Income and expenses for each statement of comprehensive income 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

(c) All resulting exchange differences are recognised as a separate component of equity.

(j) **Impairment of 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).

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(k) Operating leases

Assets leased out under operating leases are included in property and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

(l) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of tax, rebates and discounts and after eliminating sales within the Group.

Sales and other revenues earned by the Company and its subsidiaries are recognised on the following bases:

Sales

- Sales of products - when products are delivered and title has passed.
- Revenue from tankers on time charter - on a time-portion basis.
- Revenue from tankers on voyage charter - upon delivery of the cargo at the port of discharge.

Other revenues

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

(m) Provisions

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

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

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

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

(a) Market risk

(i) Currency risk

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

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

THE GROUP	Seychelles Rupee			Euro
	2012	2011	**2012**	2011
	USD'000	USD'000	**USD'000**	USD'000
Impact on results:				
- Bank balances	**25**	157	**2**	41
- Trade and other receivables	**632**	585	**47**	2
- Trade and other payables	**(357)**	(329)	**(37)**	(36)
- Borrowings	**(240)**	(273)	**(612)**	(1,458)
THE COMPANY				
Impact on results:				
- Bank balances	**25**	157	**-**	33
- Trade and other receivables	**632**	585	**47**	1
- Trade and other payables	**(357)**	(329)	**(11)**	(7)
- Borrowings	**(234)**	(273)	**-**	-

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(ii) Cash flow and fair value interest rate risk (cont'd)

At December 31, 2012, if interest rates on floating rate borrowings had been ±0.10% higher/(lower) with all other variables held constant, results for the year would have been as shown below, mainly as a result of higher/(lower) interest expense on loans.

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD'000	USD'000	**USD'000**	USD'000
Borrowings	**103**	62	**37**	35

(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 available-for-sale financial assets.

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	
	2012	2011
	USD'000	USD'000
Available-for-sale	**627**	588

(b) Credit risk

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

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

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

THE GROUP AND THE COMPANY	2012	2011
Counterparty	%	%
10 major counterparties	**69**	64
Others (diversified risk)	**31**	36
	100	100

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk

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

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

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	USD	USD	USD	USD	USD
At December 31, 2012					
Bank borrowings	**50,036,271**	**14,139,626**	**36,479,964**	**8,789,252**	**109,445,113**
Trade and other payables	**73,137,700**	**-**	**-**	**-**	**73,137,700**
	123,173,971	**14,139,626**	**36,479,964**	**8,789,252**	**182,582,813**
At December 31, 2011	USD	USD	USD	USD	USD
Bank borrowings	46,938,191	14,958,360	35,631,703	18,721,846	116,250,100
Trade and other payables	69,274,955	-	-	-	69,274,955
	116,213,146	14,958,360	35,631,703	18,721,846	185,525,055

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	USD	USD	USD	USD
At December 31, 2012				
Bank borrowings	**38,696,215**	**2,799,513**	**4,172,418**	**45,668,146**
Trade and other payables	**72,608,991**	**-**	**-**	**72,608,991**
	111,305,206	**2,799,513**	**4,172,418**	**118,277,137**
At December 31, 2011				
Bank borrowings	35,642,537	3,733,281	1,956,462	41,332,280
Trade and other payables	68,693,578	-	-	68,693,578
	104,336,115	3,733,281	1,956,462	110,025,858

3.2 Fair value estimation

The fair value of financial instruments traded in active market is based on quoted prices at the end of the reporting period. A market is regarded active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation (cont'd)

Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

3.3 Capital risk management

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. It 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, minority interest, retained earnings, revaluation reserve and capital reserves) other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt.

During 2012, the Group's strategy, which was unchanged from prior year, was to maintain the debt-to-adjusted capital ratio at a reasonable level in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at December 31, 2012 and at December 31, 2011 were as follows:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Total debt	**109,445,113**	116,250,100	**45,668,146**	41,332,280
Less: cash and cash equivalents	**(7,578,649)**	(7,442,215)	**(7,532,154)**	(7,289,763)
Net debt	**101,866,464**	108,807,885	**38,135,992**	34,042,517
Total equity	**331,180,762**	277,287,056	**353,250,384**	298,137,747
Debt-to-adjusted capital ratio	**0.31**	0.39	**0.11**	0.11

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 value, representing their open-market value determined by external valuers.

(b) *Impairment of available-for-sale financial assets*

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) *Impairment of other assets*

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.

(d) *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.

(e) *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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(f) *Depreciation policies*

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.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

(g) *Pension benefits*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determined the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The Group has not carried out any actuarial valuation since the Directors have based themselves on the method as prescribed by the Seychelles Employment Act and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 15.

