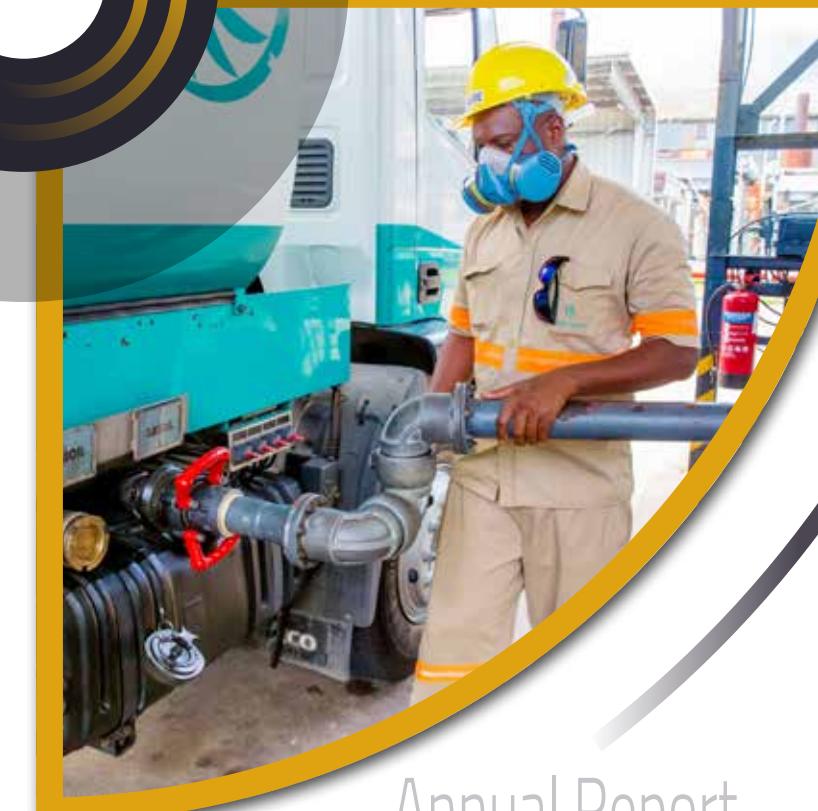




Standing Resilient Amid World Crisis



Annual Report
2020



CONTENT

Vision & Mission Statement	PAGE 04
Message from the Chairperson	PAGE 06
Message from the Chief Executive Officer	PAGE 10
History	PAGE 14
Corporate Information	PAGE 18
Seychelles Economy	PAGE 26
World Oil Market	PAGE 30
Financial Performance Results	PAGE 34
Good Governance	PAGE 44
Risk Management	PAGE 48
Business Segments	PAGE 52
Prices at the Pump	PAGE 58
Sales	PAGE 62
Shipping	PAGE 70
Human Resource Management	PAGE 76
Health & Safety	PAGE 80
Corporate Social Responsibility	PAGE 84
Audited Financial Statements	PAGE 88



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

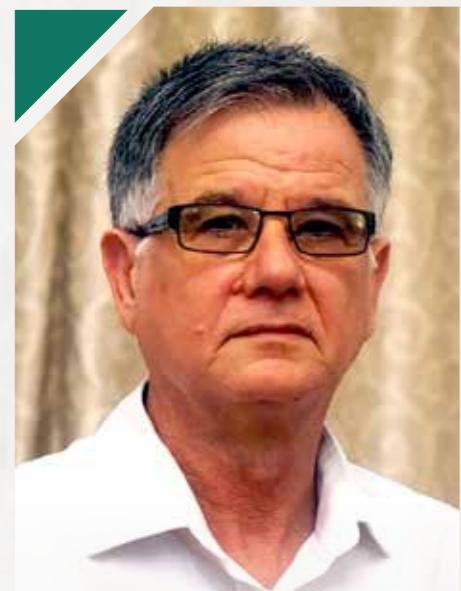
OUR MISSION

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

OUR VISION

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

MESSAGE FROM THE CHAIRPERSON



I AM PLEASED to present SEYPEC's 2020 Annual Report which covers our performance and progress in what by any standard was a challenging and volatile year indeed because of the COVID-19 pandemic. It was a year in which commodity supply chains were significantly disrupted, but we continued to focus with ever-greater intensity on transforming our business in line with our customer-led strategy.

We responded quickly and effectively to the upheavals and uncertainty of COVID-19 as the year 2020 will be remembered amongst the most challenging periods with respect to health and economy in global history. Throughout the year, our priorities were our people and our customers, and I must congratulate the Management and Staff of SEYPEC for having fulfilled the promise of a dynamic and faultless service to the nation with standards as high as possible.

The unpredictable external environment posed additional challenges to our trading activities including our shipping



We will continue to meet our customers' expectations through achievement of our business goals and thereby contributing to the economic growth and expansion of Seychelles.



fleet. As our import transactions are conducted in US dollars, our Group is further exposed to exchange rate risk.

Despite the addition of all these hurdles, SEYPEC was however able to remain remarkably steady as it is equipped with the required vision, knowledge, and experience to ensure that the Group delivers on its national mandate with top-level performance which always yield most satisfactory results.

We will continue to meet our customers' expectations through achievement of our business goals and thereby contributing to the economic growth and expansion of Seychelles.

I would like to place on record my deepest appreciation for the support received from the Board of Directors and express my warmest thanks to the dedicated management and staff of SEYPEC for their outstanding performance during a most difficult year.



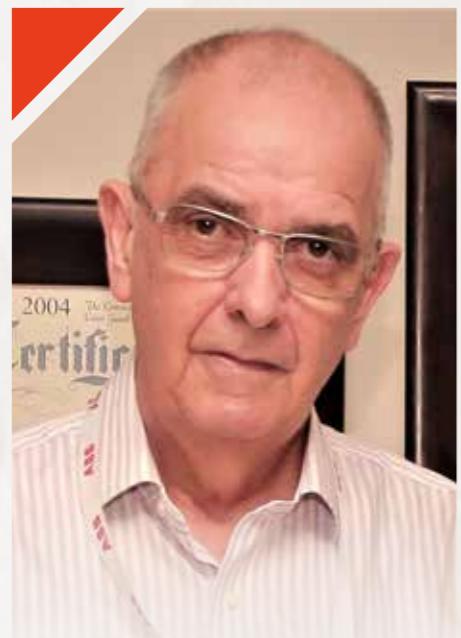
We responded quickly and effectively to the upheavals and uncertainty of COVID-19 as this year in review will be remembered amongst the most challenging periods with respect to health and economy in global history.



 **DR SELWYN GENDRON**
Chairperson



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



THE YEAR 2020 turned out to be completely different to the one envisaged a year ago. Tackling the impact of Covid-19 has demonstrated the fortitude and sustainability of SEYPEC, but it has also helped us push forward initiatives to modernise the ways in which we operate together with staff members, customers, and partners. Our people were the driving force in handling the challenges of 2020. They accomplished their mission in a professional and safe way with the right culture and processes which ultimately confirmed the resilience of our business.

As our community adjusted to life in a pandemic, it was critical that SEYPEC continued to provide such an essential service as energy supply to power hospitals, homes, and businesses all around the country. SEYPEC not only maintained continuity of supply but did it in a safe and secure manner. SEYPEC responded quickly and effectively to COVID-19 in terms of business continuity planning, adopting new ways of home working for office-based staff and evolving its procedures at front-line locations to protect the employees and customers. We also moved very quickly to right size our cost base, in anticipation of this unprecedented situation.

In fore view of the COVID-19 situation as mentioned above, the earnings remained under immense pressure as the Group continued to bear fixed costs coupled with reduced revenues. Various steps were taken to minimize expenses and curtail costs to protect the shareholders' wealth and ultimately generating better returns. The loss in revenue attained



SEYPEC responded quickly and effectively to COVID-19 in terms of business continuity planning, adopting new ways of home working for office-based staff and evolving its procedures at front-line locations to protect the employees and customers.



SCR 110M, that is 75%, with the biggest hit registered in the aviation refuelling services. The domestic sales figures too showed a loss in revenue earnings to the tune of 25% over the year. These adverse results were exclusively due to the economic shutdown in the country and the halt in the long-haul airline traffic. The other main activities of the Group thrived relatively well despite the tumultuous economic and sanitary conditions. The bunkering services performed reasonably well with solid earnings and the shipping arm of SEYPEC produced acceptable results despite severe international constraints in operational maintenance with three of the ocean tankers immobilised for weeks in drydocking. But against all odds the Group relentlessly continued its programme for the recruitment of young Seychellois to embrace a maritime career.

Despite a reduction of 31% in turnover the Group reported a profit for the year contrary to expectation in the actual situation. Four of its ocean tankers being a subsidiaries domiciled in the Isle of Man, the Group had to finance their loan repayments in Euros. These repayments presently appear in the books of the Group as long-term receivables and are being refunded on an annual basis. The

substantial differences in the rates of exchange at the beginning and closing of the financial year 2020 caused an exceptional unrealised gain in exchange in the statement of profit or loss for the year, resulting from conversions of the loans repaid in Euro, booked in Seychelles Rupees, in the books of SEYPEC and finally converted into US Dollar upon presentation of the financial statements. These conversions from Euro to Functional currency and presentation currencies are in line with the requirements of the International Financial Reporting Standards (IFRS) which is a set of internationally recognized accounting principles and that SEYPEC adopted, and which governs its accounting reporting. Realising and managing a turnover of SCR 3.4billion need to be always alert with consistent oversight. It is the quality and commitment of our people that made it possible and the calibre of the people we attract, retain, and develop and reward are the key factors of that sound and efficient running of our Group. When I mention calibre, it does not only mean core skills, capabilities, and experience, important though these are. I also mean a passionate mind-set, adaptability, and ability of our people to really contribute towards growth.

As we all experienced the chaotic and uncertain nature of the year, I must commend the contribution of our human resources towards the pursuit of our mandate. Our employees, on the frontlines and behind the scenes, worked tirelessly to ensure that the wheels of our nation's economy stayed in motion. During the year under review, SEYPEC attained another landmark in its history by celebrating the 35th Anniversary of its foundation. Since 1985, it has grown with the mission of fuelling the nation, its economy and enriching lives of all those whose lives it serves. We are proud of our rich heritage on which we continually build our course. Through an extraordinary and unusual year 2020, the energy of our people was the unifying glue which kept us all together and which provided the drive to move forward in the face of extreme challenges.

Fluctuations in the international price of oil had significant effects on the rates in Seychelles. During the year, global events including COVID-19 and a sequence of geopolitical and market factors have driven the instability of oil prices that has affected the overall supply and demand forecasts. But SEYPEC has a very well established and reliable system for its imports that it always uses to supply its customers with international quality products at a very fair price.

As the year unfolded, SEYPEC was ready with its Strategic Plan 2020-2025. This plan provides a clear road map for the Group to achieve its objectives over the coming 5 years and highlights areas that will require improvements as well as opportunities to position the Group to develop its people, modernize its operations and better its performance, all gearing towards meeting customer expectations and improving the Group image. Monitoring and evaluation of the plan were mandated at the level of General Managers who would regularly assess accomplishment of targets set and make recommendations on the progress achieved.

I wish to express my deepest thank to our customers, business partners and stakeholders for their continued support. I would also like to commend our employees for their engagement, perseverance, and hard work over the past year. This journey would not have been possible without the guidance of SEYPEC Board of Directors. It is my privilege to serve as Chief Executive Officer while appreciating the responsibility and trust involved in helping shape this great business for continued success in the future.

I hope that you and your loved ones are staying safe and healthy.

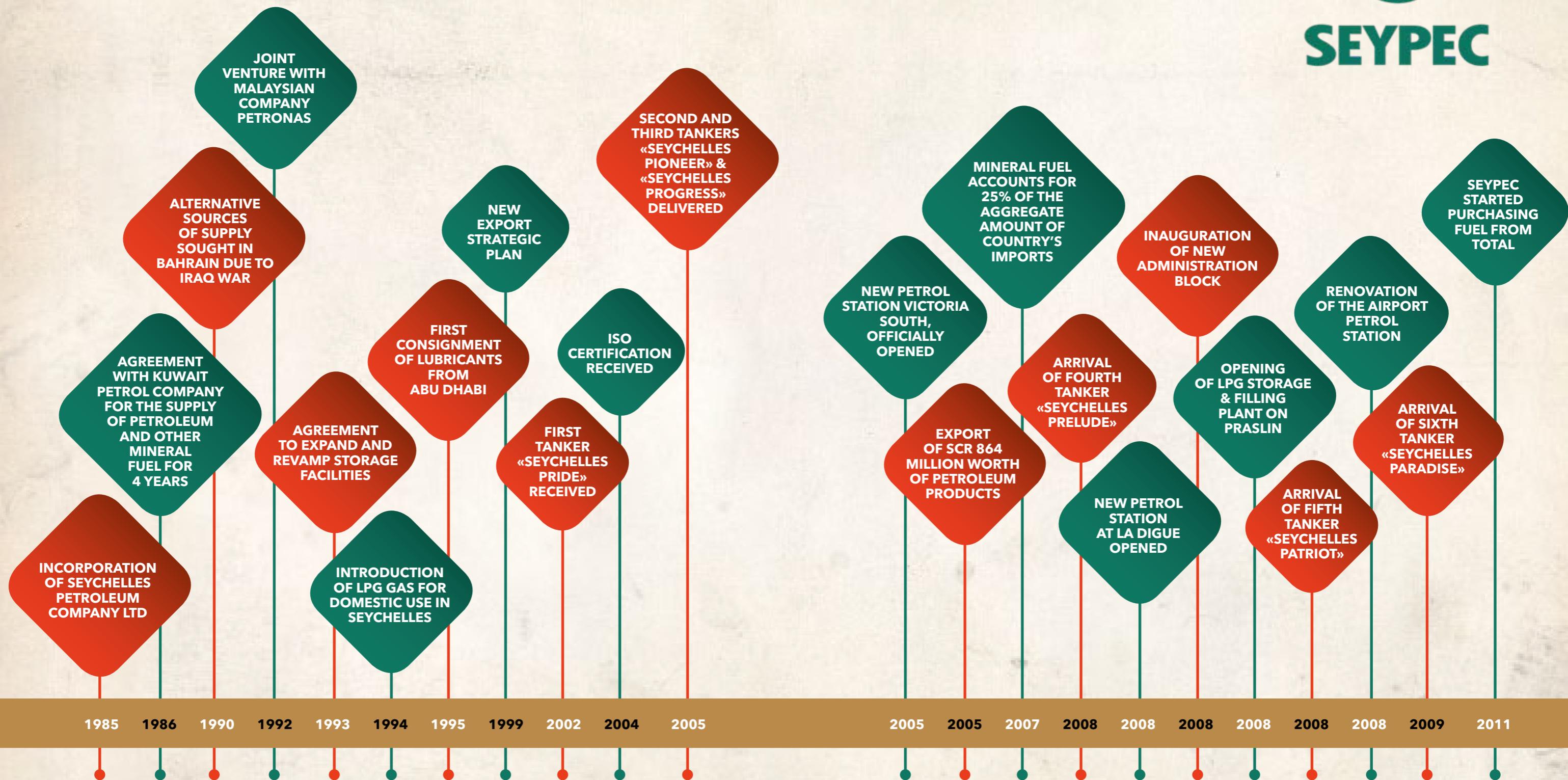


CONRAD BENOITON
Chief Executive Officer

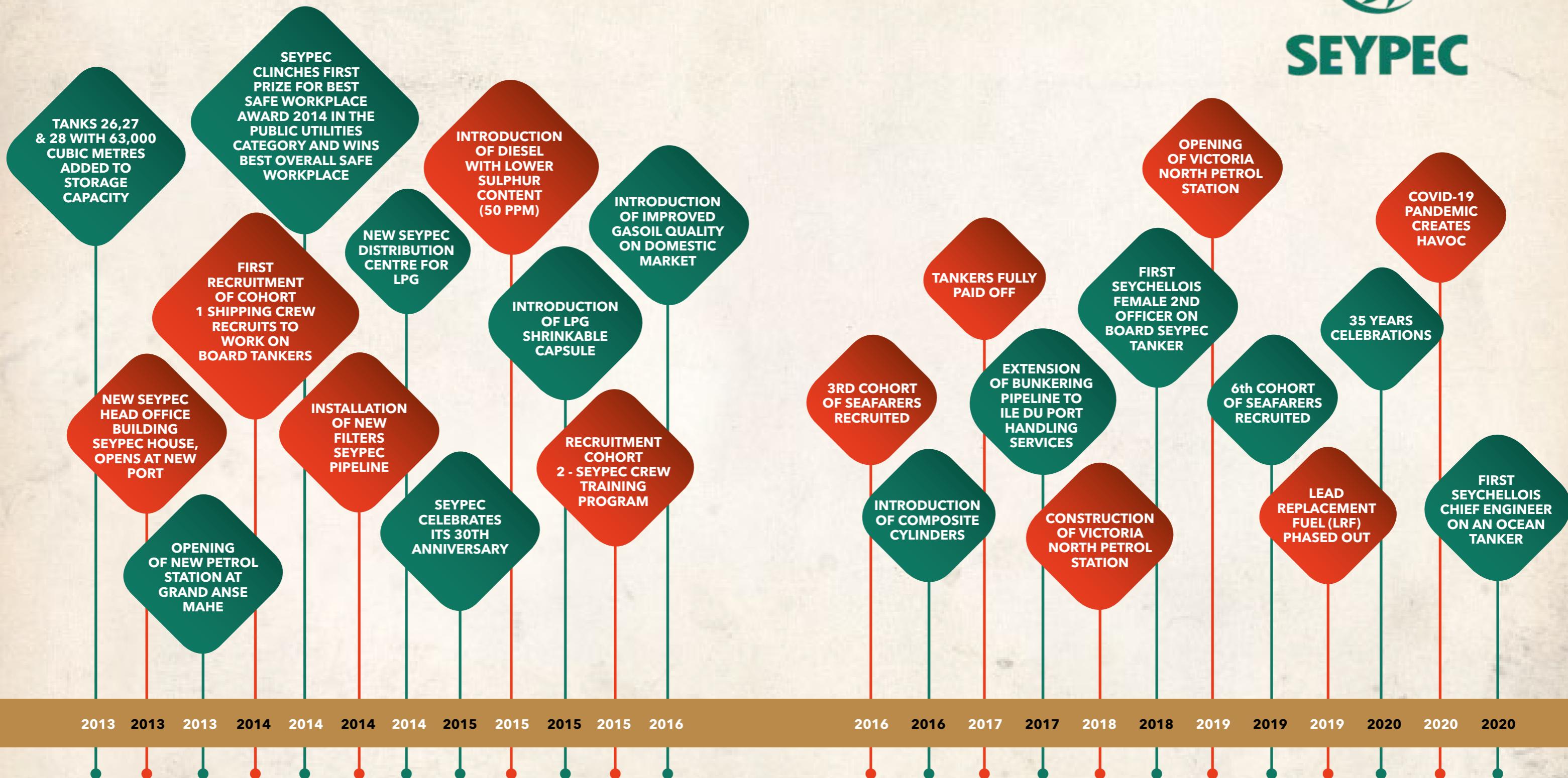
Through an extraordinary year 2020, the energy of our people was the unifying glue which kept us all together and which provided the drive to move forward in the face of extreme challenges.



