



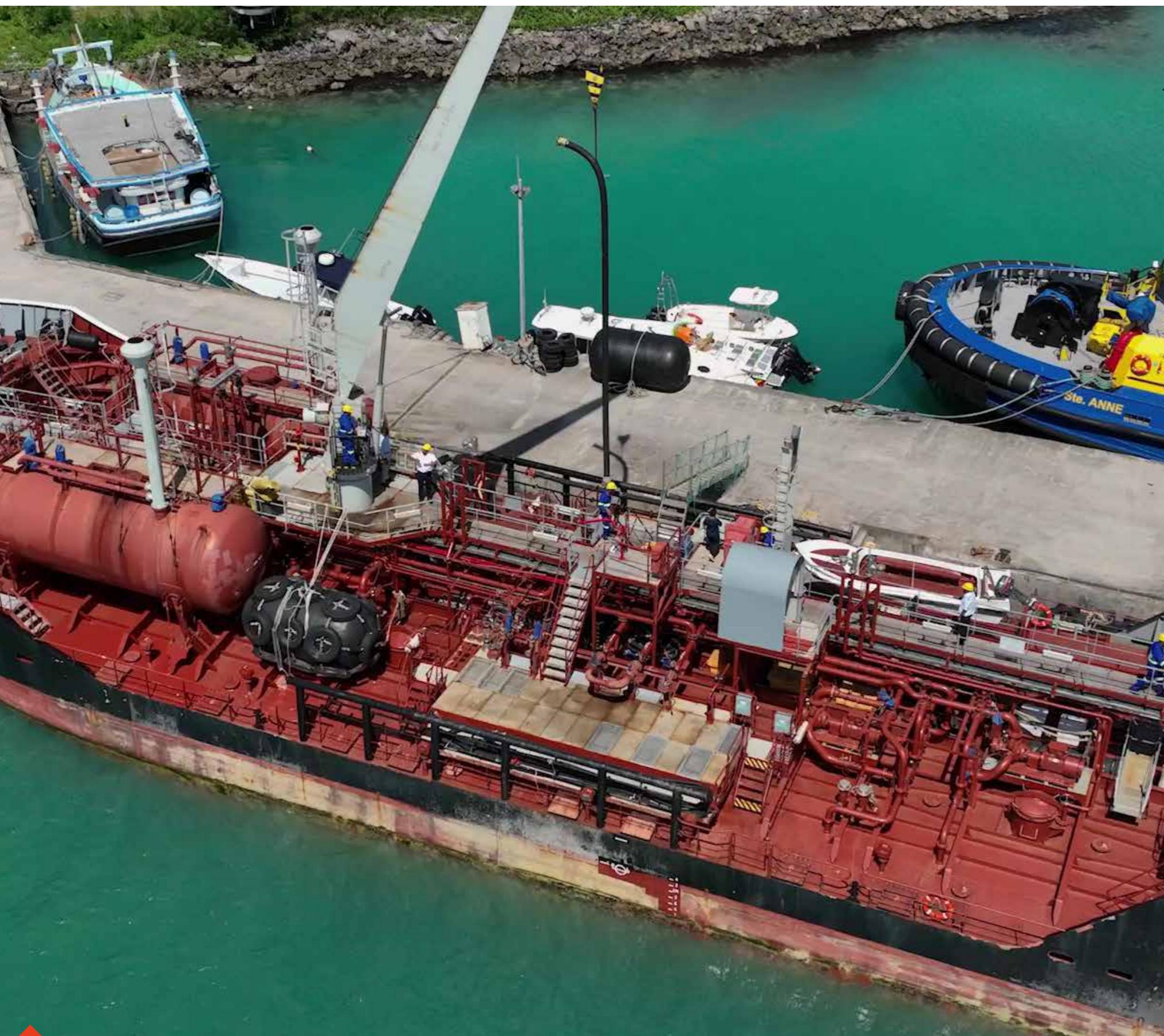
Annual Report 2021



SEYPEC

Seychelles Petroleum Company Limited

UPHOLDING OUR NATIONAL MANDATE DURING A TUMULTUOUS YEAR



CONTENT

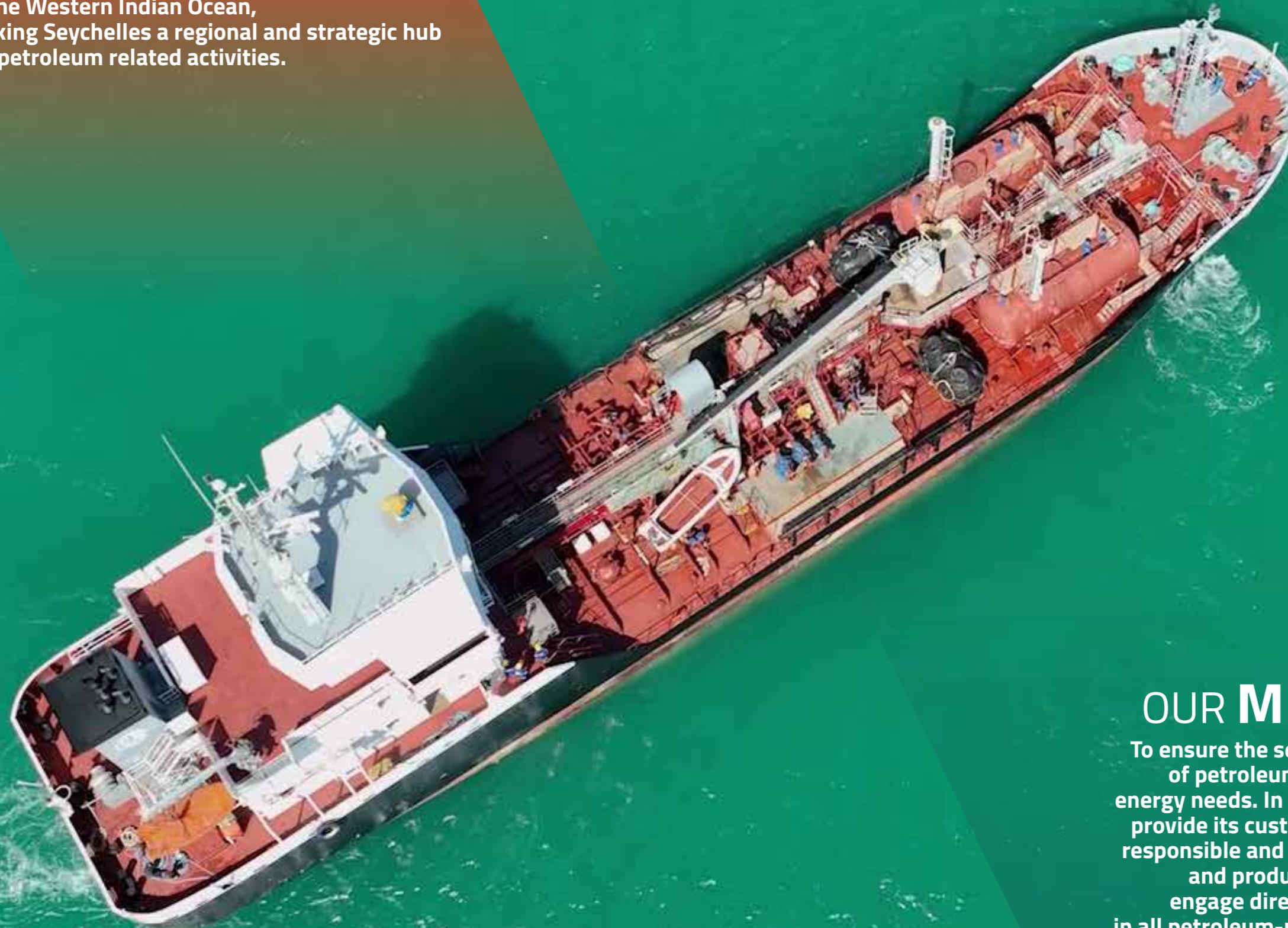
Vision & Mission Statement	PAGE 04
Message from the Chairperson	PAGE 06
History	PAGE 08
Corporate Information	PAGE 14
Seychelles Economy	PAGE 18
World Oil Market	PAGE 26
Financial Performance Results	PAGE 30
Good Governance	PAGE 40
Risk Management	PAGE 44
Business Segments	PAGE 48
Prices at the Pump	PAGE 54
Sales	PAGE 58
Plant and Equipment	PAGE 66
Shipping	PAGE 72
Human Resource Management	PAGE 78
Health & Safety	PAGE 84
Audited Financial Statements	PAGE 88



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

OUR VISION

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



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.