5. PROPERTY AND EQUIPMENT

(a) THE GROUP

	Leasehold land and buildings	Double hull tankers	Furniture, fittings & other equipment	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	Cost & Valuation
COST OR VALUATION	USD	USD	USD	USD	USD	USD	USD	USD
At January 1, 2011	3,555,250	253,331,029	1,308,294	19,193,994	211,382,873	3,426,999	11,348,184	503,546,623
Additions	-	-	193,289	508,061	-	636,509	10,819,182	12,157,041
Disposal	-	-	(20,890)	(6,249)	-	(66,290)	-	(93,429)
Write offs	-	-	-	(7,648)	(156,929)	-	-	(164,577)
Transfers	11,146,730	-	-	100,112	-	-	(11,246,842)	-
Exchange differences	-	(4,592,951)	(2,443)	-	-	-	-	(4,595,394)
At December 31, 2011	14,701,980	248,738,078	1,478,250	19,788,270	211,225,944	3,997,218	10,920,524	510,850,264
Additions	99,186	-	54,254	242,224	-	403	6,244,505	6,640,572
Disposal	(127,292)	-	(55,772)	(29,981)	-	-	-	(213,045)
Revaluation surplus	1,657,806	-	-	-	62,881,856	-	-	64,539,662
Transfers	(6,062,522)	-	-	(1,329,698)	12,091,208	-	(4,698,988)	-
Exchange differences	-	1,760,324	1,181	-	-	-	-	1,761,505
At December 31, 2012	10,269,158	250,498,402	1,477,913	18,670,815	286,199,008	3,997,621	12,466,041	583,578,958
ACCUMULATED DEPRECIATION								
At January 1, 2011	471,908	66,671,020	998,948	6,546,533	16,395,839	2,352,226	-	93,436,474
Charge for the year	1,436,789	15,861,142	102,276	279,028	8,519,170	404,433	-	26,602,838
Disposal adjustments	-	-	(20,583)	(6,249)	-	(66,291)	-	(93,123)
Write off adjustments	-	-	-	(7,648)	(43,156)	-	-	(50,804)
Exchange differences	-	(2,272,801)	(1,214)	-	-	-	-	(2,274,015)
At December 31, 2011	1,908,697	80,259,361	1,079,427	6,811,664	24,871,853	2,690,368	-	117,621,370
Charge for the year	901,880	14,591,992	78,974	457,900	7,631,271	319,876	-	23,981,893
Disposal adjustments	(20,685)	-	(30,538)	(28,556)	-	-	-	(79,779)
Revaluation adjustment	(959,721)	-	-	-	(33,625,649)	-	-	(34,585,370)
Transfers	(1,453,909)	-	-	(368,197)	1,822,106	-	-	-
Exchange differences	-	873,213	1,300	-	-	-	-	874,513
At December 31, 2012	376,262	95,724,566	1,129,163	6,872,811	699,581	3,010,244	-	107,812,627
NET BOOK VALUE								
At December 31, 2012	9,892,896	154,773,836	348,750	11,798,004	285,499,427	987,377	12,466,041	475,766,331
At December 31, 2011	12,793,283	168,478,717	398,823	12,976,606	186,354,091	1,306,850	10,920,524	393,228,894

5. PROPERTY AND EQUIPMENT (CONT'D)

(b) THE COMPANY

	Leasehold land and buildings	Double hull tanker	Furniture, fittings & other equipment	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	Cost & Valuation
COST OR VALUATION	USD	USD	USD	USD	USD	USD	USD	USD
At January 1, 2011	3,555,250	44,904,357	1,197,406	19,193,994	211,382,873	3,426,999	11,348,184	295,009,063
Additions	-	-	190,625	508,061	-	636,509	10,819,182	12,154,377
Disposals	-	-	(20,890)	(6,249)	-	(66,290)	-	(93,429)
Write offs	-	-	-	(7,648)	(156,929)	-	-	(164,577)
Transfers	11,146,730	-	-	100,112	-	-	(11,246,842)	-
At December 31, 2011	14,701,980	44,904,357	1,367,141	19,788,270	211,225,944	3,997,218	10,920,524	306,905,434
Additions	99,186	-	54,254	242,224	-	403	6,244,505	6,640,572
Disposals	(127,292)	-	(55,772)	(29,981)	-	-	-	(213,045)
Revaluation surplus	1,657,806	-	-	-	62,881,856	-	-	64,539,662
Transfers	(6,062,522)	-	-	(1,329,698)	12,091,208	-	(4,698,988)	-
At December 31, 2012	10,269,158	44,904,357	1,365,623	18,670,815	286,199,008	3,997,621	12,466,041	377,872,623
ACCUMULATED DEPRECIATION								
At January 1, 2011	471,908	8,471,976	943,875	6,546,533	16,395,839	2,352,226	-	35,182,357
Charge for the year	1,436,789	1,281,918	76,288	279,028	8,519,170	404,433	-	11,997,626
Disposal adjustments	-	-	(20,583)	(6,249)	-	(66,291)	-	(93,123)
Write off adjustments	-	-	-	(7,648)	(43,156)	-	-	(50,804)
At December 31, 2011	1,908,697	9,753,894	999,580	6,811,664	24,871,853	2,690,368	-	47,036,056
Charge for the year	901,880	1,150,045	66,151	457,900	7,631,271	319,876	-	10,527,123
Disposal adjustments	(20,685)	-	(30,538)	(28,556)	-	-	-	(79,779)
Revaluation adjustment	(959,721)	-	-	-	(33,625,649)	-	-	(34,585,370)
Transfers	(1,453,909)	-	-	(368,197)	1,822,106	-	-	-
At December 31, 2012	376,262	10,903,939	1,035,193	6,872,811	699,581	3,010,244	-	22,898,030
NET BOOK VALUE								
At December 31, 2012	9,892,896	34,000,418	330,430	11,798,004	285,499,427	987,377	12,466,041	354,974,593
At December 31, 2011	12,793,283	35,150,463	367,561	12,976,606	186,354,091	1,306,850	10,920,524	259,869,378