35 YEARS OF SHARED PROSPERITY



35 YEARS OF SHARED PROSPERITY





LOCATION

The Group's Head Office is located at New Port in Victoria and its fuel infrastructure consist of 28 storage tanks with a total capacity of 188,000 cubic metres. The Group owns a fleet of six double-hull tankers, four through its Isle of Man subsidiaries and two held directly by SEYPEC. Apart from the main depot at New Port, the Group owns two other depots and 9 petrol stations throughout the main islands.



REGULATORY ENVIRONMENT

The SEYPEC Group is governed by the following main laws:

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

REGISTERED OFFICE AND PRINCIPAL & PLACE OF BUSINESS

Newport,
Victoria, Mahé
Seychelles

DIRECTORS:

- S.Gendron (Chairperson)
- C.Benoitton (Chief Executive Officer)
- E.Belle
- V.Laporte
- Y Vel
- M Nalletamby
- S Patel

SECRETARY

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

AUDITORS

BDO Associates
Chartered Accountant
Seychelles

BANKERS

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



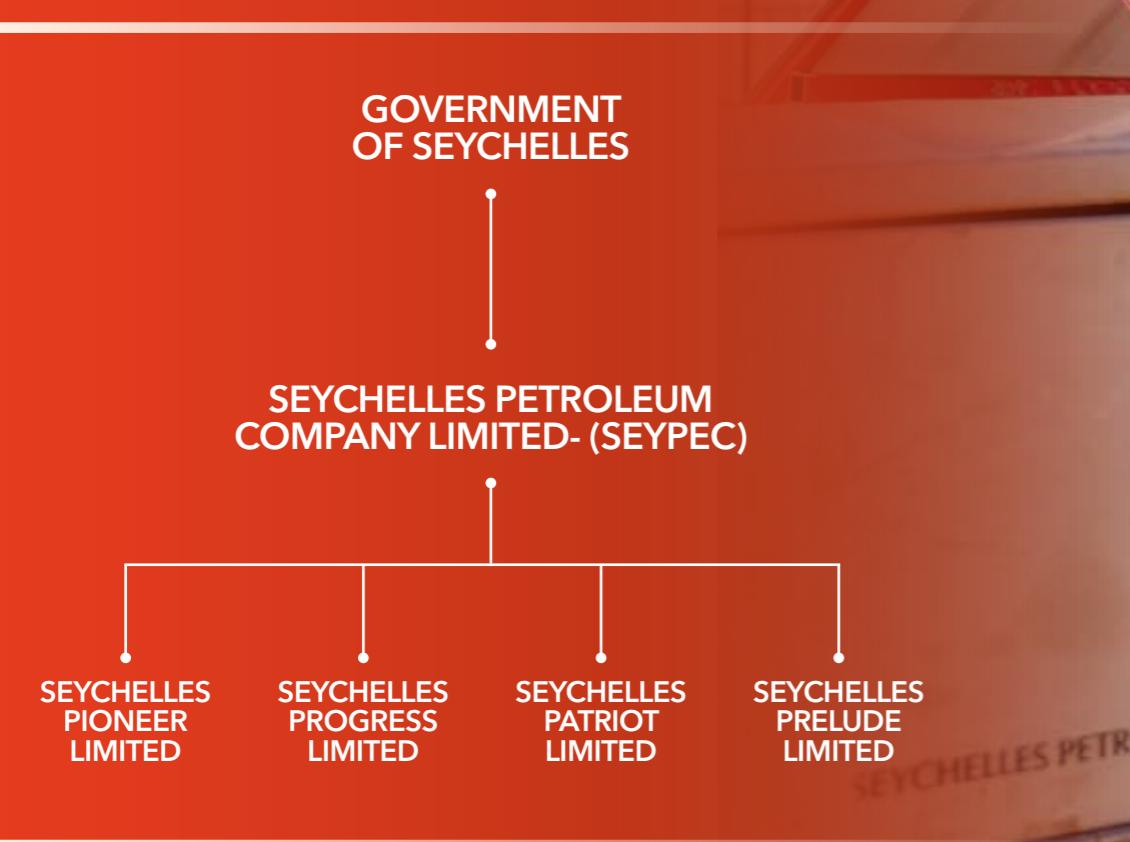
THE TEAM

The workforce as of December 31, 2020 was composed of 212 employees. SEYPEC prides itself as being one of the few Seychellois companies with no expatriate employees.



GROUP STRUCTURE

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







SEYCHELLES ECONOMIC REVIEW

The effects of the Covid-19 pandemic on the economy of Seychelles in 2020 has been one of the worst it has ever experienced. The economic shock from COVID-19 on the Seychellois economy was so severe in 2020 that economic growth declined significantly to -13.5% from 3.9% in 2019 due to the major disruptions in economic activities in Seychelles, driven by lower tourism activities which declined by more than 60%.

In addition, the fiscal deficit widened to 22.6% of gross domestic product (GDP) in 2020 on account of lower revenues and higher COVID-19-related spending and is projected to be 15.3% in 2021. Recovery is expected to gradually begin in 2021 driven by a resumption of tourism and related capital flows. Tourist arrivals decreased by 70.1% compared to 2019, with 384,204 visitors in 2019 plummeting to just 114,858 visitors in 2020. With such a performance in the tourism sector, revenue collection decreased by approximately 322 US dollar representing a 61.3% decrease compared to the provisional estimate for the year 2019.

With regards to the fiscal performance, it has been even worse than the economic situation before the country embarked on the macro-economic reforms of 2008. For the year 2020, a preliminary primary deficit of 15% was registered, or SCR3.231 billion, and an overall deficit of 18%, which represents SCR3.871 billion. This means that the revenue that the Government needed to finance its planned expenditures, was not enough. As a result, Government had to make up the difference through loans to the value of SCR 3.871 billion.

At the end of 2020, the total debt was SCR18.085 billion, representing a debt-to-GDP of 99.4%. SCR9.064 billion of that was external debt, which is equivalent to 50.1% and SCR9.021 billion as local debt. The official reserve, which was US dollar 580 million at the end of 2019 decreased to US dollar 559 million at the end of 2020 and the domestic currency depreciated against all its main trading partners. The fall in the value of the Seychelles rupee was from an average of SCR14.03 in 2019 to SCR17.62 in 2020 or by SCR3.59 (26%).



WORLD OIL PRICES

Instabilities has never hit the industry with quite a setback as observed during the year under review. It is a fact that the global oil industry has remained unstable over the years, but not as significantly as in 2020. Oil prices simply crumbled due to historic decrease in global energy demand in the wake of the COVID-19 pandemic. Markets, companies, and entire economies suffered bitterly from the effects of the global sanitary crisis.

The impact of this massive decrease in oil prices worldwide was felt throughout the global supply chain of oil industry and had ripple effects on other parts of the energy sector. Global oil demand crumbled as the pandemic drastically reduced fuel consumption, especially in the transport sector and industrial usage. This was further aggravated by a supply shock due to the end of restraints on production from OPEC and non-OPEC producers.

During normal times, low prices usually stimulate consumer reaction, but such a boost to demand was not to be seen during the health emergency. Rapid build-up of oil stocks saturated available storage capacity, pushing the prices further down. This led to a first for oil markets: negative prices for one of the major marker contracts. And once prices went negative, they continued to fall, so that a contract that had opened the day at USD17.73 per barrel closed at USD-37.63, a drop of over USD55, the largest swing ever witnessed in either dollar or percentage terms.

Following that shock, prices began to recover strongly, helped by OPEC+ cuts and the gradual removal of lockdown restrictions. The demand recovery in China has been strong, helping pull up other parts of Asia. Europe recovered well, but the US remained weak, particularly regarding jet and gasoline demand. By this time, both regions again experienced a second wave of lockdowns. 2020 was a year like no other for the oil markets.





FINANCIAL PERFORMANCE RESULTS

- The financial results for the year ended December 31, 2020, show a net profit of USD 35.4M as compared to USD 16.9M in 2019 and this unexpected profit is mainly arising from a substantial unrealised gain on exchange of USD 46.9M due to conversions of monetary assets/ liabilities but mainly on long term receivables from the 4 tanker subsidiaries registered in the Isle of Man. The Tankers report in Euros whilst SEYPEC has the Seychelles Rupee as functional currency and the US Dollar as reporting currencies. The substantial fluctuations of Seychelles Rupees to the Euro and to the Dollar as at January 1, 2020, compared to December 31, 2020, led to this exceptional unrealised gain of USD 46.9m which was reported in the Statement of Profit and Loss of the Group in compliance with the requirements of International Financial Reporting Standards (IFRS), the accounting principle adopted by the Group, thereby impacting positively the results for the year.

To note, exchange rates were as follows:

Currency	January 1, 2020	December 31, 2020
Euro	15.94	26.98
US Dollar	14.23	22.00

- In 2020, revenue fell significantly from USD 382.2 M to USD 262.4M due to effect of the COVID-19 and lock down of the country with closures of all air and sea borders and the Group also benefitted from lower oil prices in 2020.
- The significant increase to a ratio of 8.7 in 2020 for the Return on Total Assets was the result of exceptional profit made, as explained earlier, following unrealised gains on exchange rates.
- It is for the same reason that Return on Equity climbed up significantly to 10.0 in 2020., This ratio has been consistently growing since 2015, with only a slight fall in 2018 due to lower profits.
- Gross profit margin in 2020 was maintained at a reasonable rate of 5.9% as compared to 6.5 % in 2019 since the Group was able to balance its sales to costs due to its weekly pricing mechanism which partly mitigated the impact of foreign exchange fluctuations.
- While gross profit margin provides a general indication of profitability, net profit margin is a more accurate measure. Increases in revenue do not necessarily create increases in profitability. Net profit margin reveals the percentage of revenue that reflects the Group's profit per US dollar of sales and this ratio has been on a positive trend since 2015 and with a significant increase in 2020 as compared to 2019, resulting from exceptional unrealised profits from exchange gains.
- The Current ratio of 2.2 in 2020 is an indication of the Group's ability to pay back its debts. This ratio is on the increasing trend and went up from 1.28 in 2015 to 2.3 in 2019 and 2.2 in 2020 which indicates the Group's particularly good financial health.



- Earnings per share which stood at USD 0.018 in 2020 has been increasing consistently since 2015. Earnings per share is the portion of a company's profit allocated to each outstanding share and is an indicator of the Group's profitability.
- Lower dividends were paid in 2020 as compared to 2019 since the Group was prudent in not distributing profit made up from unrealised exchange gains. The dividends paid during the year is the direct result of the good performance and turnaround of the Group since 2015. The Group is regularly returning money to its shareholders, the Government of Seychelles. It also indicates that the Group is well past its growth stage and is now well established financially.
- The Net Cash flow generated by operating activities of USD 81.9M indicates that the Group is producing substantial working capital from its activities. This is on an upward trend since the Group has been able to discharge all its borrowing commitments since 2017, which explains also high cash and cash equivalents, also linked to repayments of the borrowings. The positive cash ratio of 80.1 confirms the Group's liquidity and shows that it has a very sound liquidity position.

HIGHLIGHT OF STATEMENT OF FINANCIAL POSITION

	THE GROUP				
	2020	2019	2018	2017	2016
NON-CURRENT ASSETS	348.5	357.8	372.9	392.2	400.8
CURRENT ASSETS	60.1	78.2	66.9	65.6	69.6
TOTAL ASSETS	408.6	436.0	439.8	457.8	470.4
 TOTAL EQUITY	 354.3	 381.4	 378.2	 384.6	 374.5
NON-CURRENT LIABILITIES	27.2	20.5	24.5	26.6	25.4
CURRENT LIABILITIES	27.1	34.1	37.1	46.6	70.5
TOTAL LIABILITIES	54.3	54.6	61.6	73.2	95.9
 TOTAL EQUITY & LIABILITIES	 408.6	 436.0	 439.8	 457.8	 470.4
 RATIOS:					
RETURN ON TOTAL ASSETS (PAT/total Assets)	8.7	3.88	1.43	4.70	1.96
RETURN ON EQUITY (PAT/Equity)	10.0	4.43	1.67	5.59	2.46
CURRENT RATIO (Current Assets/current liabilities)	2.2	2.29	1.80	1.41	0.99
DEBT TO EQUITY RATIO	5.37	6.48	6.92	6.78	14.57

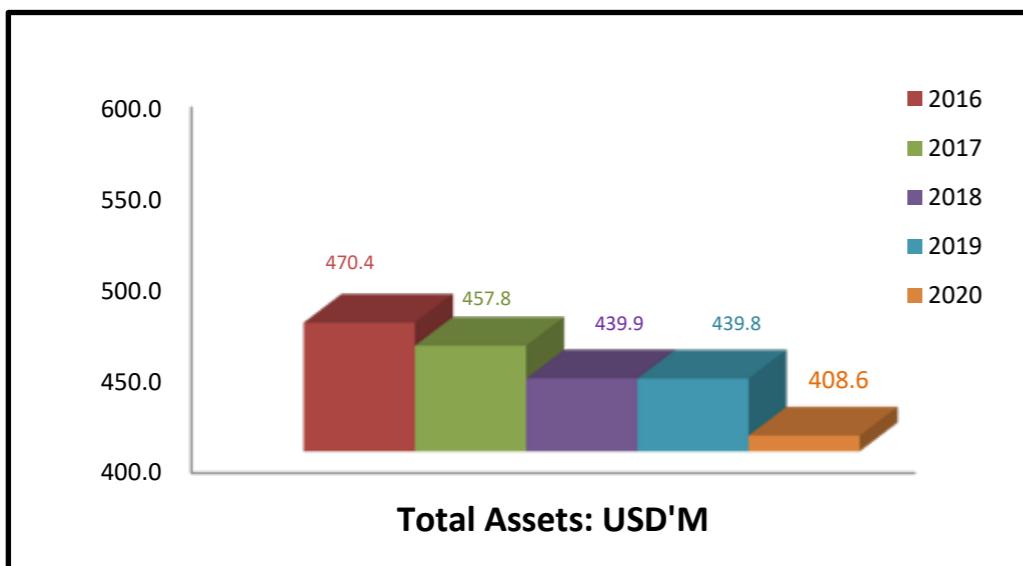


HIGHLIGHT OF STATEMENT OF PROFIT OR LOSS

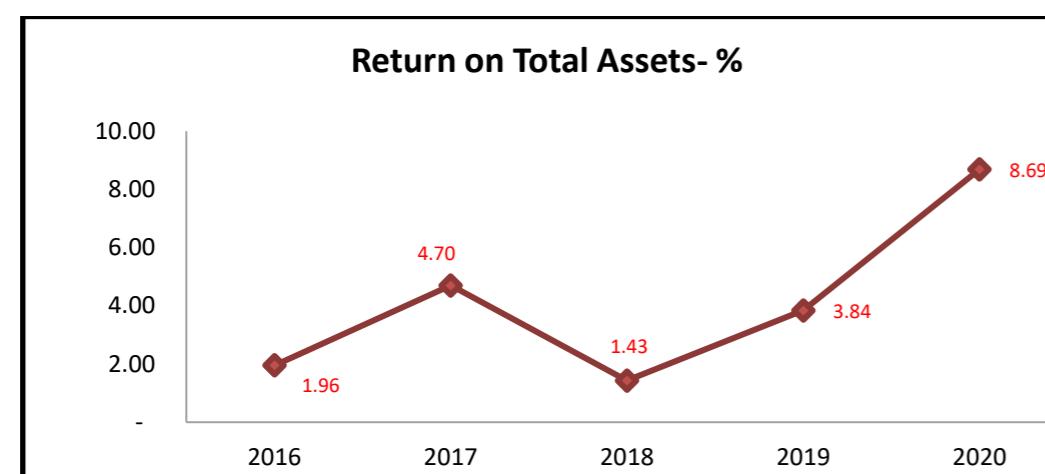
	THE GROUP				
	2020	2019	2018	2017	2016
REVENUE	262.4	382.2	397.1	344.4	292.0
GROSS PROFIT / (LOSS)	15.5	25.0	17.8	25.2	19.5
PROFIT BEFORE TAXATION	59.2	19.6	11.6	30.7	17.8
TAXATION	(23.7)	(2.7)	(5.3)	(9.2)	(8.6)
PROFIT FOR THE YEAR	35.5	16.9	6.3	21.5	9.2
 RATIOS:					
EARNINGS PER SHARE (Profit for the year/no. of shares)	0.018	0.008	0.0032	0.0108	0.0046
GROSS PROFIT MARGIN (Gross Profit/revenue)	5.9	6.5	4.48	7.32	6.68
NET PROFIT MARGIN (Profit for the year/Revenue)	13.5	4.4	1.59	6.24	3.15
DIVIDENDS	10.5	14.1	10.60	6.60	6.60
 RATIOS:					
Dividends per share (Dividends/no. of shares)	5,250.0	7,050.00	5,300.00	3,300.00	3,300.00
Dividend payout (Dividends/PAT) (Dividends/Profit for the year)	29.6	83.43	168.25	30.70	71.74