MESSAGE FROM THE CHAIRPERSON

I FEEL IMMENSE pleasure in presenting my review on the activities of SEYPEC for the year ended December 31, 2021, together with the financial results of the Group. It has been another tumultuous year, dominated by Covid-19 when we all faced significant changes and uncertainty as the Seychelles' economy slowly began to recover from the impacts of the pandemic and world's energy markets experienced considerable volatility.

COVID-19 presents a crisis on a scale which many of us have never experienced before. At SEYPEC, we however reacted quickly to the recurrent waves of the pandemic and adjusted our operations to address the situation at hand keeping the safety of our employees, business partners and customers foremost. Through the effective implementation of our business continuity plan, we have emerged from this crisis stronger than before. While we can all be grateful for the recent signs of an upturn thanks to the vaccines, I suspect the next year or two will still hold many challenges, but we will continue to maintain strict measures at all our sites and facilities.

I would like to thank all our people for their great commitment and contribution through a very challenging year of change. Our people made the difference by bringing the SEYPEC spirit to life and working hard, day in, day out, for the business. It has been a year of moving beyond the pandemic and enabling our people to get the business operationally and commercially always on track.



DR SELWYN GENDRON
Chairperson

We are always very committed to the wellbeing of all our people, not least because this is a key foundation for high performance. To this end, we maintained a number of wellbeing initiatives, including the development of central guidelines to manage one on one conversations between managers and employees, the creation of effective guidelines for a healthy routine when working from home and the office and by promoting online and remote communication for wellbeing.

During 2021, we focused on the continuous development of our people to ensure the delivery of our business results, in line with the skills requirements to achieve our targets. We developed programmes to respond to skills gaps identified after a thorough skills

We reacted quickly to the recurrent waves of the pandemic and adjusted our operations to address the situation at hand keeping the safety of our employees, business partners and customers foremost.



'The substantial appreciation of the rupee in the second semester had a negative effect on the foreign exchange operations of the Group with losses amounting to USD 38 M compared to a gain of USD 46 M in 2020, that is a negative swing of USD 84 M.'



assessment. To ensure we provided fit-for-purpose learning in a cost-efficient way, many of these learning solutions were internally developed.

We are proud to have delivered high-quality, competitively priced products and services to our customers – quickly and reliably. We add value by ensuring that we are always there for our customers and are easy to do business with. We provided the energy the nation needs. Staying true to our promise of fuelling the nation come what may, we imported 405 million litres of various energy products this year...

The global pandemic enhanced our focus on new ways to conduct our business as we took drastic steps to build our digital capability, enable new ways to engage with our stakeholders and create efficiencies at all levels.

Coming to our financial performance for the year under review, the Group made a net loss of USD 11.8 M as compared to a profit of USD 35.4 M in 2020. This is unfortunately due to the loss incurred on the exchange rate of the USD to the Rupee. Actually, at the beginning of year 2021, the USD was rated at SCR 21 whereas at the closing of accounts at the current financial year, the USD stood at SCR 15. This substantial appreciation of the rupee in the second semester had a negative effect on the foreign exchange operations of the

Group with losses amounting to USD 38 M compared to a gain of USD 46 M in 2020, that is a negative swing of USD 84 M. This is mainly explained by the fact that all energy products are purchased in USD and the sales are in rupees, causing this significant loss in the balance sheet for 2021. We all hope that 2022 will be the year in which the World can leave the coronavirus pandemic behind and that SEYPEC will renew with a profitable result in its operations.

The Group again contributed a massive SCR 1 billion (USD 66 M) to the government's treasury as business and trade tax as well as dividends. Business tax paid during the year amounted to SCR 92 M, Trade Tax SCR 658 M, and dividends to the unique shareholder – the Government of Seychelles – SCR 250 M.

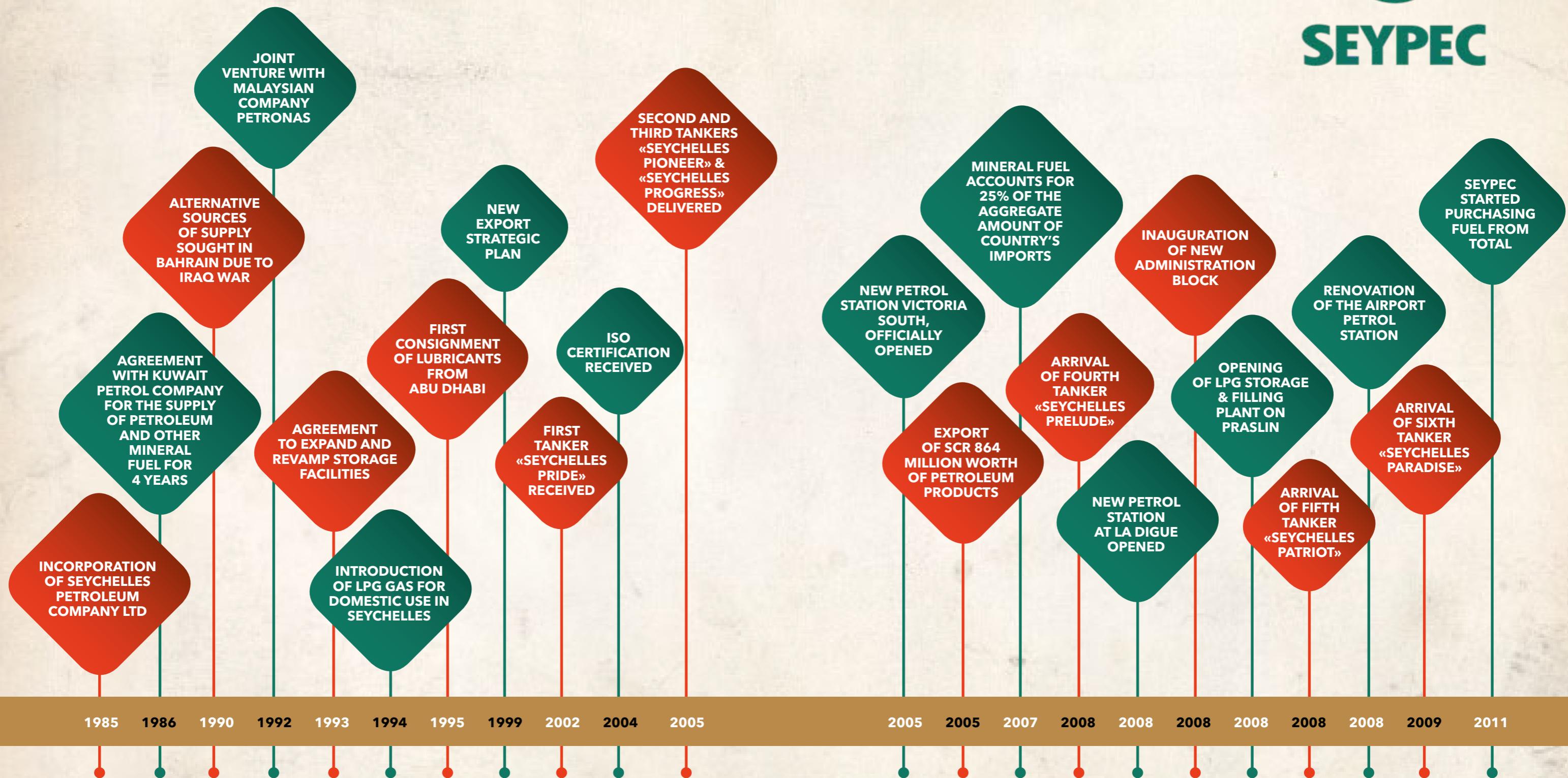
The Group also assisted in the subsidisation of different entities, namely the Seychelles Public Transport Company, the Public Utilities Company, and the transportation of energy products to Praslin and La Digue. The total amount of these subsidies financed by SEYPEC stood at SCR 70 M in 2021. This also included the subsidy granted on the price of LPG to keep the price at SCR 15 per kilo.