5. PROPERTY AND EQUIPMENT (CONT'D)

(c) The double hull tankers have been pledged as security for bank borrowings.

(d) Depreciation have been charged to the statement of comprehensive income as follows:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Cost of sales	**22,333,476**	24,319,528	**8,891,408**	9,740,304
Administrative expenses	**1,648,417**	2,283,310	**1,635,715**	2,257,322
	23,981,893	26,602,838	**10,527,123**	11,997,626

(e) The Group's buildings, tanks, pumps and petrol stations were revalued at December 31, 2012 by independent valuers on an open market basis.

(f) 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	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Cost	**44,895,390**	44,895,390	**1,315,603**	1,123,894
Accumulated depreciation	**(17,622,384)**	(15,377,614)	**(746,541)**	(722,275)
Net book value	**27,273,006**	29,517,776	**569,062**	401,619

6. INTANGIBLE ASSET

	THE GROUP	
	2012	2011
Computer software	**USD**	USD
COST		
At January 1,	**74,615**	76,296
Exchange differences	**644**	(1,681)
At December 31,	**75,259**	74,615
ACCUMULATED DEPRECIATION		
At January 1,	**48,746**	30,769
Charge for the year	**18,815**	18,654
Exchange differences	**421**	(677)
At December 31,	**67,982**	48,746
NET BOOK VALUE		
At December 31,	**7,277**	25,869

Amortisation charge of **USD.18,815** (2011:USD.18,654) has been accounted under administrative expenses.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2012	2011
	USD	USD
Cost - Unquoted	**20,289**	20,289
Loans receivable	**78,758,254**	79,009,663
Total	**78,778,543**	79,029,952

(a) Details of the subsidiary companies are:

Name of subsidiary	Class of shares	Country of incorporation	% shareholding 2012 & 2011	Activities
Seychelles Pioneer Limited	Ordinary	Isle of Man	100	Rental of tanker
Seychelles Progress Limited	Ordinary	Isle of Man	100	Rental of tanker
Seychelles Patriot Limited	Ordinary	Isle of Man	100	Rental of tanker
Seychelles Prelude Limited	Ordinary	Isle of Man	100	Rental of tanker
Vicnav Limited	Ordinary	Cyprus	51	Ship managemen

(b) The year end of all the subsidiaries is 31st December.

8. INVESTMENT IN FINANCIAL ASSETS

	THE GROUP AND THE COMPANY	
	2012	2011
Available-for-sale - quoted	USD	USD
At January 1,	**11,755,644**	9,896,714
Additions	**-**	2,222,480
Net increase/(decrease) in fair value (note 12)	**789,699**	(363,550)
At December 31,	**12,545,343**	11,755,644

(a) The Available-for-sale financial assets are denominated in the following currencies:

	2012	2011
	USD	USD
UK Pound Sterling	**10,196,748**	8,163,872
Australian Dollars	**2,348,595**	3,591,772
	12,545,343	11,755,644

(b) None of the available-for-sale financial assets are either past due or impaired.

9. INVENTORIES

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Petroleum products	**21,257,752**	13,969,514
Lubricants	**1,008,013**	994,632
Others	**2,113,657**	72,690
	24,379,422	15,036,836

The cost of inventories recognised as an expense and included in cost of sales amounted to **USD 309,353,155** (2011: USD 285,608,734) for the Group and **USD 309,353,155** (2011: USD 285,550,487) for the Company (see note 19).

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Trade receivables	**43,633,479**	49,813,936	**43,633,479**	49,813,936
Less: provision for impairment (see note 10 (e))	**(4,927,094)**	(3,492,921)	**(4,927,094)**	(3,492,921)
	38,706,385	46,321,015	**38,706,385**	46,321,015
Prepayments	**2,302,595**	679,195	**2,302,595**	671,365
Other receivables				
- Business tax receivable (note 17 (a)	**1,937,190**	540,718	**1,937,190**	540,718
- Deposits to suppliers	**-**	2,913,714	**-**	2,913,714
- Others	**898,118**	1,518,896	**861,493**	1,509,551
	43,844,288	51,973,538	**43,807,663**	51,956,363

(a) The carrying amounts of 'trade and other receivables' approximate their fair value.

(b) As at December 31, 2012, trade receivables of **USD 4,927,094** (2011: USD 3,492,921) were fully impaired. The individually impaired receivables mainly relates to customers, which are in unexpectedly difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. These receivables are aged over three months.