HIGHLIGHT OF STATEMENT OF CASH FLOWS:

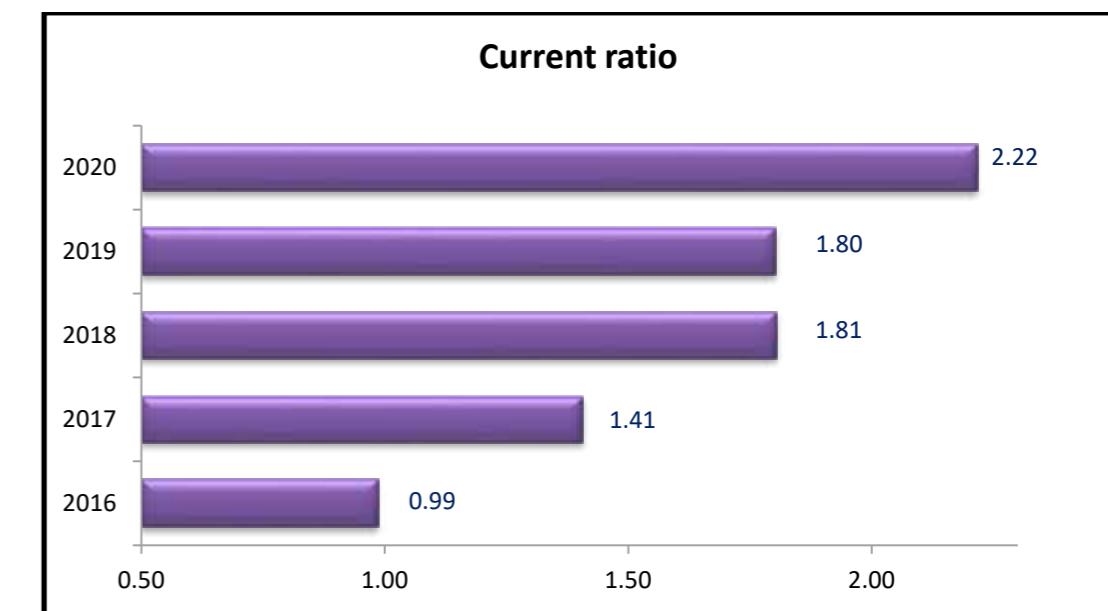
	THE GROUP				
	2020	2019	2018	2017	2016
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	81.9	40.9	13.5	30.8	50.1
NET CASH FLOW USED IN INVESTING ACTIVITIES	(5.9)	(9.7)	(4.4)	(3.0)	(2.1)
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	(10.5)	(14.1)	(10.6)	(33.3)	(36.5)
NET CHANGE	65.5	17.1	(1.5)	(5.4)	11.5
EXCHANGE DIFFERENCES	(67.0)	1.3	(1.6)	(8.4)	(4.7)
AT JANUARY 1	23.2	4.8	7.9	21.7	14.9
AT DECEMBER 31,	21.7	23.2	4.8	7.9	21.7
 RATIOS:					
CASH RATIO (Cash & Cash equivalent/current liabilities)	80.1	68.0	12.9	17.0	30.8



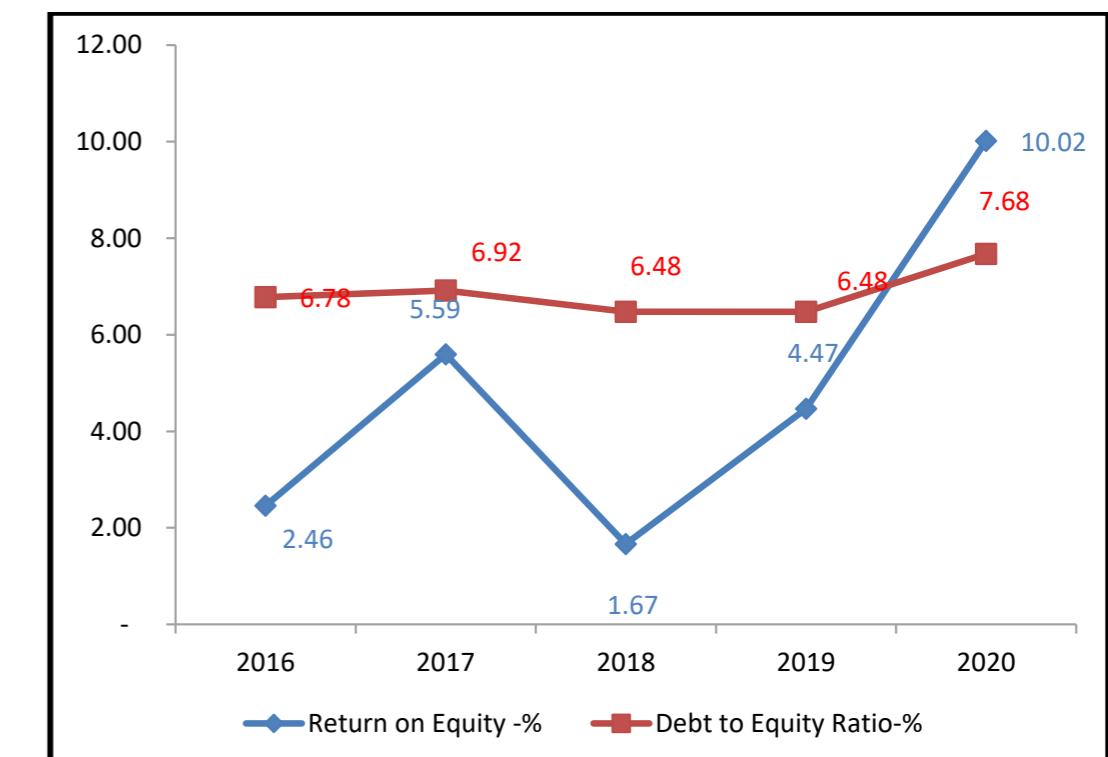
	2016	2017	2018	2019	2020
Total Assets: USD'M	470.4	457.8	439.9	439.8	408.6



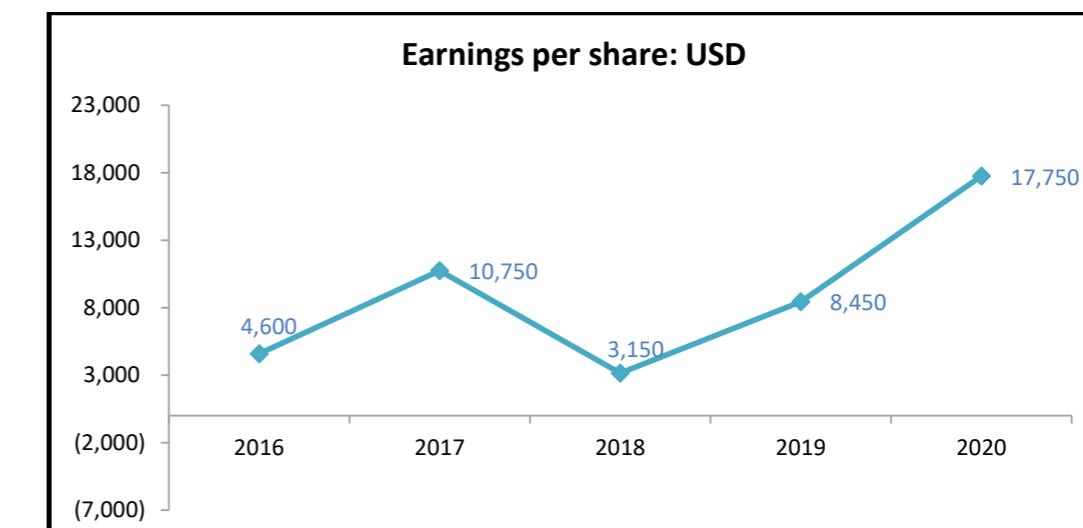
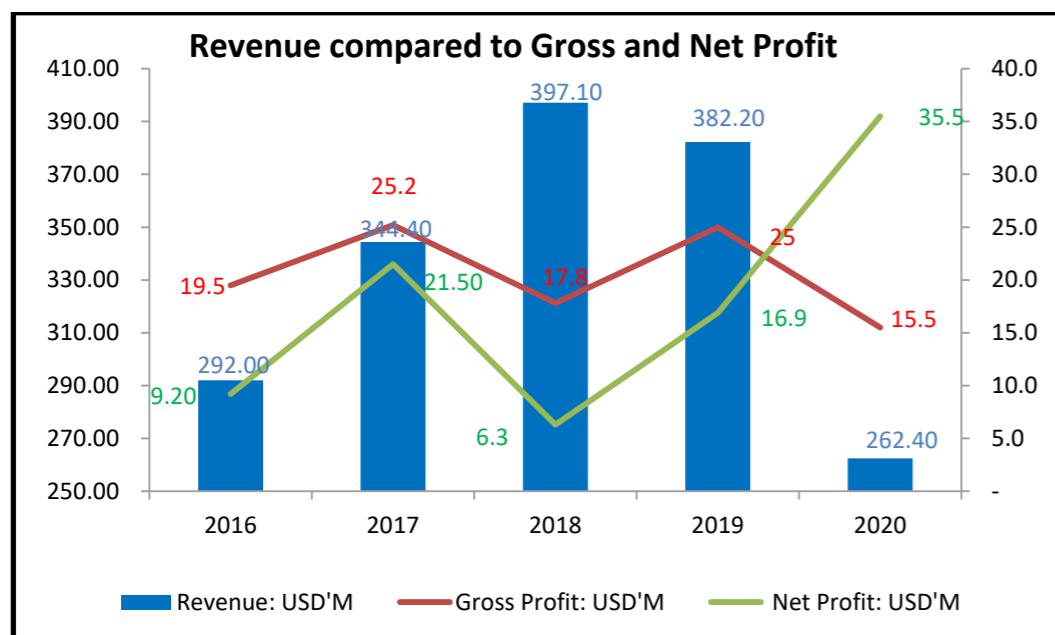
	2016	2017	2018	2019	2020
Return on Total Assets - %	1.96	4.70	1.43	3.84	8.69
Return on Equity - %	2.46	5.59	1.67	4.47	10.02



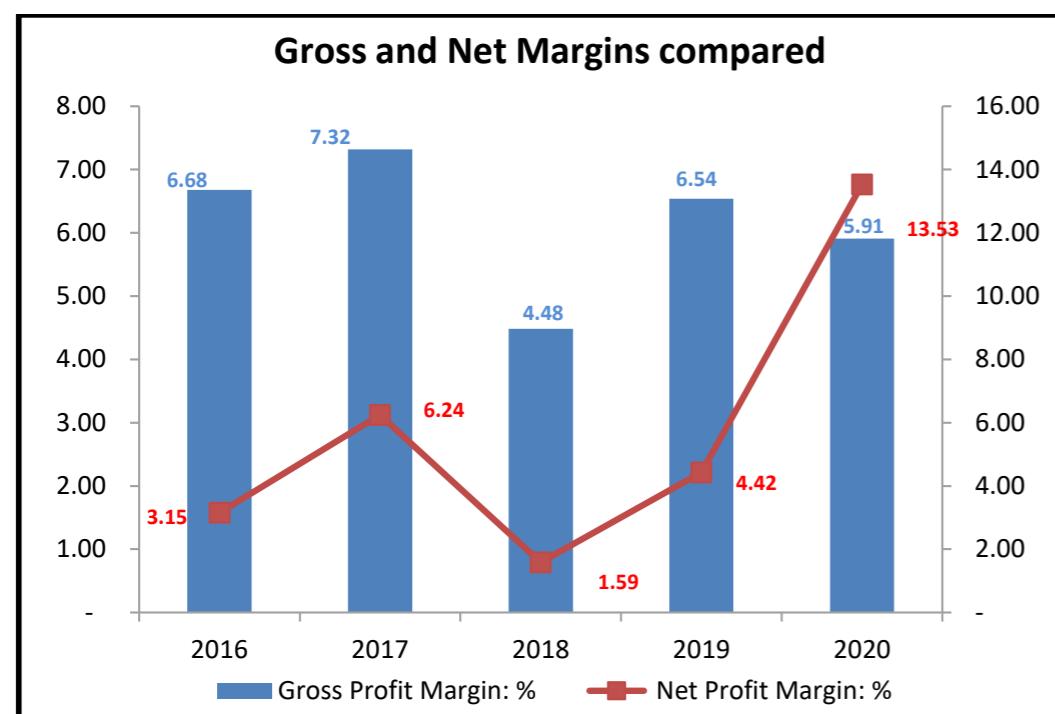
	2016	2017	2018	2019	2020
Current ratio	0.99	1.41	1.81	1.80	2.22



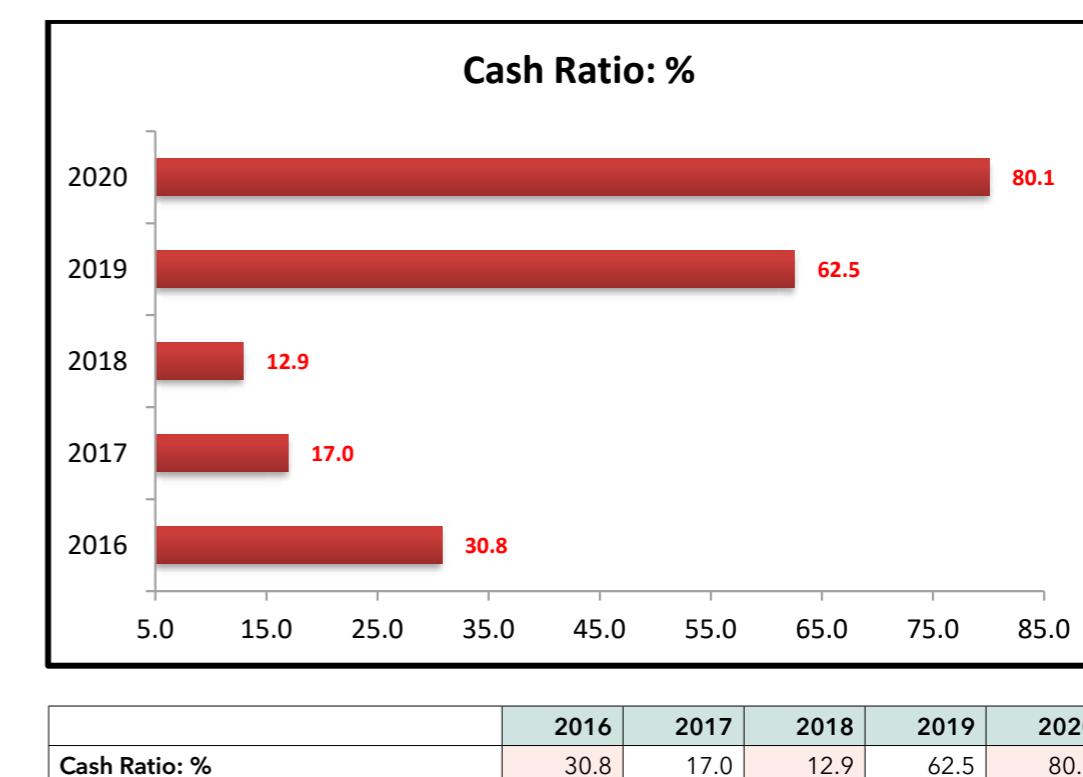
	2016	2017	2018	2019	2020
Return on Equity - %	2.46	5.59	1.67	4.47	10.02
Debt to Equity Ratio - %	6.78	6.92	6.48	6.48	7.68



	2016	2017	2018	2019	2020
Revenue: USD'M	292.00	344.40	397.10	382.20	262.40
Gross Profit: USD'M	19.5	25.2	17.8	25	15.5
Net Profit: USD'M	9.20	21.50	6.3	16.9	35.5



	2016	2017	2018	2019	2020
Gross Profit Margin: %	6.68	7.32	4.48	6.54	5.91
Net Profit Margin: %	3.15	6.24	1.59	4.42	13.53
Net Profit: USD'M	9.20	21.50	6.3	16.9	35.5







GOOD GOVERNANCE

SEYPEC has created a culture where principles of corporate governance are embedded into its policies and practices. All activities carried out are at par with the best practices to ensure sustainable and progressive future.

Our governance principles are:

Effectiveness

Our work force has the appropriate balance of skills, experience, independence and knowledge of the Group and industry to discharge duties and responsibilities effectively.

Accountability

The conduct, roles, responsibilities, and accountability of management are continuously clarified to ensure the alignment of management and shareholders' interests.

Transparency

There is a transparent approach to corporate reporting, risk management and internal control principles while maintaining an appropriate relationship with the Group's auditors.

Independence

Corporate governance is conducted in a professional way without conflict of interest and free from any internal and external influence or pressure.

Equal Employment Opportunity

The Group believes in providing equal opportunity to everyone around. The Group laws in this regard are complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable.

SEYPEC also maintains an anti-bribery and corruption policy in relation to its compliance with the Anti-Corruption Act, 2016. These policies set out the high ethical standards required of employees while carrying out their business activities regarding dealing with gifts, hospitality, corruption, and fraud.

During the year under review, the Board again considered the Group's responsiveness to changes within its business environment and is satisfied that there is an ongoing process, which has been operating effectively during the year.





RISK MANAGEMENT

In 2020, SEYPEC has continued to adopt a rigorous and robust approach to managing risks, including ensuring that it not only have strong structures and processes in place but also a clear and up-to-date view of the current risk landscape. The Group's strong risk governance structure is designed to provide clear business oversight, helping it make the right decisions at the right time. Hereunder are some of the major risks and the corresponding mitigating strategy.