I would like to thank the Board and Management of SEYPEC and the entire staff of the Group for their continued support and guidance as well as our employees for their perseverance and hard work for this journey of excellence in 2021.

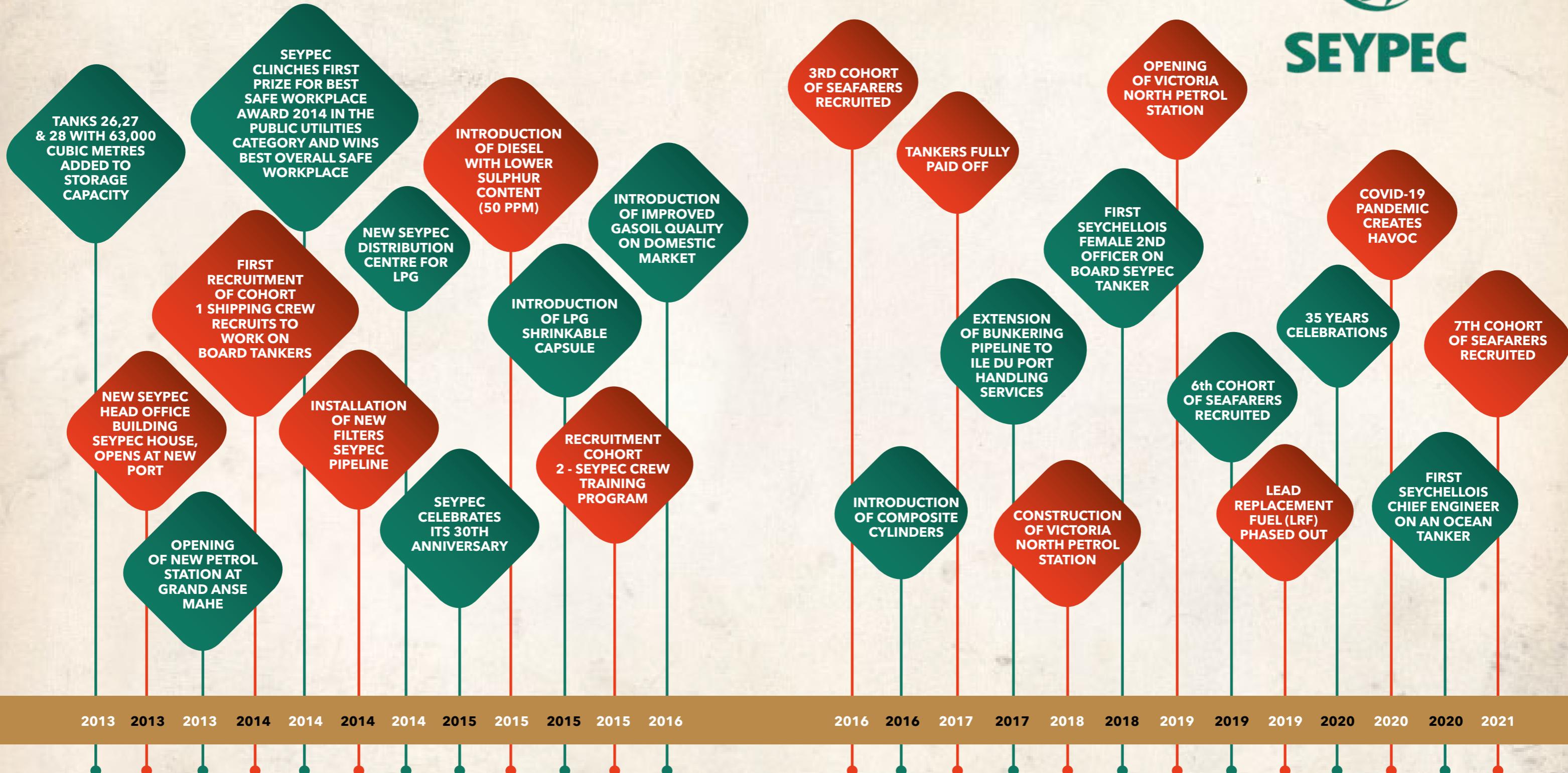




35 YEARS OF SHARED PROSPERITY



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

REGISTERED OFFICE AND PRINCIPAL & PLACE OF BUSINESS

Newport,
Victoria, Mahé
Seychelles

DIRECTORS:

- S Gendron (Chairperson)
- V Laporte
- S Patel
- M Nalletamby
- Y Vel
- C Benoiton (Chief Executive Officer)
- resigned effective April 1, 2022
- E Belle - resigned effective
April 12, 2021

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

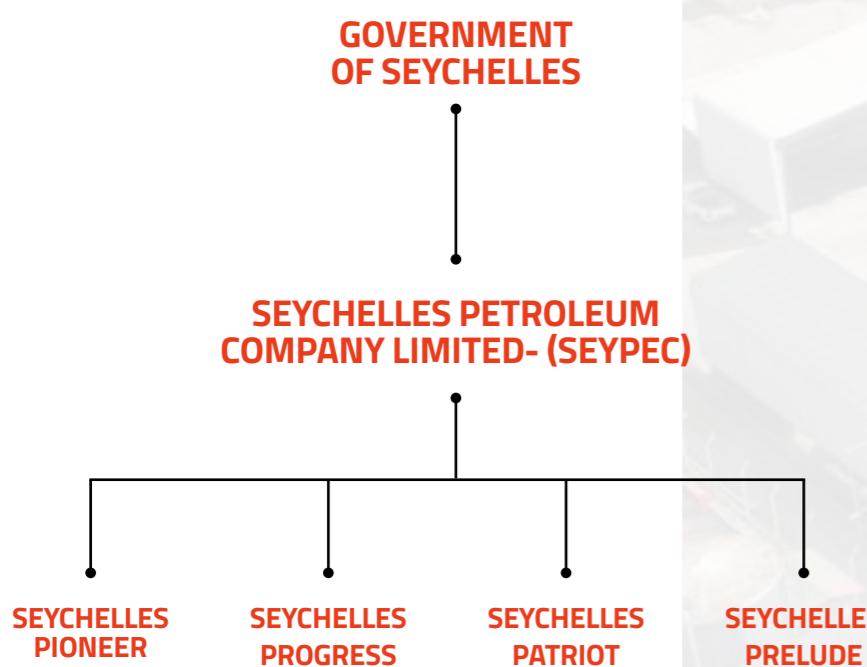
The workforce as of December 31, 2021 was composed of 207 employees. SEYPEC prides itself as being one of the few Seychellois companies with no expatriate employees.





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 Seychelles' economy made a strong recovery in 2021 with real GDP growing to an estimated 8%, driven by a swift rebound of the tourism sector. This followed a year when the country was hit hard by the effects of the covid pandemic on the tourism sector impacted the archipelago's economy, with a contraction of 12.9% in 2020.