(c) As at December 31, 2012, trade receivables of **USD 9,102,461** (2011: USD 8,170,442) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aged analysis of these trade receivables is as follows:

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
3 to 6 months	**2,887,009**	886,455
Over 6 months	**6,215,452**	7,283,987
	9,102,461	8,170,442

(d) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
US Dollar	**30,048,333**	38,079,908	**30,048,333**	38,079,908
Euro	**949,632**	24,077	**949,632**	24,077
Seychelles Rupee	**12,635,514**	11,709,951	**12,635,514**	11,709,951
	43,633,479	49,813,936	**43,633,479**	49,813,936

(e) Movement in the provision for impairment of trade receivables is as follows:

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
At January 1,	**3,492,921**	615,391
Charged to the statement of comprehensive income	**1,273,833**	3,015,749
Exchange difference	**160,340**	(138,219)
At December 31,	**4,927,094**	3,492,921

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) The other classes within trade and other receivables do not contain impaired assets and are denominated in Seychelles Rupees.

(g) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Trade receivables have been pledged as security for borrowings.

11. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	Number of shares	Amount
Ordinary shares		USD
December 31, 2012 & 2011	2,000	8,595,053

The total authorised number of ordinary shares is 2,000 shares (2011: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

12. OTHER RESERVES

(a) THE GROUP

	Currency translation deficit	Revaluation reserves	Available-for-sale fair value reserve	Capital reserves	Total
	USD	USD	USD	USD	USD
At January 1, 2011	(10,234,117)	154,704,931	5,168,388	1,442,762	151,081,964
Reversal of deferred tax effect on revaluation of property and equipment	-	20,046,224	-	-	20,046,224
Decrease in fair value of available-for-sale financial assets (note 8)	-	-	(363,550)	-	(363,550)
Reversal of revaluation reserves on property and equipment written off	-	(138,762)	-	-	(138,762)
Share of non-controlling interest	144	-	-	-	144
Exchange differences	(3,429,639)	-	-	-	(3,429,639)
At December 31, 2011 b/f	(13,663,612)	174,612,393	4,804,838	1,442,762	167,196,381

12. OTHER RESERVES (CONT'D

(a) THE GROUP (CONT'D)

	Currency translation deficit	Revaluation reserves	Available-for-sale fair value reserve	Capital reserves	Total
	USD	USD	USD	USD	USD
At December 31, 2011 c/f	(13,663,612)	174,612,393	4,804,838	1,442,762	167,196,381
Gain on revaluation of property and equipment	-	99,125,032	-	-	99,125,032
Increase in fair value of available-for-sale financial assets (note 8)	-	-	789,699	-	789,699
Deferred tax effect on revaluation of property and equipment	-	(32,711,261)	-	-	(32,711,261)
Reversal of capital reserves	-	-	-	(649,089)	(649,089)
Share of non-controlling interest	(55)	-	-	-	(55)
Exchange differences	1,411,157	-	-	-	1,411,157
At December 31, 2012	(12,252,510)	241,026,164	5,594,537	793,673	235,161,864

(b) THE COMPANY

	Currency translation deficit	Revaluation reserves	Available-for-sale fair value reserve	Capital reserves	Total
At January 1, 2011	(10,232,262)	154,704,931	5,168,388	1,442,762	151,083,819
Reversal of deferred tax effect on revaluation of property and equipment	-	20,046,224	-	-	20,046,224
Decrease in fair value of available-for-sale financial assets (note 8)	-	-	(363,550)	-	(363,550)
Reversal of revaluation reserves on property and equipment written off	-	(138,762)	-	-	(138,762)
Exchange differences	(3,429,019)	-	-	-	(3,429,019)
At December 31, 2011	(13,661,281)	174,612,393	4,804,838	1,442,762	167,198,712
Gain on revaluation of property and equipment	-	99,125,032	-	-	99,125,032
Deferred tax effect on revaluation of property and equipment	-	(32,711,261)	-	-	(32,711,261)
Increase in fair value of available-for-sale financial assets (note 8)	-	-	789,699	-	789,699
Reversal of capital reserves	-	-	-	(649,089)	(649,089)
Exchange differences	1,410,919	-	-	-	1,410,919
At December 31, 2012	(12,250,362)	241,026,164	5,594,537	793,673	235,164,012

13. BORROWINGS

Non-current				
Bank loans	**59,408,842**	69,311,909	**6,971,931**	5,689,743
Current				
Bank loans	**50,036,271**	46,938,191	**38,696,215**	35,642,537
Total borrowings	**109,445,113**	116,250,100	**45,668,146**	41,332,280

(a) The effective interest rates at the end of the reporting period were as follows:

	Bank borrowings
December 31, 2012	
- Euro	3.76% - 4.15%
- US Dollar	1.46% - 8.09%
- Seychelles Rupee	5%
December 31, 2011	
- Euro	3.76% - 4.15%
- US Dollar	1.15% - 8.09%
- Seychelles Rupee	5%