Risk	Category	Mitigating Strategy
Volatility in international oil prices	Strategic	Sound and transparent import process to ensure best available prices from supplier. Efficient and effective stock management results in minimal losses from decline in prices and vice versa
Operating in a fixed margin industry	Strategic	Increased focus on pushing volume-based sales generating optimum returns and diverse portfolio of products
Non-compliance with statutory requirements and regulatory framework	Strategic	Proactive approach by the management in timely implementation of and compliance with any changes in the regulatory environment of the industry
Shortage of products due to delay and disruption in the supply chain	Commercial/Operational	Adequate stock levels are maintained, and regular imports are planned to counter the risk arising from these situations to maintain smooth uninterrupted operations of the Company
Turnover of trained employees at critical positions/ employee misconduct	Operational	Result-oriented Human Resource planning policy coupled with employees' job rotations & training practices have been put in place to cater this risk. A formal code of conduct is in place to ensure employees' disciplinary mechanism
Risks of accidents causing serious injuries to employees / stakeholders or damage to Group's property	Operational	A sound system of Health & Safety is in place for hazard identification & threat management to ensure workplace safety
IT security risks, internal external frauds, and system failures	Operational	System integrated controls are in place to prevent unauthorized access to confidential information and to avoid breaches, errors & other irregularities. Data auto backup mechanism is also followed
Accidents, natural calamities, force majeure	Operational	These events are beyond the Company's control however with the SEYPEC's disaster recovery/ business continuity plans The Company is well equipped to recover from any crisis.



BUSINESS SEGMENTS

The activities of SEYPEC include importation, storage, distribution & sales of petroleum products to local users, ships, and aircrafts. It is also the sole supplier of LPG in Seychelles. SEYPEC entertains effective and trusted relationships with residential, business and wholesale customers.

The Group performs its sales activities to bulk consumers and the public through petroleum retail stations and outlets. The goal is to provide maximum customer service and satisfaction at the lowest cost possible.

SEYPEC maintains and continuously upgrades a network of storage tanks, pipelines, and other bulk transportation infrastructure throughout the country.

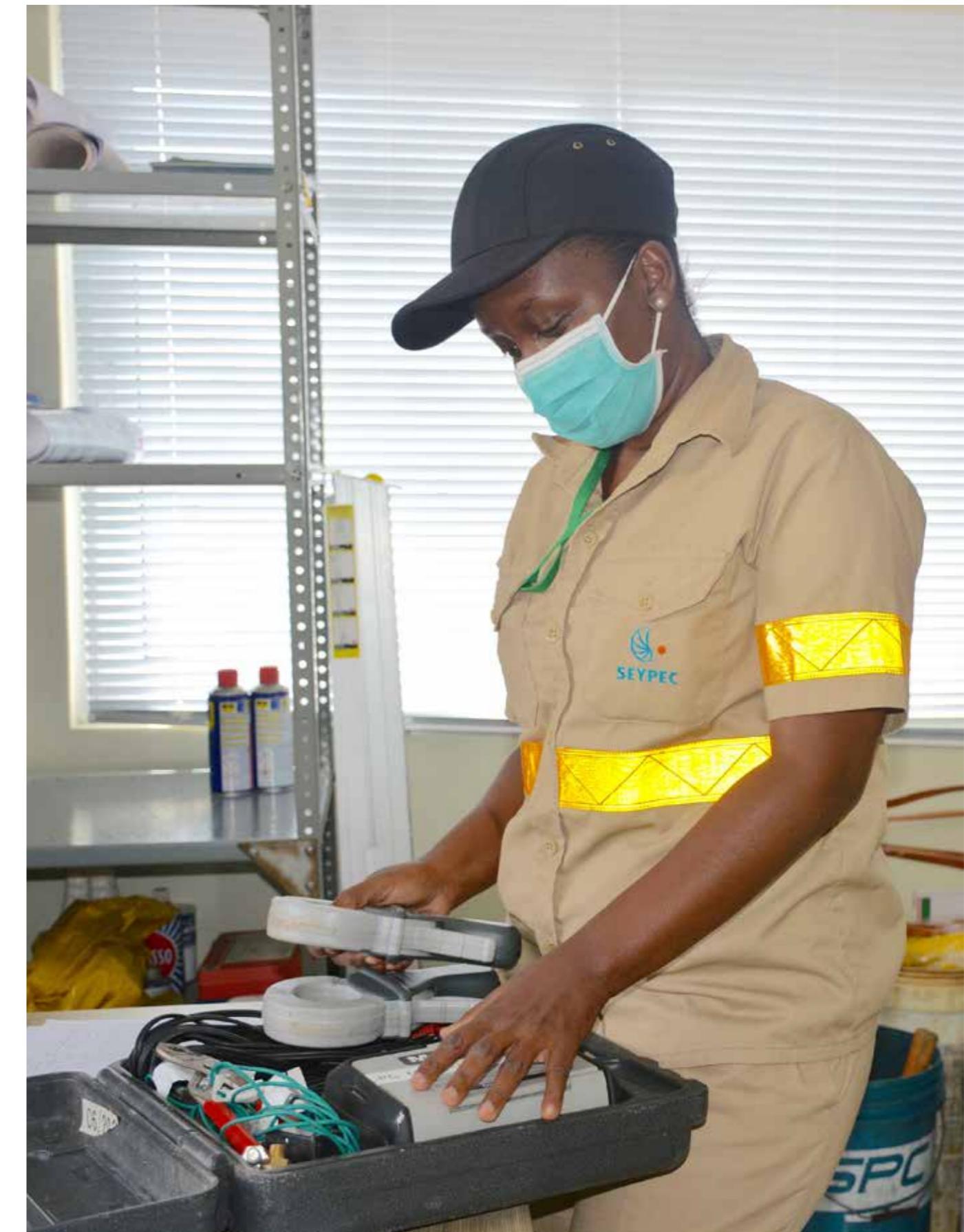
Revenue & income sources

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

- Domestic sale of petroleum products
- Marine bunkering
- Aviation refuelling
- Shipping activities

Domestic sale of petroleum products in Seychelles

SEYPEC has a national mandate to supply gasoil, fuel oil, motor gasoline and LPG to users in Seychelles. The main customers are: The Public Utilities Corporation (PUC), petrol stations, hotels, industries, and the Seychelles Public Transport Corporation (SPTC). For the year 2020, this represented 41% of total sales value.





International Product sales

Another significant part of the activities of SEYPEC is its international sales service for marine bunkering and aviation refuelling. In 2020, 44% of total sales revenue was generated by this activity.

Marine bunkering

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

- Prime location in the Indian Ocean
- ISO 8217-2010 certified products
- Large storage facilities
- Safe and efficient bunkering management
- Highest quality service and expertise
- Competitive cost
- 35 years of experience in the petroleum trade.

Aviation refuelling

The Group usually refuels numerous international airlines with Jet A1 under normal conditions: Air Seychelles, Emirates Airlines, Turkish Airlines, Air France, Condor, British Airways, Etihad Airways, Qatar Airways, Kenya Airways, Air Austral, Edelweiss Airways and Ethiopian Airlines.

Shipping activities

SEYPEC and its subsidiaries own six double-hull tankers, five of which are leased on either time or voyage charter for the transportation and transhipment of petroleum and chemical products. The management of five tankers has been outsourced to German Tanker Shipping (GTS) since the beginning of 2014. The sixth tanker, 'Seychelles Paradise' was built with the aim of supplying petroleum products and LPG to the other islands (mainly Praslin & La Digue) and for bunkering of foreign vessels that anchor at the Victoria Harbour. In general, during the year under review shipping made up 15% of the Group's total revenue for the year.





PRICES AT THE PUMP

The price of all types of fuel imported and distributed by SEYPEC depends on the global crude oil price and parity of US Dollar (USD) to the Seychelles Rupees (SCR). Seychelles remains a 100% importing country for these products. In Seychelles, prices have been extremely volatile over 2020. The lock down due to COVID-19 resulted in mass-scale reduction in public movement as well in industrial and business activities. Less vehicles on the road lowered demand significantly.

Despite having no control on the fundamentals of the oil prices on the world market, SEYPEC adopted the same policy of stringent pricing rules to all its imports throughout the year, passing on every benefit to customers when the world prices went down and

limiting any increase to the minimum. The Group made it a point to continue publishing prices every week by advising customers about any changes therein.

At the turn of the year, the motor gasoline price stood at SCR18.60 and the price of gasoil at SCR 18.57 amidst dangerous rising tensions between the USA and Iran following the killing of a top Iranian general in Iraq. This news immediately sent shock waves across all oil markets in the world with fears of war emerging in the world's most important oil region with Teheran warning of retaliation. By April 2020, COVID-19 had prompted lock downs around the world and in Seychelles, shutting businesses and stopping people from travelling.

During the following months, motorists benefited from the sharp fall of the oil prices on the international markets. Prices at the pump which had started to fall in March 2020 due to the COVID-19 made consumers happy with the lowest pump prices when motor gasoline reached SCR 14.96 per litre in May and gasoil fixed at SCR14.43, despite the exchange rate jumping up to SCR17.82 at the time. At a time when forex was becoming scarce, SEYPEC decided it would be using its US dollar proceeds from its activities in bunkering foreign vessels in Victoria as well as from its tanker operations worldwide to support its fuel purchases. As such, SEYPEC did not buy any US dollar on the local market between June and November, and this has enabled a lower price of fuel during that period as the Group did not have to purchase any foreign currency from banks locally at a higher

rate. Finally, the financial turmoil resulting from the COVID-19 crisis triggered a sharp currency devaluation for the local currency as is the case in most developing countries. The US dollar took an unprecedented rise of 45% since April from SCR 14.24 to peak at SCR 21.95 by the end of the year. This resulted in higher prices of motor gasoline and gasoil for consumers at SCR 20.40 and 18.69 by the New Year.

In 2020, margin costs have also remained unchanged while Seychelles pump prices compared quite favourably to other countries in the region. The management of the purchases with the designated supplier as well as the efficient monitoring of stocks paid huge dividends. These were the overriding principles guiding SEYPEC to always strive to keep the pump prices as affordable as possible to users in Seychelles.



Sales

In 2020, SEYPEC continued to focus on giving its customers the best products, services, and experience. At the same time, it ensured every stakeholder stayed safe in the face of COVID-19. The Group adapted quickly to the changes and demands resulting from the pandemic. Safety was the number one priority. SEYPEC developed a strong safety and hygiene programme in all its forecourts to ensure employees, customers and the community were protected. This included a comprehensive set of new operating procedures, training, and equipment together with dedicated hours of service at the headquarter. The Group maintained an uninterrupted supply of energy products to the nation making sure its sites continued to receive the deliveries they needed throughout the pandemic.

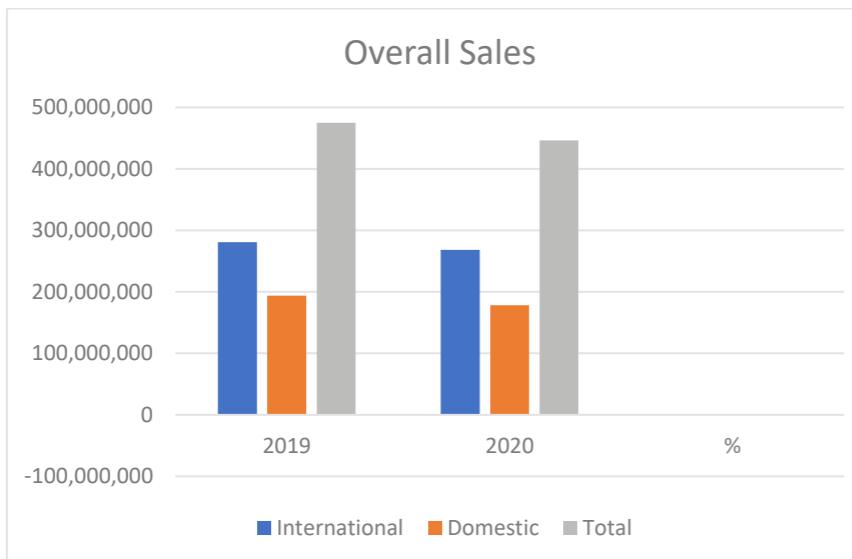
The effects of the sanitary restrictions imposed locally and internationally had a negative effect on the overall sales of the Group. This was however tempered during the last part of the year when consumption restart to pick up slightly, but not as much as the pre-pandemic levels.

Overall Sales

The total volume of sales has reduced by 6% in 2020 (28.8m litres). Except for Gasoil and Avgas, volumes of all other products have decreased, and most significantly for JET A1. International Sales have decreased by 5% (12.7m litres) mostly as a result of a huge drop in Jet A1 sales.

Volume in Litres - 2019 & 2020			
	2019	2020	%
International	281,072,268	268,286,843	-5%
Domestic	194,103,262	178,067,070	-8%
Total	475,175,530	446,353,913	-6%

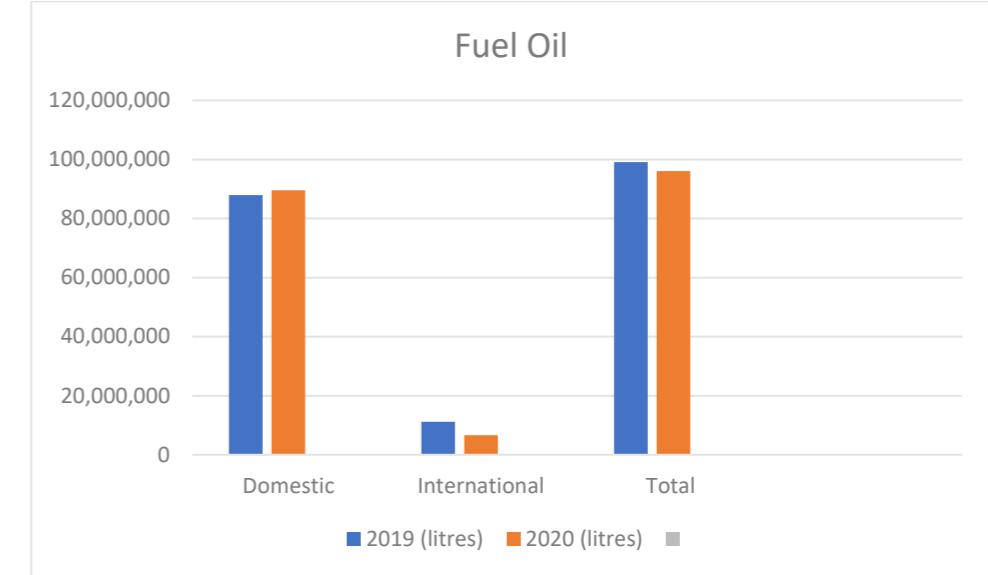
* Inclusive of LPG (Kg)



Fuel Oil

Fuel Oil sales decreased by 3% during 2020 (2.9m litres). This decrease is due to the drop in international volumes. The average monthly sale figure in 2019 which was 8.2m litres/month has decreased to 8.0m in 2020. International sales decreased by 41% (4.5m litres) and the domestic volumes increased by 2% (1.6m litres). International Bunkering was reduced by 70% (5.1m litres) and is one of the main reasons for the decrease in Fuel Oil volumes. The COVID-19 pandemic was a major cause to drive away cruise vessels who are the major consumers of fuel oil amongst vessels in Port Victoria.

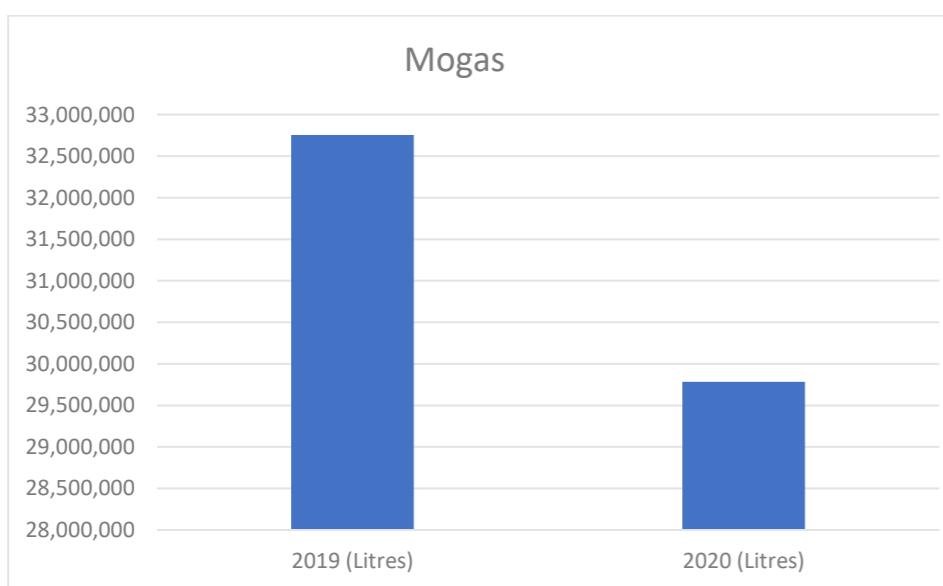
Fuel Oil			
	2019 (Litres)	2020 (Litres)	
Domestic	87,889,688	89,497,500	2%
International	11,155,087	6,601,173	-41%
Total	99,044,775	96,098,673	-3%



Motor Gasoline (Mogas)

Mogas sales decreased by a total of 9% (2.9m litres) in 2020. The reduction is attributed to the effects of COVID-19. This can be mainly put down to the restricted movements enforced during the pandemic period all throughout the year under review with a shortage of tourist arrivals and the disruption in the normal local business operations.