Tourism arrivals rebounded faster than expected since the country reopened its borders in March 2021. Arrivals reached more than 70% of the 2019 level by end-2021. Strong vaccination rollout, relatively limited restrictions on tourists compared with many competing destinations and the emergence of new tourist markets like Russia, Israel, UAE, and Saudi Arabia were supportive of the sector.

The primary fiscal deficit declined to 3 percent of GDP in 2021 from 15.4% in 2020 mainly owing to gains from strengthened revenue efforts, and lower current and capital spending. In 2021, fiscal consolidation substantially reduced debt vulnerabilities. The debt-to-GDP ratio declined to around 76% of GDP in 2021 from 93% in 2020. By December 2021 quantitative targets under the IMF-supported program were met - some, including the fiscal primary balance target, by a wide margin.

The Central Bank of Seychelles (CBS) maintained an appropriately accommodative monetary policy and continued its efforts to strengthen Seychelles' monetary policy framework and closely monitored the financial sector soundness to reinforce banks' ability to support the recovery.

In 2021, focus was directed on greater productivity, participation and performance of the economy as means to increasing shared prosperity. Measures to eliminate barriers to open and operate businesses were initiated, actions to reduce inefficiencies in public sector management were taken. A more strategic and sustainable approach to social protection was adopted while efforts were deployed to broaden access to quality education and skills development.

However, at the end of the year under review, Seychelles' economy remained highly vulnerable to external shocks and climate change. Authorities maintained the build-up of buffers against shocks in the current global environment and pursued prudent macroeconomic policies while safeguarding international reserves.



WORLD OIL PRICES

Crude oil prices went up in 2021 as increasing COVID-19 vaccination rates, loosening pandemic-related restrictions, and a growing economy resulted in global petroleum demand rising faster than petroleum supply. The spot price of Brent crude oil, a global benchmark, started the year at USD 50 per barrel and increased to a high of USD 86 by late October before declining in the final weeks of the year. Brent's 2021 annual average of USD 71 per barrel was the highest in the past three years.

Global petroleum production increased more slowly than demand, driving higher prices. The slower increase in production was mostly attributable to OPEC+ crude oil production cuts which started in late 2020. OPEC and other countries, such as Russia, that coordinate production with OPEC (referred to as OPEC+) announced in December 2020 that they would continue to limit production increases throughout 2021 to support higher crude oil prices.

Increasing demand and lower supply of crude oil resulted in consistent global petroleum and liquid fuels inventory withdrawals from February through December and contributed to increasing crude oil prices. The largest inventory draw was in February, when Saudi Arabia imposed a daily cut of 1.0 million barrel on its production, and the United States experienced extremely cold weather that led to well freeze-offs and a 1.3 million barrels decline in crude oil production.

Withdrawals were also high in June, one month before OPEC+ announced it would begin increasing crude oil production each month. In 2021, petroleum inventories decreased by 469 million barrels globally, the largest annual inventory withdrawal since 2007.





STATEMENT OF PROFIT OR LOSS

- In 2021, Revenue regained momentum, particularly after the opening of the frontiers at the end of the first quarter and reached USD 308 M compared to USD 262.4 M in 2020. The increase in sales from 2017 to 2021 is the direct result of higher volume of sales but a significant fall was noted in 2020 due to effect of COVID-19 lock down of the country and the closure of all borders.
- The Group was able to maintain its Gross Profit Margin in 2020 at a reasonable 5.9% but this fell to 2.7 % in 2021 due to the high costs of oil on the world market despite a weekly pricing mechanism which mitigates impact of foreign exchange fluctuations.
- The Net Profit Margin ratio has been on a positive trend since 2017 and with a significant increase in 2020 but a reported loss in 2021 due to exchange losses and hike in price of oil.
- Earnings Per Share has been increasing consistently since 2017 to 2020 but a loss reported in 2021 as already explained.
- Higher dividends of USD 8,250 per share were paid in 2021. The dividends paid during the year is the direct result of the good performance and turnaround of the Group since 2017. Lower dividends were paid in 2020 as compared to 2019 since the Group was prudent in not distributing profit made up from unrealised exchange gains and difficulty in predicting the Covid-19 effect on the Group's financials.

STATEMENT OF PROFIT OF FINANCIAL POSITION

- The Group reported Total Equity of USD 363M in 2021 as compared to USD 354M in 2020, i.e., an increase in the net worth of the Group by 2.4%.

- Total Assets reached USD 420M in 2021, an increase of 2.7% over 2020, which was USD 409M, thereby confirming the strong asset base of the Group.
- The ratio for the Return on Total Assets decreased from 8.7 in 2020 to negative 2.8 in 2021. The significant increase in 2020 was the result of exceptional profit made by the company following unrealised gains on exchange upon conversion of mainly some monetary assets from functional currency to presentation currency. In 2021, this unrealised exchange difference turned into a loss swinging the results of the Group from a gain in 2020 to a net loss in 2021.
- The Current Ratio is on the increasing trend and went up from 1.4 in 2017 to 2.3 in 2019 and 2.2 in 2020 and was stable at 2.1 in 2021, which indicates the Group's very good financial health. The Current Ratio is also an indication of the Group's ability to pay back its debts.
- A substantial growth on Return on Equity was registered in 2020, following exceptional results as explained above but which reversed to a negative return in 2021.

STATEMENT OF PROFIT OF CASH FLOW

- The Group had negative cashflow from operating activities due to reported loss in 2021, whereas investing activities generated positive cash due to the investment in financial assets. Financing activities showed a cash outflow due to dividends payment.
- Despite a net decrease in cash equivalent movement, the Group ended the year with a positive cash and cash equivalent at December 31, 2021, of USD 35M as compared to USD 22M in 2020. The positive cash ratio is an indication of the Group's sound liquidity position.