(b) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
After one year and before two years	**14,139,626**	14,958,360	**2,799,513**	3,733,281
After two years and before five years	**36,479,964**	35,631,703	**4,172,418**	1,956,462
After five years	**8,789,252**	18,721,846	**-**	-
	59,408,842	69,311,909	**6,971,931**	5,689,743

(c) The exposure of the Group's and the Company's borrowings to interest rate changes are as follows:

(i) **THE GROUP**

	6 months or less	6 - 12 months	1 - 5 years	Over 5 years	Total
	USD	USD	USD	USD	USD
At December 31, 2012					
Total	**24,513,049**	**22,266,712**	**54,770,952**	**1,551,909**	**103,102,622**
Borrowings with fixed interest rates					**6,342,491**
Total borrowings					**109,445,113**
At December 31, 2011					
Total	24,045,900	22,103,668	59,948,339	8,897,584	114,995,491
Borrowings with fixed interest rates					1,254,609
Total borrowings					116,250,100

13. BORROWINGS (CONT'D)

(ii) THE COMPANY	6 months or less	6 - 12 months	1 - 5 years	Over 5 years	Total
	USD	USD	USD	USD	USD
At December 31, 2012					
Total	**17,509,276**	**15,425,943**	**4,146,568**	-	**37,081,787**
Borrowings with fixed interest rates					**8,586,359**
Total borrowings					**45,668,146**
At December 31, 2011					
Total	16,839,277	16,839,277	1,776,816	-	35,455,370
Borrowings with fixed interest rates					5,876,910
Total borrowings					41,332,280

(d) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
US Dollar	**92,408,743**	81,638,564	**40,994,714**	35,876,910
Seychelles Rupee	**4,794,434**	5,455,370	**4,673,432**	5,455,370
Euro	**12,241,936**	29,156,166	-	-
	109,445,113	116,250,100	**45,668,146**	41,332,280

(e) The carrying amounts of borrowings approximate their amortised costs.

(f) Bank borrowings are secured on some of the assets of the Group, including property and equipment and trade receivables.

14. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at **33%/4.25%** (2011: 33%/4.25%) for the Group and **33%** (2011: 33%) for the Company.

(a) 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		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Deferred tax assets (note (c)(i))	**(16,247,377)**	(2,536,591)	**(16,246,830)**	(2,536,591)
Deferred tax liabilities (note (c)(ii))	**65,731,496**	18,319,654	**65,731,483**	18,319,526
	49,484,119	15,783,063	**49,484,653**	15,782,935

14. DEFERRED TAXES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
At January 1,	**15,783,063**	38,914,850	**15,782,935**	38,914,450
Charged/(credited) for the year (see below)	**32,893,149**	(21,160,723)	**32,893,798**	(21,160,441)
Exchange differences	**807,907**	(1,971,064)	**807,920**	(1,971,074)
At December 31,	**49,484,119**	15,783,063	**49,484,653**	15,782,935
Charge/(credit) for the year is analysed as follows:				
- Statement of comprehensive income (note 17)	**181,888**	(1,114,499)	**182,537**	(1,114,217)
- Other comprehensive income/(expense)	**32,711,261**	(20,046,224)	**32,711,261**	(20,046,224)
	32,893,149	(21,160,723)	**32,893,798**	(21,160,441)

(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 as follows:

(i) DEFERRED TAX ASSETS

The Group	Accelerated tax depreciation	Tax losses	Impairment losses	Retirement benefit obligations	Total
	USD	USD	USD	USD	USD
At January 1, 2011	-	-	(203,079)	(275,937)	(479,016)
Credit for the year	(1,056,765)	-	(969,861)	(78,774)	(2,105,400)
Exchange differences	-	-	20,275	27,550	47,825
At December 31, 2011	**(1,056,765)**	**-**	**(1,152,665)**	**(327,161)**	**(2,536,591)**
Charge/(Credit) for the year	**1,110,338**	**(14,289,058)**	**(414,273)**	**12,078**	**(13,580,915)**
Exchange differences	**(54,120)**	**-**	**(59,004)**	**(16,747)**	**(129,871)**
At December 31, 2012	**(547)**	**(14,289,058)**	**(1,625,942)**	**(331,830)**	**(16,247,377)**

The Company	Accelerated tax depreciation	Tax losses	Impairment losses	Retirement benefit obligations	Total
	USD	USD	USD	USD	USD
At January 1, 2011	-	-	(203,079)	(275,937)	(479,016)
Credit for the year	(1,056,765)	-	(969,861)	(78,774)	(2,105,400)
Exchange differences	-	-	20,275	27,550	47,825
At December 31, 2011	**(1,056,765)**	**-**	**(1,152,665)**	**(327,161)**	**(2,536,591)**
Charge/(Credit) for the year	**1,110,860**	**(14,289,058)**	**(414,273)**	**12,078**	**(13,580,393)**
Exchange differences	**(54,095)**	**-**	**(59,004)**	**(16,747)**	**(129,846)**
At December 31, 2012	**-**	**(14,289,058)**	**(1,625,942)**	**(331,830)**	**(16,246,830)**