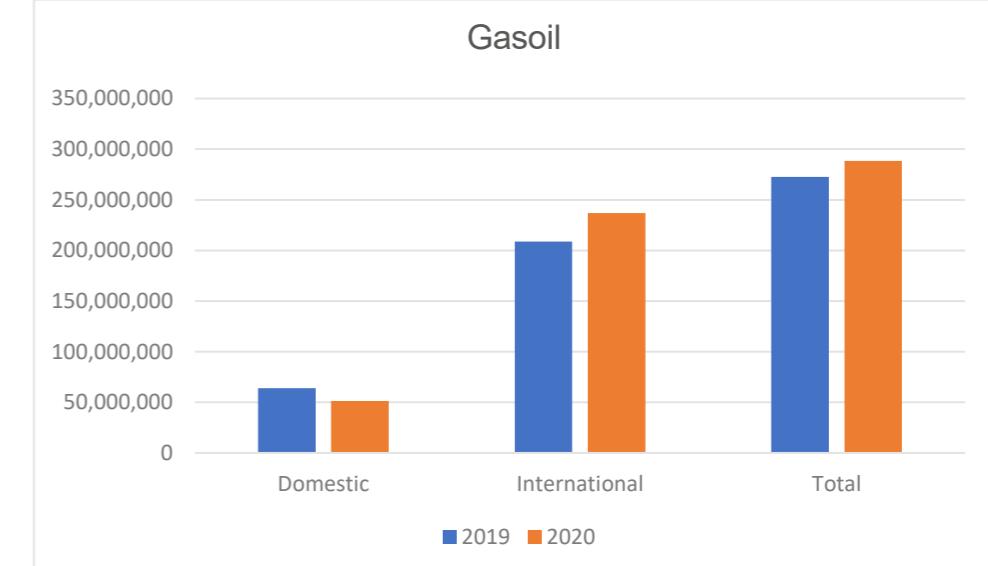
Mogas		
	2019 (Litres)	2020 (Litres)
Total	32,755,747	29,781,763



Gasoil

Total Gasoil sales increased by 6% (15.7m litres) in 2020. This increase is due to the international bunkering sector, which was the only segment to increase sales for Gasoil compared to 2019. The average domestic gasoil monthly sale in 2020 reduced to 4.28m litres compared to 2019 at 5.32m litres whereas the international sector sales increased by a total 14% (28.2m litres) compared to 2019 – the increase is due to bunkering.

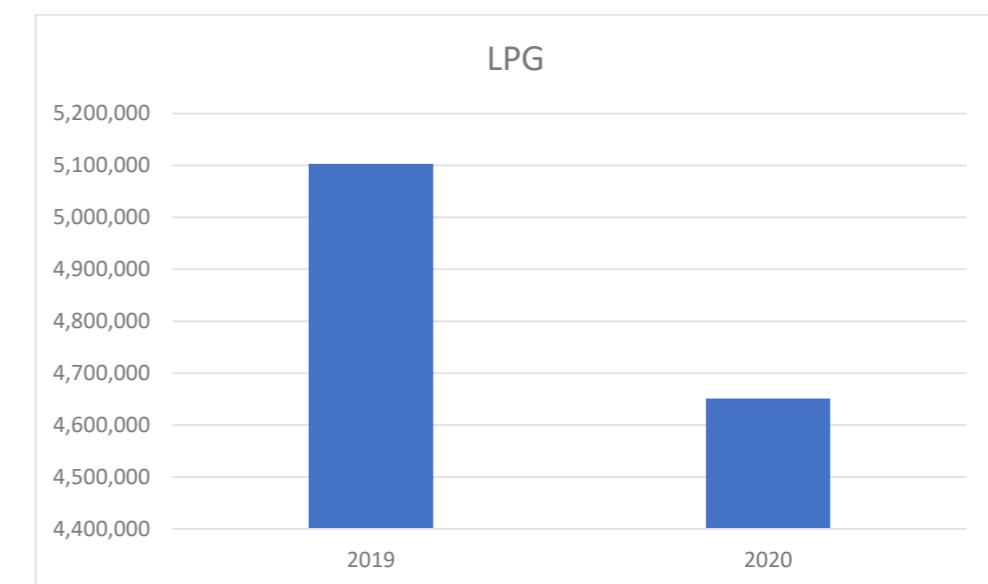
	2019	2020
Domestic	63,875,004	51,381,124
International	208,736,099	236,969,278
Total	272,611,103	288,350,402



Liquefied Petroleum Gas (LPG)

LPG sales have reduced by 9% (452,354 Kg). The main reason for this reduction is the decrease seen across the consumer segment. The Consumer sector consumption was reduced by 31% (504,292 Kg) with a large percentage of the customers not operating or facing significantly reduced operations because of the COVID restrictions. This segment includes hotels, industries, catering establishments etc. On the other hand, the retail sector which includes service stations and LPG stockists which sell LPG to the public registered an increase of 2% (51,938 Kg) over 2019.

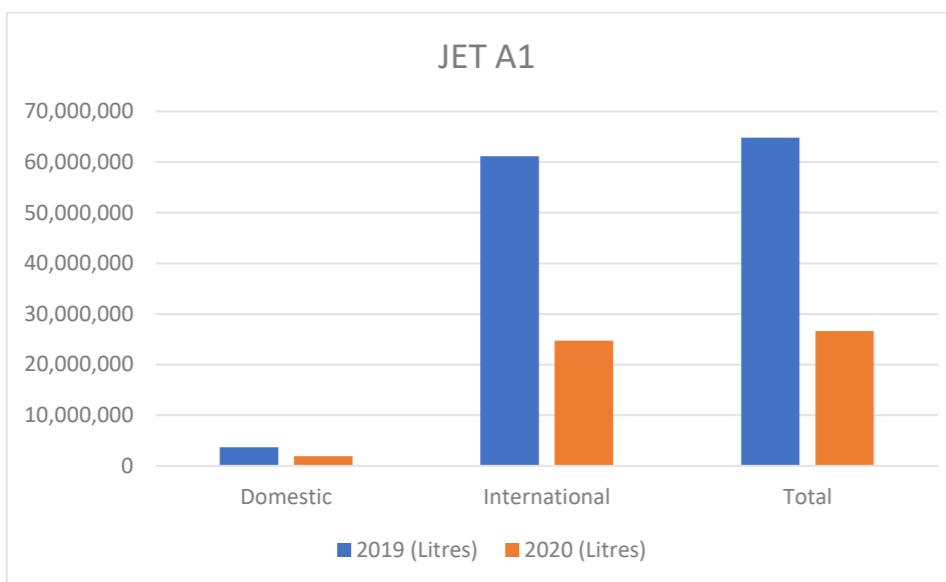
	2019	2020
Total	5,103,408	4,651,054



JET A1

JET A1 is the most significantly impacted product because of the COVID pandemic. Volumes have reduced by 59% (38.2m litres) in 2020. Average monthly sales in 2020 was 2.2m litres compared to 5.4m in 2019. Both the domestic and international sectors have suffered the consequences of the pandemic. This is easily explained by the shutdown on various international routes with airlines cancelling their services to Seychelles whereby the 60% of sales recorded compared to 2019. The local shuttle service between the mainland Mahe in Seychelles and the other islands and more importantly Praslin, caused a 48% reduction in sales on the domestic.

JET A1		
	2019 (Litres)	2020 (Litres)
Domestic	3,673,551	1,923,509
International	61,168,923	24,703,884
Total	64,842,474	26,627,393







SHIPPING

The outbreak of the coronavirus pandemic literally sapped the transportation and heavy industries of its vitality, the chief backbone of the oil, gas, and energy sector due to an unprecedented plummet in demand all around the world. With stringent lockdown orders, flights grounded, manufacturing sectors at a standstill and literally all forms of transportation at an abrupt halt, the demand for crude oil and a vast majority of natural petroleum gases experienced an all-time sharp dip.

The pandemic caused a sharp decline in demand for oil products and led to stock build-up at an unprecedented scale. With limited inventory space ashore, a significant share of the global fleet of product tankers became tied up in floating storage and freight rates temporarily jumped to all-time high levels. The market was further heated by prolonged oil output discussions between OPEC and Russia that led to a continued high level of oil supply. Continued efforts to contain the pandemic in the second half of the year stalled the otherwise recovering oil demand and kept trade flows at low levels which continued into 2021.

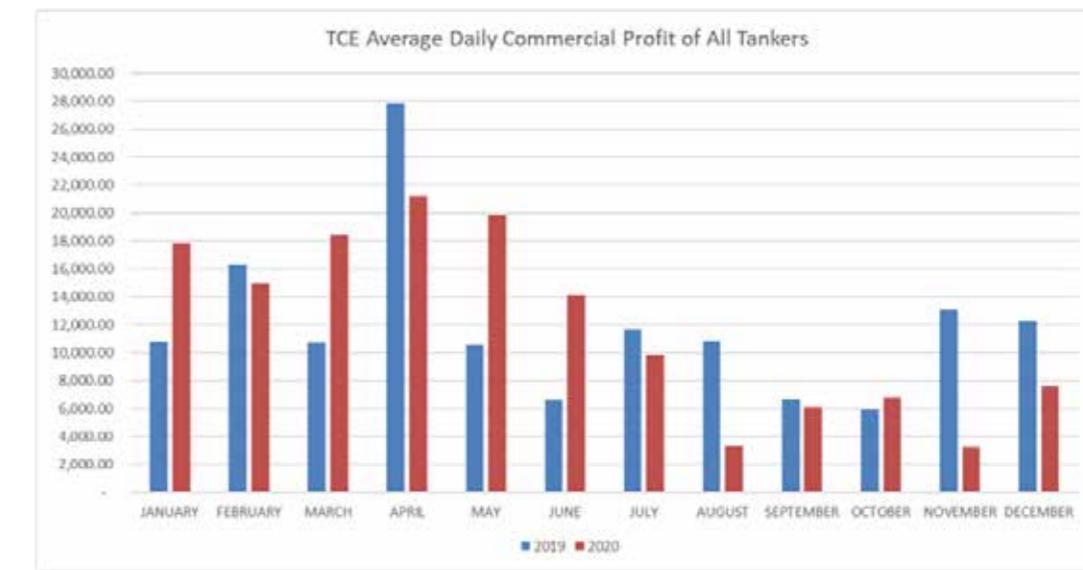
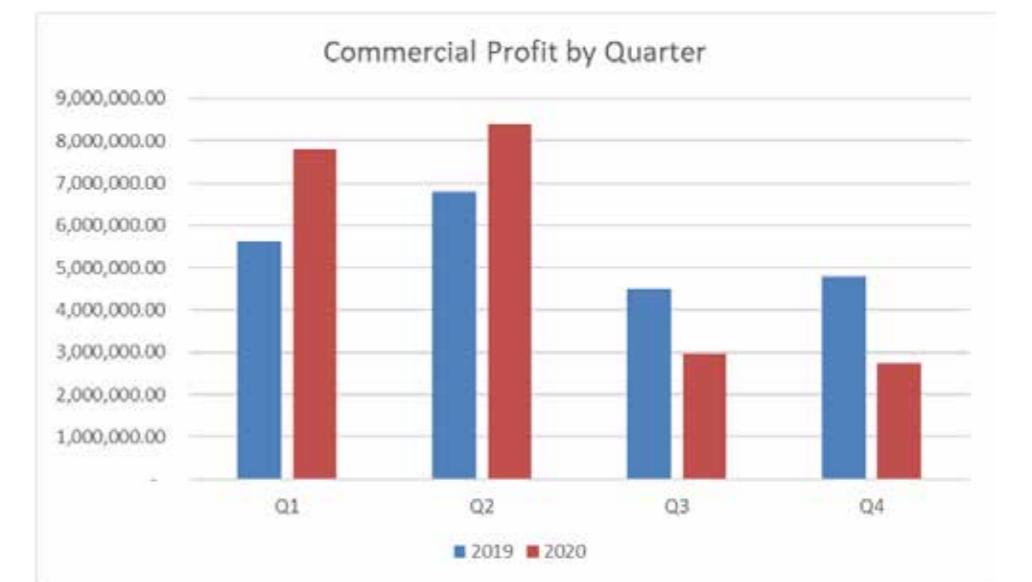
During the third quarter, freight rates generally continued to decline, albeit with historically large regional differences and significant premiums in the West relative to the eastern regions. At the start of the fourth quarter, the increasing number of COVID-19 cases led to renewed mobility restrictions in several countries, stalling the recovery in oil demand and keeping refineries from ramping up their runs. This kept trade flows at low levels and freight rates under pressure.

SEYPEC's Tanker Fleet Performance

Despite these adverse conditions, SEYPEC tanker fleet operations showed relatively good figures at the end of the year. This is mainly due to the good operations of the strategic partner German Tanker Shipping (GTS) which maintained excellent interaction with brokers and charterers. In 2020 the tankers had a fleet occupancy of 92%, an increase of 1% compared to the same period last year. In terms of revenue the tankers earned just below US dollar 43M for the period, a 10% decrease when compared to last year. Revenue was better in the first half of the year as charter rates were higher. Reduced expenses due to cheaper bunker rates allowed the vessels to make a small 1% increase in commercial profit and the fleet ended the year with a net profit of US dollar 3.77M, a very satisfactory performance considering the world pandemic crisis and the expenses of three tankers which entered dry dockings during 2020 when major works were performed, and equipment improved.

Summary of Finances 2020

FLEET SUMMARY	2019	2020	DIFFERENTIAL YEAR-ON-YEAR	
FLEET OCCUPANCY	91%	92%	-	1%
	USD	USD	USD	%
REVENUE	47,463,460	42,895,441	(4,568,018)	-10%
COMMERCIAL EXPENDITURE	25,745,885	21,015,867	(4,730,018)	-18%
GROSS COMMERCIAL PROFIT	21,715,575	21,879,575	162,000	1%



In 2020, nine new young Seychellois seafarers completed an initial Pre-Sea Training Programme. Following the travel restrictions in force during the year, the trainees were given courses at the Seychelles Maritime Academy (SMA) in collaboration with the Colombo International Nautical & Engineering College (CINEC) in Sri Lanka. The programme is designed to prepare the students to take a position on tankers as apprentice within deck or engine as part of the comprehensive career development programme launched by SEYPEC in 2014. In addition to the basic initiation given to the nine young mariners, ten Seychellois already employed on the tankers are still following the Cadet Officers training. SEYPEC also registered its first ever Seychellois Chief Engineer on an ocean vessel during the year under review.



HUMAN RESOURCE MANAGEMENT

In 2020, SEYPEC upheld its responsibility seriously in managing, supporting, and dealing with all employees related matters including policy management, recruitment process, compensation and benefits, employment and labour laws, new employee induction, training and development, personnel records retention, and employee engagement program.

The core asset of SEYPEC remains its people, and the Group made it a key decision to protect them in this difficult year 2020. The outbreak of COVID-19 has been closely monitored and all teams were activated in step with the severity of the outbreak. Following public health authority guidelines, the policies on the working sites of SEYPEC were adapted, enacting working from

home policies where possible, while ensuring that employees who were called to work on site could do so safely. As many employees had to switch over to working remotely immediately, the Group increased its remote working capacity. Further, to help each other through these times, SEYPEC improved online connections. This included regular informational communication as well as COVID-19 - themed and informal virtual meetings. An extraordinary motivation and commitment from all employees were noticed to go the extra mile during these circumstances. This spirit reflects the confidence in SEYPEC's ability to provide excellent service to its customers and partners.

While keeping everyone motivated and focused on their respective jobs,

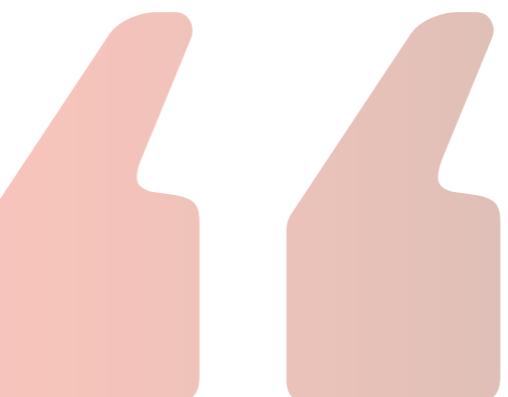




The Human Resource Department contributed to strengthen the corporate values and helped to keep the Group's structures function properly. This meant a better understanding among employees, spotting emerging problems or issues, and deploying proactive solutions in a more fluent, result-driven fashion. The Human Resource Department continued to provide a unique 'Wellness Centre' where dedicated officers perform applicants'

testing and provide counselling to staff members all year round.

In 2020, SEYPEC maintained important resources to the training of its employees at all levels. Despite the sanitary conditions prevailing during a major part of the year, different training activities related, among others, to safety, technical knowhow in the mechanical and finance fields, were conducted.



An extraordinary motivation and commitment from all employees were noticed to go the extra mile during these circumstances.



HEALTH, SAFETY, ENVIRONMENT

SEYPEC is committed to an incident-free workplace, every day, everywhere. The performance of the Group depends on its ability to continually improve the quality of the services it provides to customers, while protecting people and minimising the impact on the environment. SEYPEC has always ensured an active commitment to the principles of Health, Safety, Environment (HSE) in all work activities with staff members made responsible and accountable for ensuring compliance with all policies, procedures, and standards.

Safety, security, health, and environmental responsibilities at SEYPEC extend beyond protection

and enhancement of its own facilities. In 2020, the Group moved early in response to COVID-19, putting business continuity plans in place as soon as the pandemic started to make sure all risks were mitigated as effectively as possible. Through collective efforts, everyone at SEYPEC worked together closely and quickly to do the right thing in the face of this unprecedented global threat. A rigorous and intense campaign of engagement and communication was implemented to ensure everyone was informed of essential safety measures such as social distancing and mask-wearing.

Throughout the pandemic SEYPEC



has maintained the engagement and communication by setting out the details of its response and has informed its employees, customers, and stakeholders about what to do to stay safe. Regardless of the inevitable variations in national policies and approaches across its footprint, SEYPEC consistently applied the same strict measures everywhere, always meeting, if not exceeding, government regulations.

Further, the environmental function operated at SEYPEC focuses on the progressive reduction of emissions, effluents and discharges of waste materials that are known to have a negative impact on the environment, with the aim of eliminating them. SEYPEC is constantly researching technology which will allow the Group to reconcile its operations with the protection of the environment and local ecosystems.





CORPORATE SOCIAL RESPONSIBILITY

SEYPEC is always committed to play a vital role in supporting and working with its stakeholders for sustainable community and social development. By integrating Corporate Social Responsibility policies into its business strategy, the Group is helping to increase shared value in the community.