HIGHLIGHT OF STATEMENT OF FINANCIAL POSITION

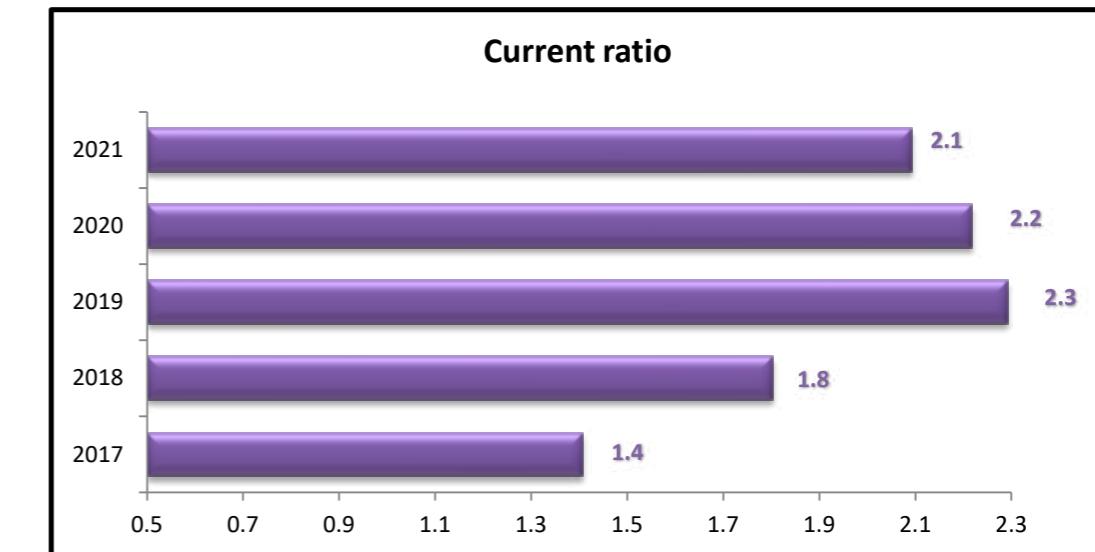
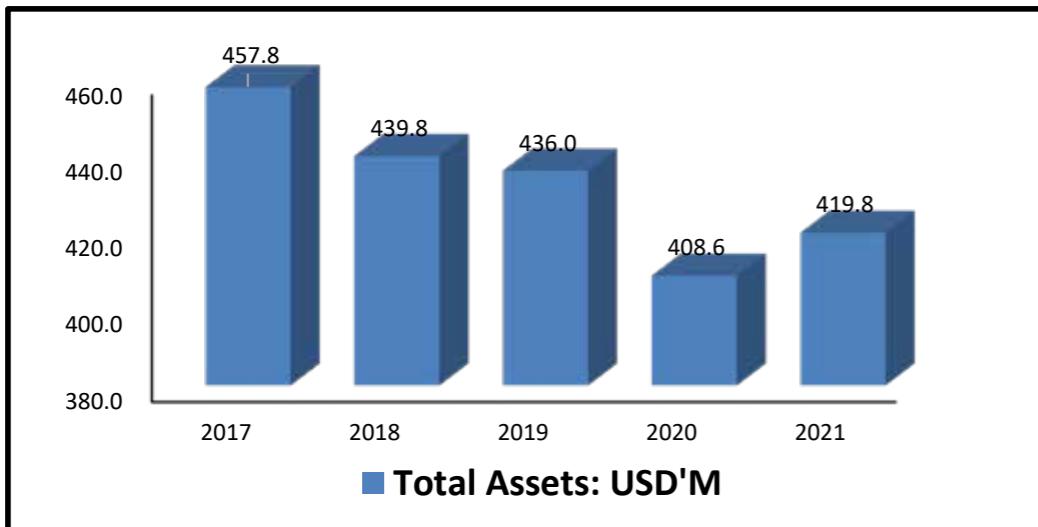
	THE GROUP USD'M				
	2021	2020	2019	2018	2017
NON-CURRENT ASSETS	325.2	348.5	357.8	372.9	392.2
CURRENT ASSETS	94.6	60.1	78.2	66.9	65.6
TOTAL ASSETS	419.8	408.6	436.0	439.8	457.8
 TOTAL EQUITY	 362.9	 354.3	 381.4	 378.2	 384.6
NON-CURRENT LIABILITIES	11.7	27.2	20.5	24.5	26.6
CURRENT LIABILITIES	45.2	27.1	34.1	37.1	46.6
TOTAL LIABILITIES	56.9	54.3	54.6	61.6	73.2
 TOTAL EQUITY & LIABILITIES	 419.8	 408.6	 436.0	 439.8	 457.8
 RATIOS:					
RETURN ON TOTAL ASSETS (PAT/total Assets)	(2.8)	8.69	3.88	1.43	4.70
RETURN ON EQUITY (PAT/Equity)	(3.3)	10.02	4.43	1.67	5.59
CURRENT RATIO (Current Assets/current liabilities)	2.1	2.2	2.3	1.8	1.4
DEBT TO EQUITY RATIO	3.2	7.7	5.4	6.5	6.9

HIGHLIGHT OF STATEMENT OF PROFIT OR LOSS

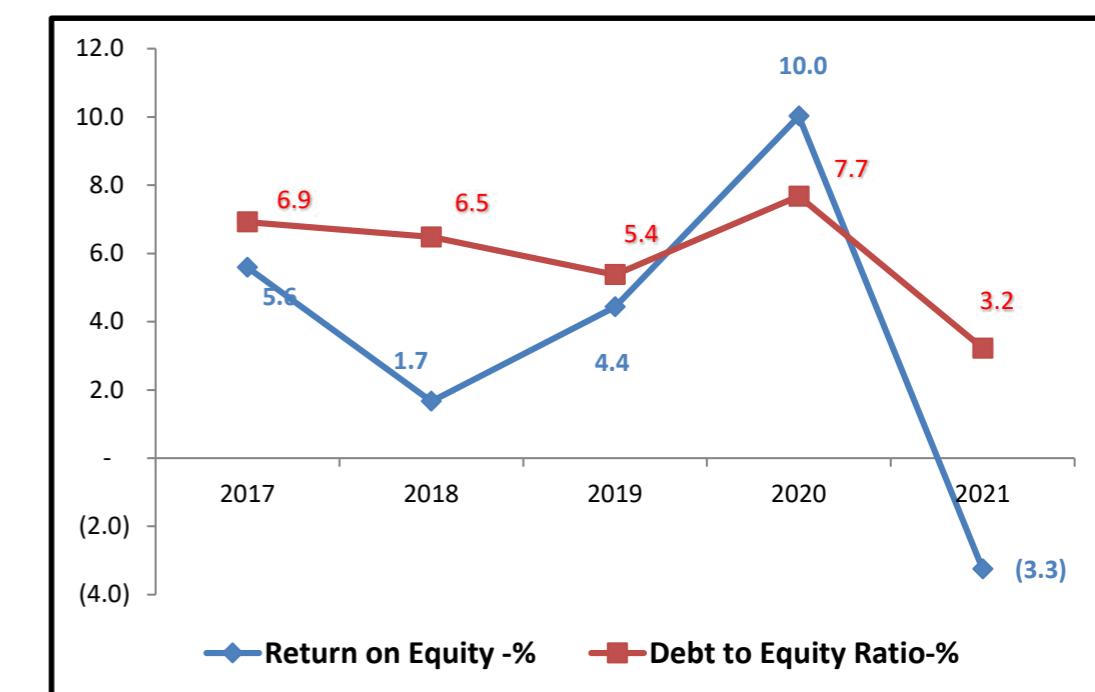
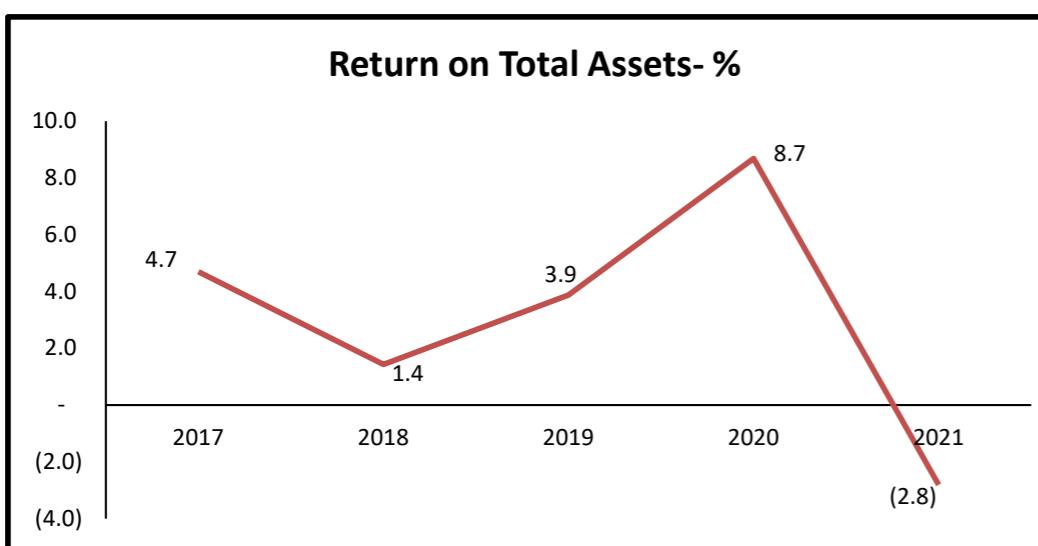
	THE GROUP USD'M				
	2021	2020	2019	2018	2017
REVENUE	308.0	262.4	382.2	397.1	344.4
GROSS PROFIT	8.3	15.5	25	17.8	25.2
PROFIT (LOSS) BEFORE TAXATION	(33.9)	59.2	19.6	11.6	30.7
TAXATION	22.1	(23.7)	(2.7)	(5.3)	(9.2)
PROFIT FOR THE YEAR	(11.8)	35.5	16.9	6.3	21.5
 RATIOS:					
EARNINGS PER SHARE (Profit for the year/no. of shares)	(5,900)	17,750	8,450	3,150	10,750
GROSS PROFIT MARGIN (Gross Profit/revenue)	2.69	5.91	6.54	4.48	7.32
NET PROFIT MARGIN (Profit for the year/Revenue)	(3.83)	13.53	4.42	1.59	6.24
DIVIDENDS	16.50	10.5	14.1	10.60	6.60
 RATIOS:					
Dividends per share (Dividends/no. of shares)	8,250.0	5,250.00	7,050.00	5,300.00	3,300.00
Dividend payout (Dividends/PAT) (Dividends/Profit for the year)	46.48	62.13	223.81	71.74	89.29