14. DEFERRED TAXES (CONT'D)

(ii) DEFERRED TAX LIABILITIES

The Group	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2011	1,243,458	18,007,305	20,143,103	39,393,866
(Credit)/Charge for the year	(1,118,947)	2,110,130	(20,046,224)	(19,055,323)
Exchange differences	(124,101)	(1,797,909)	(96,879)	(2,018,889)
At December 31, 2011	**410**	**18,319,526**	**-**	**18,319,654**
Charge for the year	**7,778,883**	**5,983,920**	**32,711,261**	**46,474,064**
Exchange differences	**-**	**937,778**	**-**	**937,778**
At December 31, 2012	**7,779,293**	**25,241,224**	**32,711,261**	**65,731,496**

The Company	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2011	1,243,058	18,007,305	20,143,103	39,393,466
(Credit)/Charge for the year	(1,118,947)	2,110,130	(20,046,224)	(19,055,041)
Exchange differences	(124,111)	(1,797,909)	(96,879)	(2,018,899)
At December 31, 2011	**-**	**18,319,526**	**-**	**18,319,526**
Charge for the year	**7,779,010**	**5,983,920**	**32,711,261**	**46,474,191**
Exchange differences	**-**	**937,766**	**-**	**937,766**
At December 31, 2012	**7,779,010**	**25,241,212**	**32,711,261**	**65,731,483**

15. RETIREMENT BENEFIT OBLIGATIONS

Other post retirement benefits

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

Movement in the severance allowances is as follows:

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
At January 1,	**991,396**	836,177
Charged in the statement of comprehensive income (note 24)	**136,126**	263,907
Exchange differences	**(121,978)**	(108,688)
At December 31,	**1,005,544**	991,396

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Trade payables	**67,529,960**	61,421,497	**67,527,939**	61,418,094
Accrued expenses	**4,491,601**	6,808,679	**4,477,132**	6,797,004
Other payables	**1,116,139**	1,044,779	**603,920**	478,480
	73,137,700	69,274,955	**72,608,991**	68,693,578

(a) The carrying amount of 'trade and other payables' approximate their amortised cost.

16. TRADE AND OTHER PAYABLES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
US Dollars	**63,100,910**	61,827,493	**63,100,910**	61,827,493
Euro	**750,355**	721,670	**221,646**	140,293
Seychelles Rupee	**7,142,888**	6,584,771	**7,142,888**	6,584,771
Others	**2,143,547**	141,021	**2,143,547**	141,021
	73,137,700	69,274,955	**72,608,991**	68,693,578

17. TAX EXPENSE

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
(a) Statement of financial position	**USD**	USD	**USD**	USD
At January 1,	**(540,718)**	(461,750)	**(540,718)**	(461,750)
Received during the year	**436,928**		**436,928**	
Charge for the year	**-**	3,516,698	**-**	3,516,698
Paid during the year	**(1,805,721)**	(3,641,768)	**(1,805,721)**	(3,641,768)
Exchange difference	**(27,679)**	46,102	**(27,679)**	46,102
At December 31,	**(1,937,190)**	(540,718)	**(1,937,190)**	(540,718)
Analysed as:				
- Trade and other receivables (note 10)	**(1,937,190)**	(540,718)	**(1,937,190)**	(540,718)
(b) Statement of comprehensive income				
Current tax on the adjusted profit for the year at applicable tax rates (see note (d))	**-**	3,516,698	**-**	3,516,698
Deferred taxes charge/(credit) (Note 14)	**181,888**	(1,114,499)	**182,537**	(1,114,217)
Tax expense	**181,888**	2,402,199	**182,537**	2,402,481

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

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Loss before tax	**(13,697,031)**	(7,185,774)	**(12,670,126)**	(3,745,248)
Tax calculated at applicable tax rates (see note (d))	**(4,520,020)**	(2,377,191)	**(4,167,939)**	(1,207,598)
Income not subject to tax	**(13,489,021)**	(9,191)	**(13,489,021)**	(9,191)
Expenses not deductible for tax purposes	**402,195**	2,556,204	**402,195**	2,556,204
Excess of depreciation over capital allowance	**3,317,788**	2,175,683	**2,965,707**	2,175,683
Provision for tax contingency	**-**	1,600		1,600
Utilisation of tax losses	**14,289,058**	1,169,593	**14,289,058**	-
	-	3,516,698	**-**	3,516,698

(d) The Group and the Company had unused tax losses of **USD 43.3M** to be carried forward and used against future taxable profits.