In an extraordinarily challenging year for everyone, SEYPEC stayed true to its purpose of energising communities to help drive growth and prosperity by sustainably serving the people's needs. Despite the physical and financial constraints of COVID-19, the Group pursued its programme to bring sectorial aid.

Apart from creating jobs and opportunities for local people and businesses which helps the communities to grow, SEYPEC has continued to extend its support to the School for The Exceptional Child. Despite the sanitary situation, actions were taken to accompany the educational institution by installing new wash basins, maintaining

herb garden, implementing landscaping projects, and painting the school building. These were on-going actions initiated during the previous financial year that were continued during the year under review. The original bearing of the corporate social support is that it is not only the Group which shows the solidarity to the school. The staff members of SEYPEC are also actively present as volunteers to help in demonstrating their care.

In line with its policy to accompany all institutions involved in training and promoting young Seychellois to embrace a maritime career, SEYPEC has been in the forefront to assist the Seychelles Maritime Academy in its activities and projects. SEYPEC is pleased to note that the Seychelles Maritime Academy is upholding its mission to provide quality maritime training and professional qualifications in accordance with international standards, leading to career paths in the marine and related industry at a local and international level.





DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2020

The Directors are pleased to submit their report on **Seychelles Petroleum Company Limited (SEYPPEC)** together with the audited financial statements of the Group and the Company for the year ended December 31, 2020.

PRINCIPAL ACTIVITIES

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

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

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

CURRENT YEAR EVENT

(i) Revaluation of depots and filling stations

The Company engaged HMT Rubbaglas Ltd to perform a desk valuation of Seyppec's buildings, tanks, pumps and petrol stations (immovables) which are carried at revalued amounts based on periodic triennial valuations. The last revaluation was done in 2016, hence another revaluation, per Company's policy was due in 2020.

The independent Valuer performed the valuation based on the replacement value of all depots and filling stations from scratch and arrived at a figure of USD 237.1m (ZAR 3.3bn) for 2020 as compared to USD 220.9m (ZAR 2.9bn) in 2016.

However, no valuation adjustment was booked in these financial statements since several issues are yet to be cleared to date which include the following as per Valuer's report:

- No site visit done to ensure existence of assets revalued;
- The estimated amounts to construct LPG offices and store, administration block, security house and change rooms were estimated same as per 2016 valuation, which could be incorrect;
- Estimated construction costs for several assets decreased from 2016 values to 2020 by around 3%30%, which could be incorrect;
- The valuation included movable assets, which should have been excluded;
- Some assets valued in 2016 were missed out; and
- Basis of the 40% increase in costs per valuation report added to carry out work in Seychelles still to be justified and negotiated.

FINANCIAL PERFORMANCE

Net reported profit for the year amounted to **USD 35.4m** (2019: USD 16.9m) for the Group and **USD 34.1m** (2019: USD 15.7m) for the Company.

DIVIDENDS

The Director proposed and paid dividends amounting to **USD 10.5m** for the year under review (2019: USD 14.1m proposed and paid).

PROPERTY, PLANT AND EQUIPMENT

The Group and the Company acquired property and equipment amounting to **USD 2.67m** during the year (2019: USD 2.99m) comprising mainly work-in-progress on buildings, vehicles, plant and equipment and furniture and fittings.

The property and equipment of the Group and of the Company were last revalued in 2016 by USD 47.2m. The Directors are of the opinion that the carrying amounts of property and equipment at the reporting date approximate their fair value and no impairment is required.

DIRECTORS AND DIRECTORS' INTERESTS

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

Seychelles Petroleum Company Limited

S Gendron (Chairperson)	V Laporte
C Benoiton (Chief Executive Officer)	S Patel
E Belle	

Appointed effective September 30, 2020

M. Nalletamby	<u>Resigned effective September 30, 2020</u>
Y. Vel	P Samson
	S Fanny

Subsidiaries

(i) Seychelles Patriot Limited

(iv) Seychelles Prelude Limited

Appointed effective September 30, 2020

F Racombo	<u>Resigned effective September 30, 2020</u>
U Romain	S Fanny
R Hoareau	B Jivan
S Romain	F Jourbert

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

GOING CONCERN

Continued impact of Covid - 19 pandemic

The corona virus pandemic has brought and continues to bring challenges not only to the Group and Company but also to the whole Country. The Company prioritises the safety and security of all of its employees and hence this is why it continues to invest significantly in preventive measures to protect its employees, to the best of its ability.

The Group and Company implemented a plan of actions aimed to ensure minimal disruptions to operations as well as maintain business continuity in the event of a nationwide lockdown, given its mandate as an essential service provider, i.e. ensuring the energy supply for the country in petroleum products.

Preventive measures

In 2019, the Group's and Company's administration reviewed its hygiene practices in specific to reduce the number of employees being affected by the pandemic.

With news of the threat of the corona virus announced via international media in early January 2020, a campaign was launched internally by the Wellness Office (Human Resources) to educate employees about the virus as well as measures required to reduce the risks of transmissions.

These consisted of the following companywide measures:-

- ✓ Email circulations, twice a week on average were sent from the Wellness Officer (from as early as 30 January 2020) inclusive of posters, articles and tips etc;
- ✓ Stocking up on Personal Protective Equipment (PPE) for the protection of employees (e.g. 2,675 masks were purchased for use by operations employees, if ever required at a cost of SR 84,000);
- ✓ Sanitizer bottles were placed at specific locations for use by employees, especially those who engage with external clients;
- ✓ A policy was developed for the isolation and handling of employees who could develop symptoms of Covid-19 whilst at work; and
- ✓ The Management team met and devised a strategy for business continuity, in the event of an outbreak.

Reactive Measures

On 15th March 2020 the Ministry of Health recorded positive cases of the virus locally. The nature of the business of the Company necessitated that 148 operational employees were still required to come to work to attend to duties. Out of the remaining, made up of 67 Administrative staff, only a limited number could realistically work from home.

Based on the re-categorization of the virus as a pandemic and further developments in December 2020, additional measures were undertaken as follows:

- ✓ Management Team met on 16th March 2020 to review and amend the business continuity plan. Since the outbreak, the team met twice a week to review developments and adjust operations as required;
- ✓ Social distancing measures have been put in place on the ground floor with specific markings for distancing limits;

- ✓ Employees could work from home have been authorized to do so under the oversight of their respective General Manager, but most of them came to work onsite;
- ✓ Shift patterns have been reviewed and adjusted where possible. This has been done to reduce the number of employees on site in one go as well as to allow for a backup team in the event that personnel became ill; and many other measures as announced by the Ministry were also implemented;
- ✓ To ensure continuous supply of energy, the Group and Company contracted with suppliers in anticipation, e.g TOTSA, so as to minimise supply disruptions.

As explained above, the Directors with the assistance of Management and stakeholders have put adequate plans in place to deal with any potential outbreak in the foreseeable future. The main shareholder, the Government of Seychelles has also committed to give its financial and otherwise support as and when required. Therefore the Directors are of the view that the going concern basis of preparation of the financial statements remain appropriate in the circumstances.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

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

BOARD APPROVAL


S Gendron
Director


C Benoiton
Director


E Belle
Director


M. Nalletamby
Director


Y. Vel
Director

Date: 27 MAY 2021
Victoria, Seychelles

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES** (the Group) and the Company's financial statements on pages 4 to 49 which comprise the Statement of Financial Position as at December 31, 2020, the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 49 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1972 and Public Enterprise Monitoring Commission Act, 2013.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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.

(i) Computation of Expected credit losses (ECL) per IFRS 9 - Financial instruments

The COVID-19 pandemic has resulted in unprecedented economic conditions with varying impacts across countries and industry sectors and economic factors such as GDP and unemployment, and consequently the extent and timing of customer defaults. These factors have increased the uncertainty around judgements made in determining the severity and likelihood of macroeconomic variable forecasts across different economic scenarios used in ECL models. Furthermore, these conditions are outside the bounds of historical experience used to develop the models, where these models produce plausible results, resulting in significantly greater limitations in their reliability to estimate ECLs.

The modelling methodologies used for estimating assumptions, as well as other data, to

compute ECL are non-standard as well as complex. They are developed using historical experience, which can result in limitations in their reliability to appropriately estimate ECL and these limitations are often addressed with judgemental adjustments and subject to estimation uncertainty.

How our audit addressed the key audit matter

During the course of our audit, we:

- ✓ Evaluated the appropriateness of the Group's and Company's IFRS 9 impairment methodologies;
- ✓ Reperformed the calculation of certain components of the ECL model;
- ✓ Checked the reasonableness of the Group's and Company's considerations on the ECL impact of the current economic environment due to COVID-19;
- ✓ Sample-tested key inputs, data and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and model assumptions applied;
- ✓ Scrutinised post model adjustments, considering the size and complexity of Management adjustments with a focus on COVID-19 related ones, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data; and
- ✓ assessed whether disclosures with respect to ECL appropriately addressed the uncertainties which exists when determining the ECL and in addition, assessed whether the disclosures of key judgements and assumptions made were adequate in the circumstances.

Based on the evidence assessed, we found the methodologies, modelled assumptions and data used within the allowance for ECL assessment to be materially appropriate.

(ii) Effect of Covid - 19 on the financial statements

The global Covid - 19 pandemic, and the associated restrictions imposed by the Seychelles Government, have adversely affected the Seychelles as a country, its population and economy. The virus emerged in the Seychelles in March 2020 prompting the Government to impose widespread lockdowns and travel restrictions. Restrictions were eased in May 2020 but re-imposed again during the last week of December 2020 until end of February 2021. Effective March 25, 2021, the Seychelles Goverment removed almost all its travel restrictions for locals and tourists as well.

Although it is not possible to reliably estimate the length or severity of this outbreak now and hence its financial impact, the Company could be materially and possibly adversely affected. Whilst Management has been closely monitoring the situation, the consequence of Covid - 19, the extent of the impact on the Company's operational and financial performance will depend on future market dynamics and developments, including the duration and spread of the outbreak, which is unknown at the moment.

However, the Company operating as an essential service provider, the risks are somehow mitigated whilst at Subsidiaries level, this will be highly dependent on the situation of the chartering business Worldwide.

Management considered the impact of COVID - 19 on the preparation of these financial statements including the Group's and Company's going concern, computation of expected credit losses, determination of impairment of non financial assets, residual values and useful lives of its non financial assets.

How our audit addressed the key audit matter

The planning and execution of our audit have been made by giving specific considerations to the impact of COVID - 19 on the Group's and Company's activities and operations including recalibration of the materiality levels. In assessing Management's consideration of the impact of COVID - 19 on the financial statements, we have undertaken the following procedures:

- ✓ In areas where Management is required to estimate future financial performance of the Company when preparing the financial statements, we challenged the forecasts and the extent to which they have been impacted by Covid - 19;
- ✓ We assessed the impact of COVID - 19 on estimates and the assumptions that underpin them, for example in relation to expected credit losses and other financial statement areas;
- ✓ We reviewed Management's going concern assessment, with consideration to the potential impact of Covid - 19 on future profitability;
- ✓ We considered the impact of COVID - 19 on the Group's and Company's internal control environment through our audit procedures namely testing, reperformance and inquiries from Management; and
- ✓ We evaluated the adequacy of the disclosures made in the financial statements with respect to the impact of COVID - 19.

As a result of these procedures, we concluded that the impact of COVID - 19 has been appropriately evaluated and reflected in the preparation of these financial statements.

Responsibilities of Directors for the preparation of Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972 and Public Enterprise Monitoring Commission Act, 2013, and for such internal control as the Directors 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 Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

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

We have obtained all information and explanations we have required.

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

Public Enterprise Monitoring Commission Act, 2013

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

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

Other Matters

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

BDO Associates
BDO ASSOCIATES
Chartered Accountants

Dated: 27 MAY 2021
Victoria, Seychelles



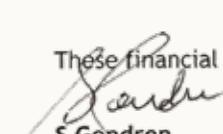
STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2020

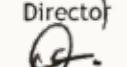
	Notes	THE GROUP		THE COMPANY		
		2020 USD	2019 USD	2020 USD	2019 USD	
ASSETS						
Non-current assets						
Property, plant and equipment	5	345,761,313	355,275,693	289,160,100	298,995,671	
Right-of-use assets	6(a)	2,701,856	2,509,458	2,701,856	2,509,458	
Investment in subsidiaries	7	-	-	82,986,733	81,684,540	
Investment in financial assets	8(a)	2,881	4,444	2,881	4,444	
		348,466,050	357,789,595	374,851,570	383,194,113	
Current assets						
Inventories	9	12,099,644	15,088,439	12,099,644	15,088,439	
Investment in financial assets	8(b)	6,788,401	6,742,860	6,788,401	6,742,860	
Trade and other receivables	10	19,478,825	33,120,253	19,478,825	33,120,253	
Cash and cash equivalents	25(b)	21,757,020	23,230,012	21,757,020	23,230,012	
		60,123,890	78,181,564	60,123,890	78,181,564	
Total assets		408,589,940	435,971,159	434,975,460	461,375,677	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	11	8,595,053	8,595,053	8,595,053	8,595,053	
Other reserves	12	216,599,114	268,082,886	218,460,318	268,118,565	
Retained earnings		129,107,252	104,677,201	153,646,195	130,059,372	
Owners' interest and Total equity		354,301,419	381,355,140	380,701,566	406,772,990	
LIABILITIES						
Non-current liabilities						
Lease liabilities	6(b)	1,486,879	2,537,448	1,486,879	2,537,448	
Deferred tax liabilities	13	24,645,625	16,131,635	24,645,625	16,131,635	
Retirement benefit obligations	14	1,094,282	1,812,873	1,094,282	1,812,873	
		27,226,786	20,481,956	27,226,786	20,481,956	
Current liabilities						
Lease liabilities	6(b)	135,955	8,454	135,955	8,454	
Trade and other payables	15	26,925,780	34,125,609	26,911,153	34,112,277	
		27,061,735	34,134,063	27,047,108	34,120,731	
Total liabilities		54,288,521	54,616,019	54,273,894	54,602,687	
Total equity and liabilities		408,589,940	435,971,159	434,975,460	461,375,677	

STATEMENTS OF PROFIT OR LOSS -
YEAR ENDED DECEMBER 31, 2020

Notes	THE GROUP		THE COMPANY		
	2020 USD	2019 USD	2020 USD	2019 USD	
Revenue	2(l) & 17	262,380,323	382,167,314	262,380,323	382,167,314
Cost of sales	18(a)	(246,868,304)	(357,124,327)	(248,295,533)	(358,421,992)
Gross profit		15,512,019	25,042,987	14,084,790	23,745,322
Selling & marketing expenses	18(a)	(30,630)	(58,046)	(30,630)	(58,046)
Administrative expenses	18(a)	(11,482,623)	(13,326,964)	(11,440,307)	(13,270,113)
Other income	19	7,998,932	8,373,063	7,998,932	8,373,063
Other gains / (losses) - Net	20	46,948,677	(368,005)	46,948,677	(367,696)
		58,946,375	19,663,035	57,561,462	18,422,530
Net finance (costs) / income	21	230,165	(61,430)	230,165	(61,430)
Profit before taxation	16(c)/22/25	59,176,540	19,601,605	57,791,627	18,361,100
Taxation charge	16(b)	(23,737,381)	(2,696,044)	(23,737,381)	(2,696,044)
Profit for the year		35,439,159	16,905,561	34,054,246	15,665,056

These financial statements have been approved for issue by the Board of Directors on: 27 MAY 2021


S. Gendron
Director

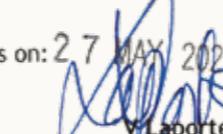

S. Patel
Director


C. Benoiton
Director


M. Nallatamby
Director


E. Belle
Director


Y. Vel
Director


V. Laporte
Director

The notes on pages 105 to 145 form an integral part of these financial statements.
Auditors' report on pages 94 to 98.

The notes on pages 105 to 145 form an integral part of these financial statements.
Auditors' report on pages 94 to 98.

STATEMENTS OF OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
Profit for the year					
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences	12	(51,482,209) (541,685)	(221,397) 477,399	(49,656,684) -	(182,392) -
- Other reserves					
- Retained earnings					
Item that will not be reclassified to profit or loss					
Equity instruments at fair value through other comprehensive income reserve	8(a), 12(a) & (b)	(1,563) (52,025,457)	(2) 256,000	(1,563) (49,658,247)	(2) (182,394)
Other comprehensive income for the year, net of tax		(16,586,298)	17,161,561	(15,604,001)	15,665,056
Total comprehensive (expense) / income for the year		(16,586,298)	17,161,561	(15,604,001)	15,665,056

Profit attributable to:

Owners of the parent

Non-controlling interest

Total comprehensive income for the year

Owners of the parent

Non-controlling interest

Item that will not be reclassified to profit or loss

Equity instruments at fair value through other comprehensive income reserve

Other comprehensive income for the year, net of tax

Total comprehensive (expense) / income for the year

Profit attributable to:

Owners of the parent

Non-controlling interest

Total comprehensive income for the year

Owners of the parent

Non-controlling interest

The notes on pages 105 to 145 form an integral part of these financial statements.

Auditors' report on pages 94 to 98.

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2020

THE GROUP	Attributable to owners of the parent				Non-Controlling Interest	Total Equity USD
	Notes	Share Capital	Other Reserves	Retained Earnings		
		USD	USD	USD		
At January 1, 2020						
Total comprehensive expense for the year		8,595,053	268,082,886	104,677,201	381,355,140	-
Dividends	27(a)	-	(51,483,772)	34,897,474	(16,586,298)	(16,586,298)
At December 31, 2020		8,595,053	216,599,114	129,107,252	(10,467,423)	(10,467,423)
At January 1, 2019						
Total comprehensive income for the year		8,595,053	268,304,285	101,354,737	378,254,075	-
Dividends	27(a)	-	(221,399)	17,382,960	17,161,561	17,161,561
At December 31, 2019		8,595,053	268,082,886	104,677,201	(14,060,496)	(14,060,496)
THE COMPANY						
At January 1, 2019						
Total comprehensive expense for the year		8,595,053	268,118,565	130,059,372	406,772,990	-
Dividends	27(a)	-	(49,658,247)	34,054,246	(15,604,001)	(15,604,001)
At December 31, 2020		8,595,053	218,460,318	153,646,195	(10,467,423)	(10,467,423)
At January 1, 2019						
Total comprehensive income for the year		8,595,053	268,300,959	128,454,812	405,350,824	-
Dividends	27(a)	-	(182,394)	15,665,056	15,482,662	15,482,662
At December 31, 2019		8,595,053	268,118,565	130,059,372	(14,060,496)	(14,060,496)

The notes on pages 105 to 145 form an integral part of these financial statements.