HIGHLIGHT OF STATEMENT OF CASH FLOWS:

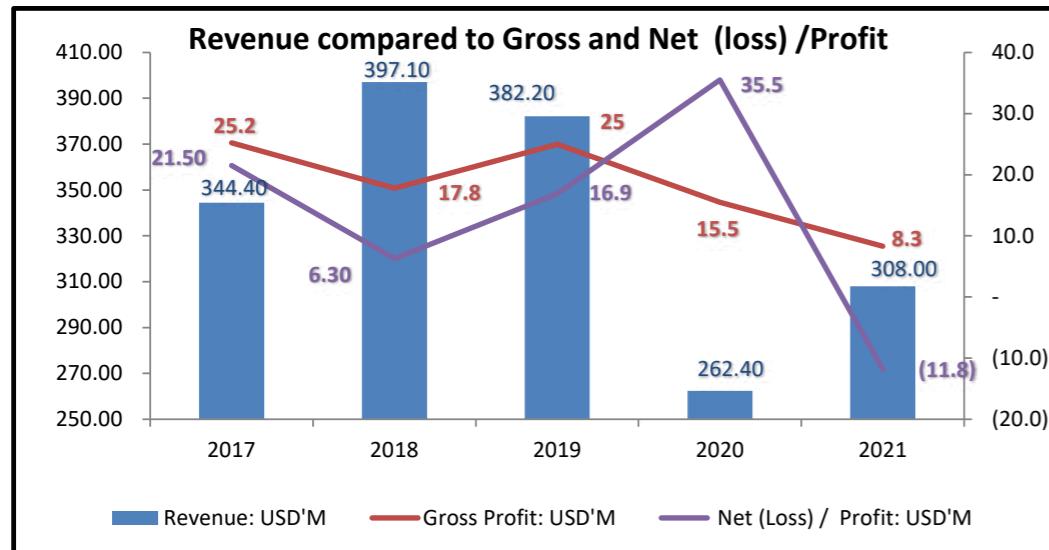
	THE GROUP USD'M				
	2021	2020	2019	2018	2017
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	(27.4)	81.9	40.9	13.5	30.8
NET CASH FLOW USED IN INVESTING ACTIVITIES	5.9	(5.9)	(9.7)	(4.4)	(3.0)
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	(16.5)	(10.5)	(14.1)	(10.6)	(33.2)
NET CHANGE	(38.0)	65.5	17.1	(1.5)	(5.4)
EXCHANGE DIFFERENCES	51.6	(67.0)	1.3	(1.6)	(8.4)
AT JANUARY 1	21.7	23.2	4.8	7.9	21.7
AT DECEMBER 31,	35.3	21.7	23.2	4.8	7.9
 RATIOS:					
CASH RATIO (Cash & Cash equivalent/current liabilities)	78.1	80.1	68.0	12.9	17.0



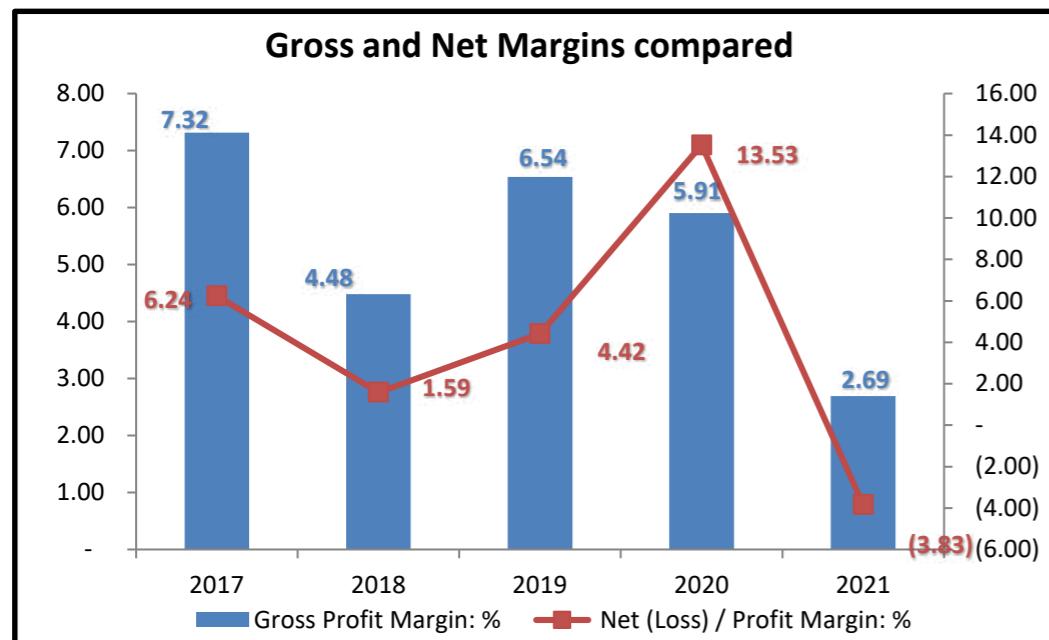
	2017	2018	2019	2020	2021
Total Assets: USD'M	457.8	439.8	436.0	408.6	419.8



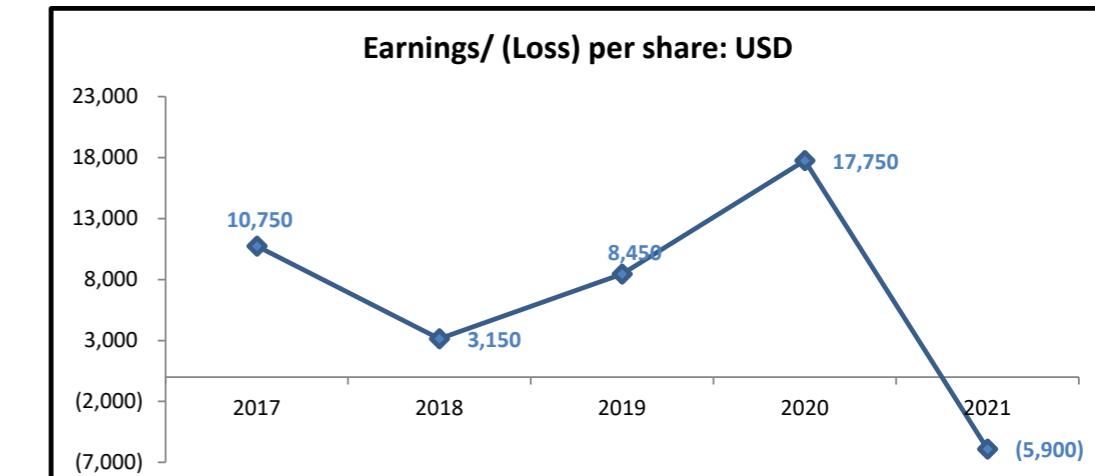
	2017	2018	2019	2020	2021
Return on Equity -%	5.6	1.7	4.4	10.0	(3.3)
Debt to Equity Ratio-%	6.9	6.5	5.4	7.7	3.2