17. TAX EXPENSE (CONT'D)

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

Taxable income	Tax rates - %
At December 31, 2012 & 2011	
≤ SR. 1,000,000	25%
> SR. 1,000,000	33%

18. REVENUE

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Sales of products	**376,633,253**	358,758,495
Sales of services	**37,320,077**	31,273,384
	413,953,330	390,031,879

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
Cost of inventories recognised	**USD**	USD	**USD**	USD
as expense	**309,353,155**	285,608,734	**309,353,155**	285,550,487
Depreciation (note 5(d))	**23,981,893**	26,602,838	**10,527,123**	11,997,626
Duties and taxes	**38,985,127**	43,705,771	**38,985,127**	43,705,771
Bareboat charter fees	**-**	-	**14,591,554**	14,710,055
Bunkering costs	**16,498,358**	12,713,993	**16,498,358**	12,713,993
Ship management fees	**18,432,770**	12,257,051	**16,921,875**	12,257,051
Port agency costs	**8,609,481**	6,034,875	**8,609,481**	6,034,875
Employee benefit expense (note 24)	**4,093,199**	4,330,466	**4,093,199**	4,330,466
Provision for credit impairment	**1,273,833**	3,015,749	**1,273,833**	3,015,749
Other expenses	**8,306,168**	8,496,100	**9,617,326**	8,208,973
Total cost of sales, selling and marketing and administrative expenses	**429,533,984**	402,765,577	**430,471,031**	402,525,046
Analysed as:				
Cost of sales	**420,386,089**	390,557,854	**422,473,105**	391,482,781
Selling and marketing expenses	**152,681**	128,763	**152,681**	128,763
Administrative expenses	**8,995,214**	12,078,960	**7,845,245**	10,913,502
	429,533,984	402,765,577	**430,471,031**	402,525,046

20. OTHER INCOME

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Demurrage claims	**4,202,780**	3,806,004	**4,202,780**	3,806,004
Storage and throughput	**1,125,494**	1,775,977	**1,125,494**	1,775,977
Deviations and other recoveries	**705,338**	1,059,283	**705,338**	1,059,283
Interest income	**15,435**	11,871	**15,371**	11,823
Gain on disposal of property and equipment	**78,703**	40,159	**78,703**	40,159
Sundry income	**357,295**	349,127	**357,295**	349,127
	6,485,045	7,042,421	**6,484,981**	7,042,373

21. OTHER GAINS - NET

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	USD	USD	**USD**	USD
Net foreign exchange gains on operations	**408,990**	7,119,853	**408,990**	7,119,853

22. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
Interest expense:	**USD**	USD	**USD**	USD
- Bank loans	**(4,224,051)**	(4,208,052)	**(2,139,427)**	(1,775,883)
Net foreign exchange financing losses on financing activities	**(786,361)**	(4,406,298)	**(906,969)**	(3,638,424)
	(5,010,412)	(8,614,350)	**(3,046,396)**	(5,414,307)

23. LOSS BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
Loss before taxation is arrived at after:	**USD**	USD	**USD**	USD
Crediting:				
Rental income	**91,353**	100,229	**91,353**	100,229
Gain on disposal of equipment	**78,703**	40,159	**78,703**	40,159
and (charging):				
Depreciation on property and equipment - owned (note 5)	**23,981,893**	26,602,838	**10,527,123**	11,997,626
Amortisation of intangible asset (note 6)	**18,815**	18,654	**-**	-
Provision for credit impairment (note 10)	**1,273,833**	3,015,749	**1,273,833**	3,015,749
Lease rentals	**194,957**	207,619	**194,957**	207,619
Directors' remuneration (see note (a) below)	**288,692**	8,658	**283,300**	2,801
Employee benefit expense (note 24)	**4,093,199**	4,330,466	**4,093,199**	4,330,466

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

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
Directors' fees and other emoluments	**USD**	USD	**USD**	USD
G Adam	**195,796**	2,343	**193,636**	-
P Morin	**60**	429	**60**	429
A Butler-Payette	**1,137**	1,601	**60**	429
C Vidot	**60**	429	**60**	429
A Afif	**419**	1,054	**150**	469
M Rosette	**60**	429	**60**	429
E Belle	**1,966**	-	**1,966**	-
S Fanny	**1,966**	-	**1,966**	-
J Nourice	**-**	-	**-**	-
D Bradburn	**539**	1,083	**-**	498
S Renaud	**539**	586	**-**	-
M Nalletamby	**808**	586	**-**	-
F Joubert	**2,056**	39	**2,056**	39
B Jivan	**2,056**	39	**2,056**	39
C Benoiton	**81,230**	39	**81,230**	39
	288,692	8,658	**283,300**	2,801

24. EMPLOYEE BENEFIT EXPENSE

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Salaries and wages	3,957,073	4,066,559
Retirement benefit obligations (note 15)	136,126	263,907
	4,093,199	4,330,466

25. COMMITMENTS

(a) Capital commitments

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

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Property and equipment	1,252,379	6,118,604

(b) Operating lease commitments - where the Group/Company is the lessee

The company leases land under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewable rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Not later than one year	198,714	190,137
Later that one year and not later than five years	794,857	760,548
Later than five years	14,244,924	13,978,102
	15,238,495	14,928,787

(c) Operating lease commitments - where the Group/Company is the lessor

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Not later than one year	303,011	72,765
Later than one year and not later than five years	961,940	291,061
Later than five years	27,270,959	3,236,814
	28,535,910	3,600,640

26. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP 2012	THE GROUP 2011	THE COMPANY 2012	THE COMPANY 2011
		USD	USD	USD	USD
(a) Cash generated from operations					
Loss before taxation		**(13,697,031)**	(7,185,774)	**(12,670,126)**	(3,745,248)
Adjustments for:					
Depreciation on property and equipment	5	**23,981,893**	26,602,838	**10,527,123**	11,997,626
Amortisation of intangible asset	6	**18,815**	18,654	**-**	-
Provision for credit impairment	10(e)	**1,273,833**	3,015,749	**1,273,833**	3,015,749
Profit on disposal of equipment		**(78,703)**	(40,159)	**(78,703)**	(40,159)
Interest receivable	20	**(15,435)**	(11,871)	**(15,371)**	(11,823)
Interest payable	22	**4,224,051**	4,208,052	**2,139,427**	1,775,883
Equipment written off		**-**	(24,989)	**-**	(24,989)
Unrealised foreign exchange losses		**(529,598)**	(7,888,826)	**(408,990)**	(7,119,853)
Increase in provision for retirement benefit obligations	15	**136,126**	263,907	**136,126**	263,907
		15,313,951	18,957,581	**903,319**	6,111,093
Changes in working capital					
- inventories		**(9,342,586)**	16,545,795	**(9,342,586)**	16,545,795
- trade and other receivables		**8,661,138**	(14,060,409)	**8,680,588**	(14,079,365)
- trade and other payables		**3,862,745**	13,929,680	**3,915,413**	14,117,723
Cash generated from operations		**18,495,248**	35,372,647	**4,156,734**	22,695,246

(b) Cash and cash equivalents	THE GROUP 2012	THE GROUP 2011	THE COMPANY 2012	THE COMPANY 2011
	USD	USD	USD	USD
Cash in hand	**21,280**	14,735	**21,280**	14,735
Bank balances	**7,557,369**	7,427,480	**7,510,874**	7,275,028
	7,578,649	7,442,215	**7,532,154**	7,289,763

27. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Other related corporations		Directors	
	2012	2011	2012	2011
	USD	USD	USD	USD
Amount due to	739,978	514,034	-	-
Amount due from	7,550,301	7,624,947	-	-
Remuneration	-	-	288,692	8,658
Purchases of products and services	1,448,526	1,290,716	-	-
Sales	85,933,103	78,437,822	-	-

(b) THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2012	2011	2012	2011	2012	2011
	USD	USD	USD	USD	USD	USD
Amount due to	-	-	739,978	514,034	-	-
Amount due from	78,758,254	79,009,663	7,550,301	7,624,947	-	-
Remuneration	-	-	-	-	283,300	2,801
Bareboat charter fees	14,591,554	14,710,055	-	-	-	-
Technical management fees	801,000	801,000	-	-	-	-
Purchases of goods and services	-	-	1,448,526	1,290,716	-	-
Sales	-	-	85,933,103	78,437,822	-	-

(c) The above transactions have been made at arm's length, on normal commercial terms and in the ordinary course of business.

Outstanding balances with related parties at the year-end are unsecured and interest free. There has been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2012, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2011: Nil). 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.

(d) Key management personnel compensation

	THE GROUP AND THE COMPANY	
	2012	2011
	USD	USD
Salaries & other benefits	581,748	258,119
Pension costs	3,013	2,581
	584,761	260,700

28. FIVE YEAR FINANCIAL SUMMARY

	2012	2011	2010	2009	2008
	USD'000	USD'000	USD'000	USD'000	USD'000
THE GROUP					
(Loss)/profit before taxation	(13,697)	(7,186)	412	(29,174)	103,489
Taxation charge	(182)	(2,402)	(2,096)	11,011	(40,011)
Net (loss)/profit for the year	(13,879)	(9,588)	(1,684)	(18,163)	63,478
Other comprehensive (expense)/ income	(201)	634	1,014	(289)	425
Non-controlling interest	8	(11)	(24)	65	104
Retained earnings brought forward	101,496	110,461	111,155	129,542	65,535
Retained earnings carried forward	**87,424**	**101,496**	**110,461**	**111,155**	**129,542**
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	235,162	167,196	124,647	124,647	115,989
Retained earnings	87,424	101,496	110,461	111,155	129,542
Owners' interest	331,181	277,287	270,138	244,397	254,126
Non-controlling interest	(132)	(124)	(135)	(159)	(94)
Total equity	331,049	277,163	270,003	244,238	254,032
THE COMPANY					
(Loss)/profit before taxation	(12,670)	(3,746)	4,900	(27,438)	111,703
Taxation charge	(183)	(2,402)	(2,096)	11,010	(40,010)
(Loss)/profit for the year	(12,853)	(6,148)	2,804	(16,428)	71,693
Retained earnings brought forward	122,344	128,492	125,688	142,116	70,423
Retained earnings carried forward	**109,491**	**122,344**	**128,492**	**125,688**	**142,116**
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	235,164	167,199	151,084	124,647	115,990
Retained earnings	109,491	122,344	128,492	125,688	142,116
Total equity	353,250	298,138	288,171	258,930	266,701