Auditors' report on pages 94 to 98.

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020		2019	
		USD	USD	USD	USD
Cash flows generated from operations					
Cash generated from operations	25(a)	87,836,817	47,475,305	81,663,545	41,600,592
Net interest received	21	251,135	168,399	251,135	168,399
		88,087,952	47,643,704	81,914,680	41,768,991
Tax paid	16(a)	(5,782,985)	(6,669,517)	(5,782,985)	(6,669,517)
Retirement benefit obligations paid		(386,258)	-	(386,258)	-
Net cash generated from operating activities		81,918,709	40,974,187	75,745,437	35,099,474
Cash flows from investing activities					
Purchase of property and equipment	5	(2,667,459)	(2,991,668)	(2,667,459)	(2,991,668)
Proceeds from sale of equipment		24,732	19,854	24,732	19,854
Repayment of lease liability	6(b)	(182,590)	(6,302)	(182,590)	(6,302)
Addition to financial assets	8(b)	(7,473,495)	(13,075,852)	(7,473,495)	(13,075,852)
Redemption of financial assets	8(b)	4,370,755	6,385,603	4,370,755	6,385,603
Net cash used in investing activities		(5,928,057)	(9,668,365)	(5,928,057)	(9,668,365)
Cash flows from financing activities					
Dividends and Net cash used in financing activities	27(a)	(10,467,423)	(14,060,496)	(10,467,423)	(14,060,496)
Net increase in cash and cash equivalents		65,523,229	17,245,326	59,349,957	11,370,613
Movement in cash and cash equivalents					
At January 1,		23,230,012	4,781,939	23,230,012	4,781,939
Increase		65,523,229	17,245,326	59,349,957	11,370,613
Foreign exchange differences		(66,996,221)	1,202,747	(60,822,949)	7,077,460
At December 31,	25(b)	21,757,020	23,230,012	21,757,020	23,230,012

The notes on pages 105 to 145 form an integral part of these financial statements.
Auditors' report on pages 94 to 98.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

(b) Amendments to published Standards effective in the reporting period

- Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. *The amendments have no impact on the Group's financial statements.*

- Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. *The amendments have no impact on the Group's financial statements.*

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation

of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. *The amendments have no impact on the Group's financial statements.*

- Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. *The amendments have no impact on the Group's financial statements.*

(b) Amendments to published Standards effective in the reporting period (Cont'd)

- Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. *The amendment has no impact on the Group's financial statements.*
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 01, 2023. *The amendments have no impact on the Group's financial statements.*

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Company has not early adopted.

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

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28);
- IFRS 17 Insurance Contracts;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Annual Improvements 2018–2020;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Amendments to IFRS 17; and
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

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.

(d) 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.

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 Statement of Profit or Loss.

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

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

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

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

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

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

(e) Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

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

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

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in Statement of Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to Statement of Profit or Loss.

(f) Financial instruments

The Group applied the reclassification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments' for the year ended December 2015. The 2014 comparative period was not restated, and the requirements under IAS 39 'Financial Instruments: Recognition and Measurement' were applied. The key changes are in the classification and impairment requirements.

(i) Classification of financial instruments

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

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

The Group classifies its financial liabilities at fair value and at amortised cost.

(ii) Recognition and derecognition of financial instruments

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

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

Amortised cost and effective interest method

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

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

Impairment of financial assets

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

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

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

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and

supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

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

The Group's financial assets include:**(i) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established as per IFRS 9.

(ii) Cash and cash equivalents

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

(iii) Financial assets at amortised cost

This include financial assets where the objective is to hold the asset in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Derecognition of a financial asset

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

(iii) Financial liabilities

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

Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amount of trade and other payables approximate their amortised cost.

(iii) Offsetting financial instruments

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

(iv) Equity instruments at fair value through Other Comprehensive Income

Financial instruments held at fair value through other comprehensive income are recognised at fair value with transaction costs recognised in the Statement of Profit or Loss as incurred. Subsequently, they are measured at fair value and any gain or loss are recognised in equity instrument through other comprehensive income reserve under equity.

Investment in equity instruments that are measured at fair value through other comprehensive income where an irrevocable election has been made by Company.

Amounts presented in the other comprehensive income are not subsequently recycled through the Statement of Profit or Loss.

Dividends on such investments are recognised in the Statement of Profit or Loss unless the dividend clearly represents a recovery of part of the cost of the investments.

(g) 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.

(h) Inventories

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

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

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

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

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

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

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

Defined contribution plans

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

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

Retirement benefits

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

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

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

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

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

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

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

Group companies

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

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

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

	2020	2019
	USD	USD
1 Seychelles Rupee	0.0456	0.0703
1 Euro	1.2292	1.1203

(k) Impairment of non financial assets

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

(l) Revenue recognition

Revenue from contract with customers is recognised as or when performance obligations

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

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

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

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

Other revenues

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

Dividend income - when the shareholder's right to receive payment is established.

(m) Leases

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

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

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

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

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured

by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

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

(n) 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	
	2020	2019	2020	2019
	USD'000	USD'000	USD'000	USD'000
Bank balances	763	691	53	121
Trade and other receivables	428	1,645	-	-
Trade and other payables	12	558	55	96

THE COMPANY

	Seychelles Rupee		Euro	
	2020	2019	2020	2019
	USD'000	USD'000	USD'000	USD'000
- Bank balances	763	691	53	121
- Trade and other receivables	428	1,645	-	-
- Trade and other payables	12	558	55	95

At December 31, 2020, the Company and Group had no borrowings hence no exposure to interest rates on floating rate.

(ii) Equity price risk

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

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	
	2020	2019
	USD'000	USD'000
Equity instrument af fair value through Other Comprehensive Income	0.14	0.22

(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	
	2020	2019
	%	%
10 major counterparties	63	53
Others (diversified risk)	37	47
	100	100

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

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

Risk concentration

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

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

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

	Trade Receivables at amortised cost		Provision for credit impairment		Carrying Amount	
	2020	2019	2020	2019	2020	2019
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Trade receivables	8,548	18,569	2,729	748	5,819	17,821
Local	8,776	13,429	-	3,718	8,776	9,711
Others (a)	1,324	1,071	-	-	1,324	1,071
TOTAL	18,648	33,069	2,729	4,466	15,919	28,603

(a) Others comprise mainly balances recoverable from the tankers. The Directors are of the opinion that risk of default is minimal and therefore no ECL has been provided. Others include short term loans and receivables from employees (see note 10(e)).

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the

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

(c) Liquidity risk

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

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

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

THE GROUP

	At December 31, 2020	Less than	Between 1	Between 2	Total
		1 year USD'000	& 2 years USD'000	& 5 years USD'000	
Trade and other payables	23,023	-	-	-	23,023
At December 31, 2019	33,620	-	-	-	33,620

THE COMPANY

	At December 31, 2020	Less than	Between 1	Between 2	Total
		1 year USD'000	& 2 years USD'000	& 5 years USD'000	
Trade and other payables	23,007	-	-	-	23,007
At December 31, 2019	33,620	-	-	-	33,620

3.2 Fair value estimation

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

The Company uses valuation techniques that are appropriate in the circumstances and for which

sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

The Group's objectives when managing capital are:

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

The Group sets the amount of capital in proportion to risk. As at December 31, 2020 and 2019, the Group was debt free.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

(a) Calculation of loss allowance

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

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

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

(b) Leases

The determination of the respective discount rates

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

Determining the lease terms

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

(c) Buildings, tanks, pumps and petrol stations

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

(d) Impairment of equity instruments at fair value through other comprehensive income/available-for-sale financial assets

The Group follows the guidance of IFRS 9 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.

(e) Impairment of other non financial assets

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

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

At the end of each reporting period, Management reviews and assesses the carrying

amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

(f) Fair value estimation

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

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

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

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

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

(g) Asset lives and residual values

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

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

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

(h) Retirement benefit obligations

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

(i) Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis. (Refer to note 28 of the financial statements).

(j) Functional currency

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

(k) Limitation of sensitivity analysis

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

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



5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation USD	Cost USD	Cost USD	Cost USD	Valuation USD	Cost USD	Cost USD	USD
COST OR VALUATION								
At January 1, 2019	9,925,068	223,081,504	1,945,264	28,560,447	279,234,949	5,657,204	5,233,633	553,638,069
Additions	146,522	5,794	44,429	466,718	380,930	-	1,947,275	2,991,668
Disposals	-	-	(3,249)	(69,466)	-	(16,569)	-	(89,284)
Exchange differences	-	(2,901,036)	-	-	-	-	-	(2,901,036)
Transfers to / (from)	-	-	-	-	-	-	-	-
At December 31, 2019	10,071,590	220,186,262	3,330,055	33,145,689	279,615,879	5,640,635	1,649,307	553,639,417
Additions	-	2,069	251,868	398,607	-	408,556	1,606,359	2,667,459
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	(219,208)
Exchange differences	-	17,037,925	-	-	-	-	-	17,037,925
Assets written off	-	-	-	-	-	-	(99,997)	(99,997)
Transfers to / (from)	-	-	-	-	-	-	(1,249,804)	-
At December 31, 2020	10,071,590	237,226,256	3,929,074	34,379,787	279,615,879	5,897,145	1,905,865	573,025,596
DEPRECIATION								
At January 1, 2019	1,433,019	134,173,264	1,556,901	11,094,227	28,019,516	4,494,177	-	180,771,104
Charge for the year	466,711	5,794,149	204,875	729,745	12,068,226	295,013	-	19,558,719
Disposals	-	-	(3,046)	(61,731)	-	(15,849)	-	(80,626)
Exchange differences	-	(1,885,473)	-	-	-	-	-	(1,885,473)
At December 31, 2019	1,899,730	138,081,940	1,758,730	11,762,241	40,087,742	4,773,341	-	198,363,724
Charge for the year	382,816	5,687,594	177,789	868,731	9,802,955	270,212	-	17,190,097
Disposals	-	-	(2,694)	(64,466)	-	(152,048)	-	(219,208)
Exchange differences	-	11,929,670	-	-	-	-	-	11,929,670
At December 31, 2020	2,282,546	155,699,204	1,933,825	12,566,506	49,890,697	4,891,505	-	227,264,283
NET BOOK VALUE								
At December 31, 2020	7,789,044	81,527,052	1,995,249	21,813,281	229,725,182	1,005,640	1,905,865	345,761,313
At December 31, 2019	8,171,860	82,104,322	1,571,325	21,383,448	239,578,137	867,294	1,649,307	355,275,693

	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation USD	Cost USD	Cost USD	Cost USD	Valuation USD	Cost USD	Cost USD	USD
COST OR VALUATION								
At January 1, 2019	9,925,068	44,906,269	1,945,264	28,560,447	279,234,949	5,657,204	5,233,633	575,462,834
Additions	146,522	5,794	44,429	466,718	380,930	-	1,947,275	2,991,668
Disposals	-	-	(3,249)	(69,466)	-	(16,569)	-	(89,284)
Transfers to / (from)	-	-	1,343,611	4,187,990	-	-	(5,531,601)	-
At December 31, 2019	10,071,590	44,912,063	3,330,055	33,145,689	279,615,879	5,640,635	1,649,307	378,365,218
Additions	-	2,069	251,868	398,607	-	408,556	1,606,359	2,667,459
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	(219,208)
Assets written off	-	-	-	-	-	-	(99,997)	(99,997)
Transfers to / (from)	-	-	-	-	-	-	(1,249,804)	-
At December 31, 2020	10,071,590	44,914,132	3,929,074	34,379,787	279,615,879	5,897,145	1,905,865	380,713,472
DEPRECIATION								
At January 1, 2019	1,433,020	17,980,655	1,556,899	11,094,227	28,019,515	4,494,177	-	64,578,493
Charge for the year	466,711	1,107,110	204,875	729,745	12,068,226	295,013	-	14,871,680
Disposal	-	-	(3,046)	(61,731)	-	(15,849)	-	(80,626)
At December 31, 2019	1,899,731	19,087,765	1,758,728	11,762,241	40,087,741	4,773,341	-	79,369,547
Charge for the year	382,816	900,530	177,789	868,731	9,802,955	270,212	-	12,403,033
Disposal	-	-	(2,694)	(64,466)	-	(152,046)	-	(219,208)
At December 31, 2020	2,282,547	19,988,295	1,933,823	12,566,506	49,890,696	4,891,505	-	91,553,372
NET BOOK VALUE								
At December 31, 2020	7,789,043	24,925,837	1,995,251	21,813,281	229,725,183	1,005,640	1,905,865	289,160,100
At December 31, 2019	8,171,859	25,824,298	1,571,327	21,383,448	239,528,138	867,294	1,649,307	298,995,671

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 18):

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost of sales	16,742,096	18,887,133	11,955,032	14,200,094
Administrative expenses	448,001	671,586	448,001	671,586
	17,190,097	19,558,719	12,403,033	14,871,680

(d) The Group's buildings, tanks, pumps and petrol stations were revalued at December 31, 2016 by USD 47.2m by HMT Project Management (Pty) Ltd, independent valuers, on an replacement cost basis. The revaluation surplus, net of deferred tax was credited to revaluation reserve in shareholders' equity. The Directors have assumed that the carrying amount of the Company's buildings, tanks, pumps and petrol stations represents a fair estimation of their fair values as at December 31, 2020 and there was no need for any impairment.

(e) The fair value of Property and Equipment falls within Category 3 of the fair value hierarchy.

(f) Significant unobservable valuation input

Range

Price per square meter (US Dollar) 189 - 1,403

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

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

	THE GROUP AND THE COMPANY			
	Tanks, pumps and petrol stations		Buildings	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost	27,143,367	40,785,514	7,408,133	11,428,689
Accumulated depreciation	(13,685,378)	(19,132,077)	(5,217,402)	(7,610,455)
Net book value	13,457,989	21,653,437	2,190,731	3,818,234

6. LEASES

(a) Right-of-use assets

Land and buildings

COST:

At January 1,
- As previously reported
- Effect of adopting IFRS 16
Lease modification adjustment (note 6(c))

At December 31,

AMORTISATION:

At January 1,
Amortisation charge (note 18)
At December 31,

Carrying amount

THE GROUP AND THE COMPANY	2020	2019
	USD	USD
2,553,658	-	-
-	2,553,658	-
249,807	-	-
2,803,465	2,553,658	
44,200	-	-
57,409	44,200	
101,609	44,200	
2,701,856	2,509,458	

(b) Lease liabilities

At January 1,
- As previously reported
- Effect of adopting IFRS 16
As restated
Lease modification adjustment (note 6(c))
Interest expense (note 21)
Lease payments
Exchange gains

At December 31,

Analysed as:

- Non current
- Current
Total

THE GROUP AND THE COMPANY	2020	2019
	USD	USD
2,545,902	-	-
-	2,553,658	-
2,545,902	2,553,658	
249,807	-	-
20,970	229,829	
(203,560)	(236,131)	
(990,285)	(1,454)	
1,622,834	2,545,902	

(c) The lease modification resulted from change in application of rental policy, i.e. payments arrears to in advance.

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

(e) If the incremental borrowing rate had moved by 5% higher/(lower), the impact on the results of the year would have been USD 1.02k (2019: USD 11.5k) higher/(lower).

7. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2020	2019
	USD	USD
Cost - Unquoted (notes 7(a))	14,856	14,856
Loans receivable (note 7(b))	<u>82,971,877</u>	<u>81,669,684</u>
	<u>82,986,733</u>	<u>81,684,540</u>

(a) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	shareholding 2020 & 2019	Country of in Group
Seychelles Pioneer Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Progress Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Patriot Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Prelude Limited	Rental of tanker	Ordinary	100	Isle of Man

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

(b) The loans receivable are unsecured, non-interest bearing, are denominated in Euro and do not have any fixed repayment terms. The Directors are of the opinion that these should be classified as non-current assets.

(c) The carrying amounts of the receivables approximate their amortised costs.



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

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

December 31, 2020

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

December 31, 2019

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	9,532	9,999	18,634	18,114
Non-current liabilities	12,874	14,291	28,750	25,756
Current liabilities	5	3	3	3
Revenue	1,349	1,349	1,643	1,643
Profit for the year and total comprehensive income	<u>421</u>	<u>386</u>	<u>205</u>	<u>229</u>

Summarised cash flow information

December 31, 2020

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

December 31, 2019

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Operating activities	1,334	1,335	1,629	1,629
Financing activities	(1,334)	(1,335)	(1,629)	(1,629)
Net change in cash and cash equivalents	-	-	-	-

(e) Credit Loss Allowances

The Directors of the Group have estimated that the loss allowance on investment in subsidiaries at the end of the reporting period was an amount equal to lifetime Expected Credit Loss (ECL). Taking into account the environment in which the subsidiaries operate, the Directors of the Group considered that the investments are not impaired and therefore ECL has been estimated as nil (2019: nil)

8. INVESTMENT IN FINANCIAL ASSETS(a) *Equity Instruments at fair value through other comprehensive income*

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
At January 1,	
Net decrease in fair value (note 12)	4,444
	(1,563)
At December 31,	2,881
	4,444

- (i) The above quoted equity instruments at fair value through other comprehensive income comprises shares listed on the Australian Stock exchange denominated in Australian Dollars.
- (ii) Equity instrument at fair value through other comprehensive income for the Group are classified within Level 1 of the Fair Value Hierarchy. No change noted from previous year.