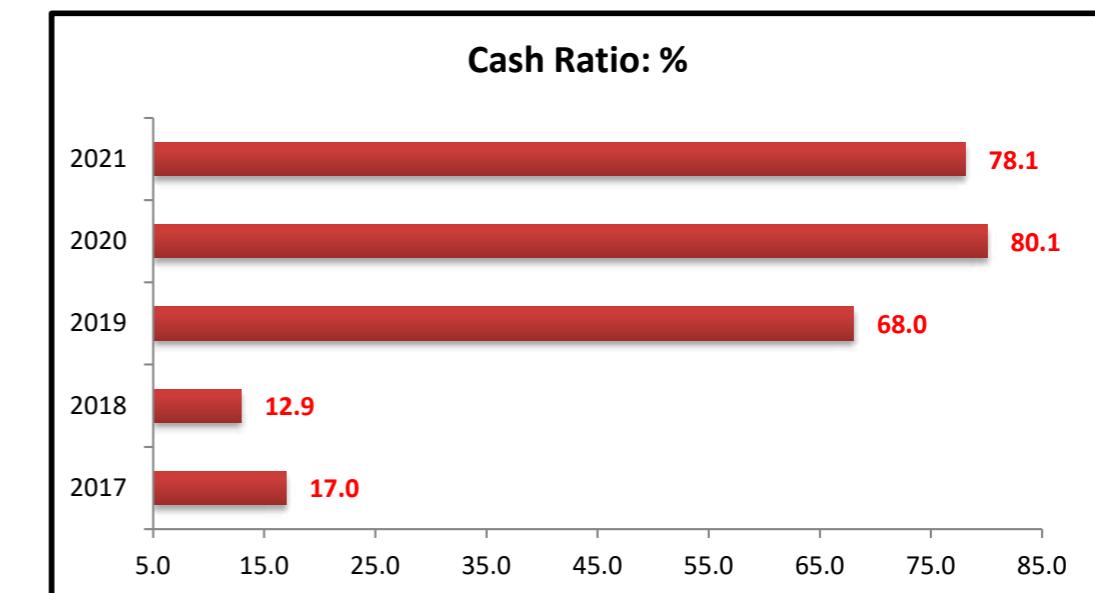
	2017	2018	2019	2020	2021
Revenue: USD'M	344.40	397.10	382.20	262.40	308.00
Gross Profit: USD'M	25.2	17.8	25	15.5	8.3
Net Profit: USD'M	21.50	6.30	16.9	35.5	(11.8)



	2017	2018	2019	2020	2021
Gross Profit Margin: %	7.32	4.48	6.54	5.91	2.69
Net (Loss) / Profit Margin: %	6.24	1.59	4.42	13.53	(3.83)



	2017	2018	2019	2020	2021
Earnings/ (Loss) per share: USD	10,750	3,150	8,450	17,750	(5,900)



	2017	2018	2019	2020	2021
Cash Ratio: %	17.0	12.9	68.0	80.1	78.1





GOOD GOVERNANCE

SEYPEC endorses the importance of sound corporate governance. Key elements of independence, accountability and transparency create a relationship of trust between the Group and all its stakeholders, customers, shareholders, employees, suppliers, and the general public.

The Board is responsible for achieving the Company's objectives, strategy, policy, and results, and is guided by the interests of the Group and the business connected with it. The Management supervises the Group's general affairs and the policy as directed by the Board. The Board ensures SEYPEC has an effective risk management system and internal control system.

SEYPEC is always looking for opportunities to enhance its governance. Simplifying and streamlining the business has been a key feature applied to its governance in 2021 to face the constraints of unprecedented events caused by the worldwide pandemic.

The overall governance principles are based on:

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







RISK MANAGEMENT

SEYPPEC is exposed to constantly evolving risks, linked both to the nature of its business and to the always changing environment. As a national and international energy company, it addresses these with a strong, but adaptable approach to risk and capital management.

Further, as the country's national energy products marketer and a public sector entity, SEYPPEC has an overall low risk appetite for conducting its business operations. The discipline and core-competence of the company demonstrates that risk management has always been an integral part of its strategic direction and the way of doing business, that has continuously been adding value to its stakeholders, especially its customers, employees, and shareholders.

In 2021, the Group continued to avoid financial and operational risks, but it did not limit itself to this high-level categorisation only. Over and above these risk types, the Group also focused on Environmental, Social and Governance risks. Concepts such as sustainability, integrity, transparency, and a responsible attitude to carrying out activities are vital for the smooth running of the business. This risk management framework at SEYPPEC ensures that it assumes and manages risks in a controlled way, and in line with all regulations and policies.

SEYPPEC believes that compliance with relevant laws, rules, and regulations, and maintaining a high standard of ethics and integrity, lead to lower operational risk and stable business processes. The Group has strict rules to enforce the basic corporate, legal and ethical compliance principles and guidelines that apply to all its employees and that govern the Group's operations and business conduct towards customers.

In the changing world, environmental, social and governance topics are becoming increasingly important. SEYPPEC is embracing these changes and aims to work together with its stakeholders to put these values at the core of its business. As a responsible As an operating Group, SEYPPEC is aware of its responsibility to do business in a way that is ethically and environmentally sound. In 2021, SEYPPEC pursued its efforts to work together with its stakeholders, with a goal of maximising the sustainable social value and minimising the negative impacts on social and environmental matters arising from its activities.



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 company 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 company 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 2021, this represented 46% of total sales revenue.





International Product sales

Another significant part of the activities of SEYPEC is its international sales service for marine bunkering and aviation refuelling. In 2021, 43% 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 Company Limited has a relative competitive advantage in the region for traffic from the Far East to Africa and vice-versa. The strengths of the country and SEYPEC meet the convenience of the visiting vessels along these following considerations:

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

Aviation refuelling

In 2021 the Company refuelled numerous international airlines with Jet A-1 including Air Seychelles, Emirates, Turkish Airlines, Aeroflot, Ethiopian Airlines, Air France, Edelweiss Airways, Etihad Airways, Qatar Airways and Condor to name a few.

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 these 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 outer 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 11% of the Company's total revenue for the year.



PRICES AT THE PUMP

During the year under review, SEYPEC did everything in its capacity to keep the prices at the pump in Seychelles as low as possible. There was not a cent of complacency in its price fixing mechanism as all local costs were kept stable with the excise duty remaining constant. Unfortunately, as a non-producing and importing country, Seychelles suffered the toll of soaring international oil prices as well as a high rate of exchange of the USD to the rupee. The country had no alternative than to watch this oil price hurricane hitting the world at the beginning of this year.

The year started with motor gasoline and gas oil standing at SCR 20.67 and 19.31 respectively as the continuous depreciation of the rupee to the USD laid considerable stress on the selling prices at the pump. With a USD exchanging at SCR 21.65 at the beginning of 2021 and the world economy on the set to restart after the pandemic, the perspectives looked gloomy for the energy users in Seychelles. SEYPEC tried to limit the proportion of increases in local prices by benefiting from tight buying prices through its supplier, but this could not compensate the fall in the parity of our local currency.

By March 2021, motor gasoline and gas oil prices in Seychelles hit a nearly 9-year record to reach SCR 22.89 and SCR 21.69, the highest in Seychelles since July 2012. This was due to the combined effect of the rapid price surge on the world oil market and the continued weakness of our rupee against the dollar.

Motorists and other users in Seychelles had a breather in May when stronger rupee pulled fuel prices down by 16% at pump. This turnaround in fuel prices has triggered an across-the-board reduction of both motor gasoline and gasoil.