(b) *Investments at amortised cost*

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
At January 1,	
Additions	6,742,860
Matured	7,473,495
Accrued interest	(4,370,755)
Exchange (loss) / gain	71,230
At December 31,	(3,128,429)
	6,788,401
	6,742,860

- (i) The investment in financial assets at amortised costs is in respect of Treasury bills with interest ranging from 4.8% to 6.5% (2019: same) and all with maturity dates in 2021.
- (ii) The Directors have assumed that no provision for expected credit losses is expected since the risk of default of Treasury bills issued by the Central Bank of Seychelles is negligible.

9. INVENTORIES

Petroleum products
Lubricants
Others

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
Petroleum products	10,611,633
Lubricants	483,431
Others	1,004,580
12,099,644	12,387,540
	532,972
	2,167,927
	15,088,439

- (a) The cost of inventories recognised as an expense and included in cost of sales amounted to USD149,528,125 (2019: USD 241,062,195) for the Group and USD 155,742,420 (2019: 247,046,899) for the Company (note 18).

10. TRADE AND OTHER RECEIVABLES

Trade receivables
Less: provision for impairment
(notes 10 (c) & (d))

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
Trade receivables	18,647,985
Less: provision for impairment	(2,728,947)
(notes 10 (c) & (d))	(4,465,596)
	15,919,038
	28,603,758
Prepayments	3,270,377
Others	289,410
19,478,825	413,975
	33,120,253

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

(c) *Credit Loss Allowances*

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

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

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

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

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

(i) At December 31, 2020

THE GROUP AND THE COMPANY

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

(ii) At December 31, 2019

THE GROUP AND THE COMPANY

	Trade Receivables-days past due					Total
	0 - 30 days	31-60 days	61-90 days	>90 days		
Expected credit loss rate (%)	1.95%	65.83%	83.37%	98.16%		13.96%
Total estimated gross carrying amount	27,877,368	303,026	161,972	3,655,840		31,998,206
Estimated gross carrying amount at default - International	17,901,980	105,324	160,742	401,185		18,569,231
Estimated gross carrying amount at default - Local	9,975,388	197,702	1,230	3,254,655		13,428,975
Total Lifetime ECL (note 10(d))	542,458	199,477	135,040	3,588,621		4,465,596

(d) Movement in allowance for credit loss

The following table shows the movement in lifetime ECL that has been recognised for Trade receivables in accordance with the simplified approach set out in IFRS 9.

THE GROUP AND THE COMPANY

	2020	2019
	USD	USD
At January 1,		
Credit during the period (note 18)	4,465,596	4,697,115
Exchange differences	(318,593)	(229,468)
At December 31, (note 9(c))	(1,418,056)	(2,051)
	<u>2,728,947</u>	<u>4,465,596</u>

Sensitivity analysis

If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher/(lower) as of December 2020, the loss allowance would have been **USD 5.2k** (2019: USD 6.8k) higher/(lower)

(e) Others include loans and receivables which are short term staff loans which are offset against their monthly salaries and risk of default has been estimated by the Directors as nil.

(f) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collaterals as securities.

(g) The other classes within trade and other receivables do not contain impaired assets and the Group does not hold any collateral as security.

11. SHARE CAPITAL

**THE GROUP
AND THE COMPANY**

Number of shares	Amount USD
2,000	8,595,053

Ordinary shares
At December 31, 2020 & 2019

The total authorised number of ordinary shares is 2,000 shares (2019: 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

Equity instrument at fair value through other comprehensive income reserve		Capital reserves		Total
Currency translation deficit	Revaluation reserves	USD	USD	USD
(38,513,299)	306,024,212	(301)	793,673	268,304,285
-	-	(2)	-	(2)
(221,397)	-	-	-	(221,397)
(38,734,696)	306,817,885	(303)	(793,673)	268,082,886
-	-	(1,563)	-	(1,563)
(51,482,209)	-	(1,563)	-	(51,482,209)
(90,216,905)	306,817,885	(1,866)	-	216,599,114

<p>At January 1, 2019</p> <p>Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))</p>	<p>At December 31, 2019</p> <p>Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))</p>
<p>Exchange differences</p> <p>Reclassification</p>	<p>Exchange differences</p>

(b) THE GROUP

Equity instrument at fair value through other comprehensive income reserve						Total
Currency translation deficit	USD	Revaluation reserves	USD	Capital reserves	USD	USD
(38,516,625)	306,024,212	(301)	793,673	268,300,959		
		(2)	-			(2)
(182,392)	-	-	-			(182,392)
	793,673		(793,673)			
(38,699,017)	306,817,885	(303)	-	-	268,118,565	
		(1,563)	-			(1,563)
(49,656,684)	-	(1,866)	-	-	-	(49,656,684)
(88,355,701)	306,817,885					

<p>At January 1, 2019</p> <p>Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))</p> <p>Exchange differences</p> <p>Reclassification</p>	<p>At December 31, 2019</p> <p>Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))</p> <p>Exchange differences</p>	<p>At December 31, 2020</p> <p>Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))</p>
---	---	---

13. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 30% (2019: 30%) for the Group and 30% (2019: 30%) for the Company at December 31, 2020.

(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 AND THE COMPANY	
2020	2019
USD	USD
(823,262)	(1,894,474)
25,468,887	18,026,109
24,645,625	16,131,635

Deferred tax assets (note 13(c)(i))

Deferred tax liabilities (note 13(c)(ii))

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

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
16,131,635	22,811,414
14,556,898	(6,666,792)
(6,042,908)	(12,987)
24,645,625	16,131,635

(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 AND THE COMPANY		Retirement		
	Provision for credit losses	benefit obligations	Lease liabilities	Total
	USD	USD	USD	USD
At January 1, 2019	(1,409,133)	(507,651)	-	(1,916,784)
Credit/(Charge) for the year	68,652	(36,500)	(10,933)	21,219
Exchange differences	802	289	-	1,091
At December 31, 2019	(1,339,679)	(543,862)	(10,933)	(1,894,474)
(Charge)/credit for the year	50,101	24,249	330,794	405,144
Exchange differences	470,894	191,328	3,846	666,068
At December 31, 2020	(818,684)	(328,285)	323,707	(823,262)

(ii) Deferred tax liabilities

THE GROUP AND THE COMPANY

	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2019	3,950,654	7,087,476	13,690,068	24,728,198
Charge/(Credit) for the year	2,594,598	(9,282,609)	-	(6,688,011)
Exchange differences	(2,249)	(4,035)	(7,794)	(14,078)
At December 31, 2019	6,543,003	(2,199,168)	13,682,274	18,026,109
Charge/(Credit) for the year	2,228,808	11,922,946	-	14,151,754
Exchange differences	(2,669,277)	773,656	(4,813,355)	(6,708,976)
At December 31, 2020	6,102,534	10,497,434	8,868,919	25,468,887

14. 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	
2020	2019
USD	USD
1,812,873	1,692,165
305,427	121,669
(386,258)	-
(637,760)	(961)
1,094,282	1,812,873

15. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Trade payables	19,014,926	24,680,250	19,014,926	24,680,250
Accrued expenses	2,601,198	6,713,498	2,601,198	6,713,498
Other payables	1,406,164	2,225,867	1,391,537	2,212,535
Tax liability (note 16(a))	3,903,492	505,994	3,903,492	505,994
26,925,780	34,125,609	26,911,153	34,112,277	

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

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
US Dollars	13,922,095	17,280,627	13,922,095	17,280,627
Euro	1,367,141	1,911,952	1,357,141	1,901,952
Seychelles Rupee	11,241,750	11,160,326	11,241,750	11,160,326
Others	394,794	3,772,704	390,167	3,769,372
	26,925,780	34,125,609	26,911,153	34,112,277

16. TAX EXPENSE

(a) Statement of Financial Position

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	505,994	(2,188,571)
Paid during the year	(5,782,985)	(6,669,517)
Charge for the year (note 16(b))	9,180,483	9,362,836
Exchange difference	-	1,246
At December 31,	3,903,492	505,994
<i>Disclosed under:</i>		
Trade and other payables (note 15)	3,903,492	505,994

(b) Statement of Profit or Loss

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 16(c))	9,180,483	9,362,836
Deferred tax charge / (credit) (note 13(b))	14,556,898	(6,666,792)
Taxation charge	23,737,381	2,696,044

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Profit before taxation	59,176,540	19,601,605	57,791,627	18,361,100
Tax calculated at applicable tax rates (note 16(d))	17,750,160	5,876,967	17,334,686	5,504,816
Expenses not deductible for tax purpose	(11,338,181)	(196,080)	(10,922,707)	176,071
Excess of depreciation over capital allowance	2,768,504	3,681,949	2,768,504	3,681,949
	9,180,483	9,362,836	9,180,483	9,362,836

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

Taxable income	Tax rates - %	
	2020 & 2019	
≤ SR. 1,000,000	25%	
> SR. 1,000,000	30%	

17. REVENUE

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Sales of products	223,359,556	339,288,529
Sales of services	39,020,767	42,878,785
	262,380,323	382,167,314

18. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 9(a))	149,528,125	241,062,195	155,742,420	247,046,899
Depreciation (note 5(c))	17,190,097	19,558,719	12,403,033	14,871,680
Amortisation of right-of-use assets (note 6(a))	57,409	44,200	57,409	44,200
Duties and taxes	36,690,937	54,334,492	36,690,937	54,334,492
Bareboat charter fees	6,133,221	6,046,391	6,133,221	6,046,391
Bunkering costs	9,039,593	13,117,337	9,039,593	13,117,337
Ship running expenses	19,374,260	13,125,637	19,374,260	13,125,637
Port agency costs	9,750,662	10,506,942	9,750,662	10,506,942
Employee benefit expense (note 23)	4,109,306	4,792,758	4,109,306	4,792,758
Reversal of credit impairment (note 10(d))	(318,593)	(229,468)	(318,593)	(229,468)
Other expenses	6,826,540	8,150,134	6,784,222	8,093,283
Total cost of sales, selling and marketing and administrative expenses	258,381,557	370,509,337	259,766,470	371,750,151

(a) Analysed as:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost of sales	246,868,304	357,124,327	248,295,533	358,421,992
Selling and marketing expenses	30,630	58,046	30,630	58,046
Administrative expenses	11,482,623	13,326,964	11,440,307	13,270,113
	258,381,557	370,509,337	259,766,470	371,750,151

19. OTHER INCOME

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Demurrage claims	3,025,270	3,599,672
Storage and throughput	2,762,178	2,660,477
Deviations and other recoveries	1,877,138	1,428,005
Rental income (note 22)	247,572	552,586
Gain on disposal of property and equipment (note 25)	24,732	11,196
Sundry income	62,042	121,127
	7,998,932	8,373,063

20. OTHER LOSSES - NET

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Net foreign exchange gains / (losses) on operations	46,948,677	(368,005)	46,948,677	(367,696)

Included in the net movement in exchange gains/(losses) figure above is an exchange gain of **SR 768.1m** (2019: SR 19.0m) which arose from the conversion of Euro denominated receivables to Seychelles Rupee. This is shown as **USD 41.3m** (2019: USD 1.3m) per Company's presentation currency.

21. NET FINANCE (COSTS) / INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Interest income	251,135	168,399	251,135	168,399
Finance costs on lease liabilities (note 6(b))	(20,970)	(229,829)	(20,970)	(229,829)
Net finance (costs)/income	230,165	(61,430)	230,165	(61,430)

22. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income (note 19)	247,572	552,586	247,572	552,586
Gain on disposal of equipment (note 19)	24,732	11,196	24,732	11,196
<i>and Charging:</i>				
Depreciation on property and equipment - owned (note 5)	17,190,097	19,558,719	12,403,033	14,871,680
Amortisation of right-of-use assets (note 6(a))	57,409	44,200	57,409	44,200
Reversal for credit impairment (note 10(d))	(318,593)	(229,468)	(318,593)	(229,468)
Finance cost on lease liabilities (note 6(b))	20,970	229,829	20,970	229,829
Directors' remuneration (note 22(a))	108,923	155,421	108,923	155,421
Audit fees	27,354	27,354	22,490	22,490
Employee benefit expense (note 23)	4,109,306	4,792,758	4,109,306	4,792,758

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

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
S Fanny	2,916	5,904
V Laporte	3,786	5,904
P Samson	2,916	5,904
E Belle	3,786	5,904
S Gendron	5,415	7,534
S Patel	3,786	5,904
S Romain	807	1,091
M Nalletamby	870	-
Y Vel	870	-
C Benoiton		
	83,771	117,276
	108,923	155,421

23. EMPLOYEE BENEFIT EXPENSES

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Salaries and wages	3,803,879	4,671,089
Retirement benefit obligations (note 14)	305,427	121,669
	4,109,306	4,792,758

24. COMMITMENTS

(a) Capital commitments

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

	THE GROUP AND THE COMPANY	
	2020	2019
	USD'000	USD'000
Property and equipment	1,949	4,341

(b) 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	
	2020	2019
	USD	USD
Not later than one year	3,000,000	2,795,917
Later than one year and not later than five years	6,000,000	8,387,751
	9,000,000	11,183,668

25. NOTES TO THE CASH FLOW STATEMENTS

(a) Cash generated from operations

Notes	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Profit before taxation	59,176,540	19,601,605	57,791,627	18,361,100
<i>Adjustments for:</i>				
Depreciation on property, plant and equipment	17,190,097	19,558,719	12,403,033	14,871,680
Assets written off	99,997	-	99,997	-
Amortisation of right-of-use assets	57,409	44,200	57,409	44,200
Accrued interest on investment in financial assets	(71,230)	(229,468)	(71,230)	(229,468)
Provision for credit impairment	(318,593)	(11,196)	(318,593)	(11,196)
Profit on disposal of equipment	(24,732)	(24,732)	(251,135)	(168,399)
Interest received	(251,135)	(168,399)	(251,135)	(168,399)
Charge of retirement benefit obligation	305,427	121,669	305,427	121,669
<i>Changes in working capital</i>				
- Decrease in inventories	2,988,795	7,376,788	2,988,795	7,376,788
- Decrease in trade and other receivables	15,378,077	4,654,228	15,378,077	4,654,228
- Decrease in trade and other payables	(6,693,835)	(3,472,841)	(6,695,130)	(3,472,621)
Cash generated from operations	87,836,817	47,475,305	81,663,545	41,600,592

(b) *Cash and cash equivalents*

Cash in hand Bank balances	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
	2,200	3,305	2,200	3,305

26. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Other related corporations		Directors	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
	28	16	-	-
Amount due to				
Amount due from				
Remuneration	11,953	11,704	352	533
Purchases of products and services	1,033	2,651	-	-
Sales	50,900	79,048	-	-

(b) THE COMPANY	Subsidiary companies		Directors	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
	82,972	81,670	28	16
Amount due to				
Amount due from				
Investment in	15	15	-	-
Remuneration	-	-	-	-
Bareboat charter fees	6,214	5,985	-	-
Technical management fees	-	-	-	-
Purchases of goods and services	-	-	1,033	2,651
Sales	-	-	50,900	79,048

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

(d) 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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019: 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.

(e) Key management personnel

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
344,609	522,077
7,212	10,474
351,821	532,551

27. DIVIDENDS

The Directors proposed and paid a final dividend of USD 5,234 per share amounting to USD 10.5m during year under review (2019: Dividends proposed and paid USD 14.1m (USD 7,030 per share)).

(a) PROPOSED AND PAID

THE GROUP AND THE COMPANY	
2020	2019
USD	USD
10,467,423	14,060,496
(10,467,423)	(14,060,496)
-	-

Dividend proposed
Paid during the year
At December 31,

28. GOING CONCERN

Continued impact of Covid - 19 pandemic

The Company and Group's Management have assessed the going concern of the Group and the Company and are of the opinion that sufficient resources are available to continue in business for the foreseeable future. Furthermore, since the Company is operating in an essential services sector, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

With respect to the Subsidiaries, however the situation is highly dependent on the impact of Covid - 19 on the chartering business worldwide. However, the Directors are confident of the main Shareholder's financially and otherwise support and therefore the basis of preparation of these financial statements on a going concern is reasonable in the foreseeable future.

29. FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2020 USD'000	2019 USD'000	2018 USD'000	2017* USD'000	2016* USD'000
Profit for the year	35,439	16,906	6,298	21,472	9,178
Other comprehensive (expense) / income	(543)	477	2,466	(4,948)	21,966
Retained earnings brought forward / restated	104,678	101,355	99,552	90,937	66,435
Reclassification	-	-	3,600	-	-
Profit available for distribution	139,574	118,738	111,916	107,461	97,579
Dividends	(10,467)	(14,060)	(10,561)	(6,564)	(6,642)
Retained earnings carried forward	129,107	104,678	101,355	100,897	90,937

Capital & reserves

Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	216,599	268,304	268,304	275,068	275,028
Retained earnings	129,107	104,678	101,355	100,897	90,937
Owners' interest	354,301	381,577	378,254	384,560	374,560
Total equity	354,301	381,577	378,254	384,560	374,560

(b) THE COMPANY

	2020 USD'000	2019 USD'000	2018 USD'000	2017* USD'000	2016* USD'000
Profit for the year	34,054	15,665	5,243	20,237	9,891
Other comprehensive income	-	-	-	-	20,852
Retained earnings brought forward / restated	130,060	128,455	130,173	117,844	93,743
Reclassification	-	-	3,600	-	-
Profit available for distribution	164,114	144,120	139,016	138,081	124,486
Dividends	(10,467)	(14,060)	(10,561)	(6,564)	(6,642)
Retained earnings carried forward	153,647	130,060	128,455	131,517	117,844

Capital & reserves	8,595	8,595	8,595	8,595	8,595
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	218,460	268,118	268,301	273,932	275,576
Retained earnings	153,647	130,060	128,455	131,517	117,844
Total equity	380,702	406,773	405,351	414,044	402,015

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





SEYPEC

Seychelles Petroleum Company Limited

ANNUAL REPORT 2020