But in merely one month, price tags were again on the rise and hit a 3-year-old high. This was yet again a combined effect of the price hike on the world oil market and the decrease of the rupee to the USD. On the international trading side, it was the first time since 2019 that the price of crude oil has hit the USD 72 mark whereas in Seychelles the USD gained more than 13%.

By mid-year, the country was witnessing positive signs of an economic recovery mainly in its tourism industry, on the flip side, there was little comfort for the vast majority of local energy products users as prices at the pump showed

a steady rise. During the third quarter of the year under review, there were positive factors guiding the price tags following a stable rate of the rupee against the USD. The local currency was quoted at around SCR 15, the lowest since the beginning of the year. This helped a lot in tempering the shock of the on-going soaring international crude oil prices. In December, the moto gasoline prices went down by 31 cents to reach SCR 20.42 and gas oil was sold at SCR 20.25 with a USD exchanging at SCR 14.75.

During that turbulent year, SEYPEC took all actions and adopted all policies to minimise the increase of

retail prices. Import prices were closely monitored, stocks efficiently managed and distribution diligently organised. But it was primarily a year dealing with extreme volatility with the return to global growth, which gathered pace in 2021, albeit unevenly, continued to be characterised by extreme price instability, predominantly upwards. Throughout the year, SEYPEC insisted to continuously keep the population aware on the price evolution of its main products with regular media reports. These explained the economics of the complex world of energy products and the rationale behind the price-fixing decisions of the national petroleum company in its mission to fulfil its national mandate.



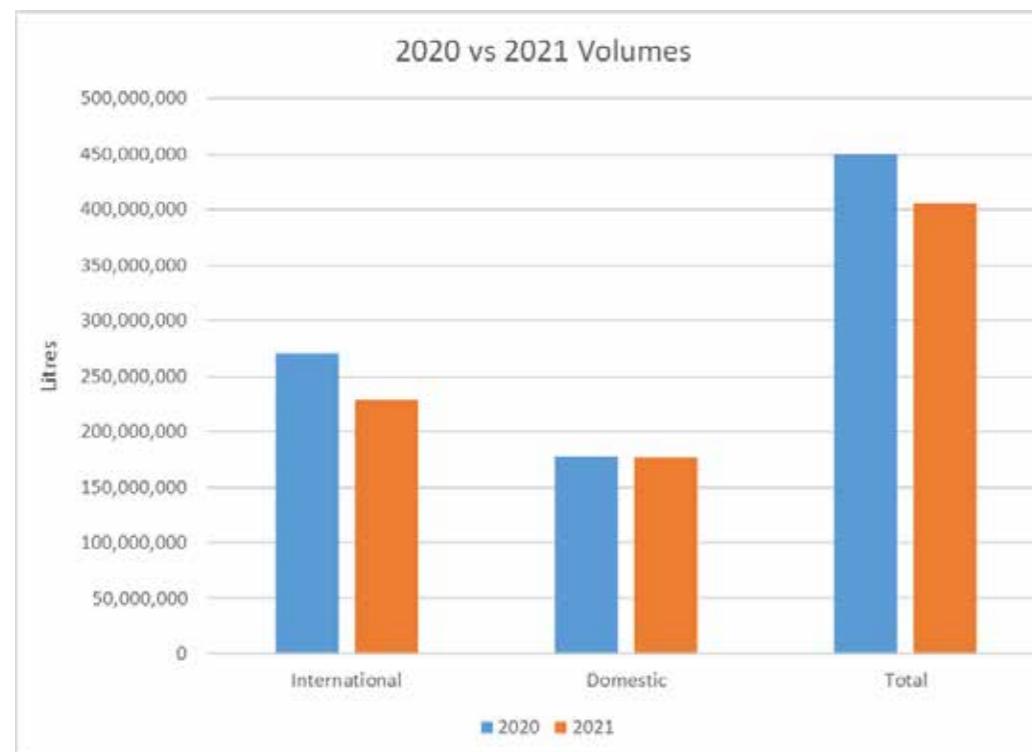
Overall Sales

Total volumes reduced by 10% in 2021 (43.88 million litres) – this consists of a 16% reduction in the international market and a 1% reduction in the domestic market. The domestic market reduced by 1.35 million litres and the international market by 42.53 million litres in 2021.

Reductions in volume were seen for nearly all products, most significantly for Gasoil (15%) and Fuel Oil (4%). On the other hand, three products experienced a volume growth for 2021 being Jet A-1 (19%), Avgas (65%) and LPG (1%).

Volume in Litres			
	2020	2021	% Change
Domestic	178,220,770	176,869,798	-1%
International	271,080,170	228,547,877	-16%
Total	449,300,939	405,417,675	-10%

* Inclusive of LPG (Kg)



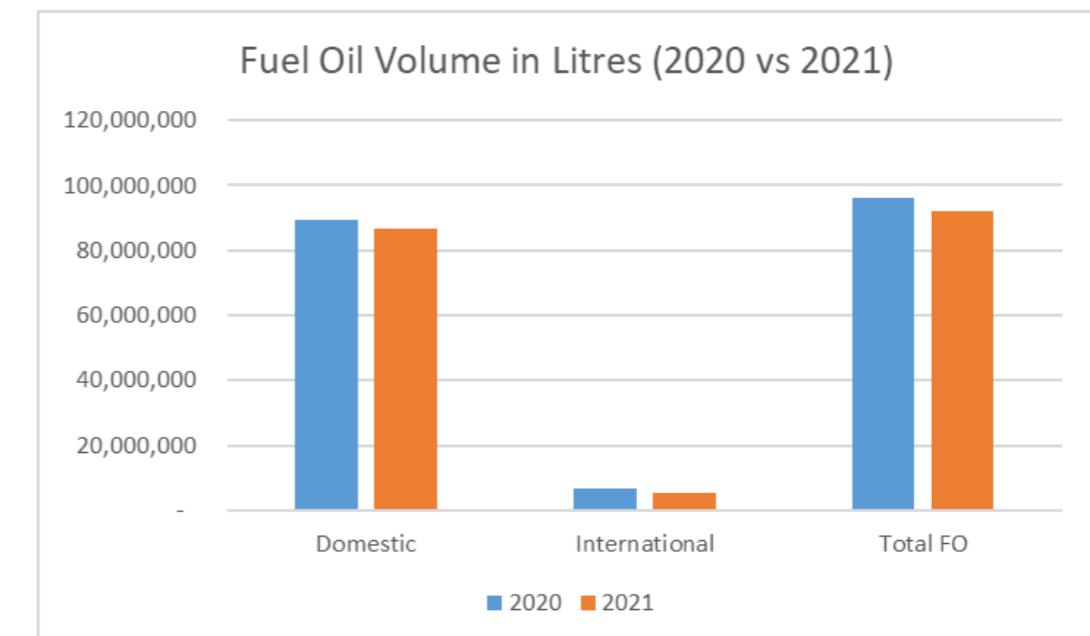
Fuel Oil

Fuel Oil volumes decreased by 4% (3.81 million litres) in 2021. Both domestic and international sectors saw a volume decrease. The international sector decreased by 16% (1.04 million litres) and the domestic by 3% (2.77 million litres).

The domestic sector is the main contributor to Fuel Oil volumes. The average monthly sale figure reduced from 8.00 million litres in 2020, to 7.69 million litres in 2021.

Internationally, the volume reduction is primarily due to a reduction in international bunkering (40%) for 2021, while on the domestic front, PUC remains the main influencer of any volume alterations.

Fuel Oil			
Fuel Oil (Litres)	2020	2021	% Change
Domestic	89,497,500	86,722,500	-3%
International	6,601,173	5,559,974	-16%
Total	96,098,673	92,282,474	-4%



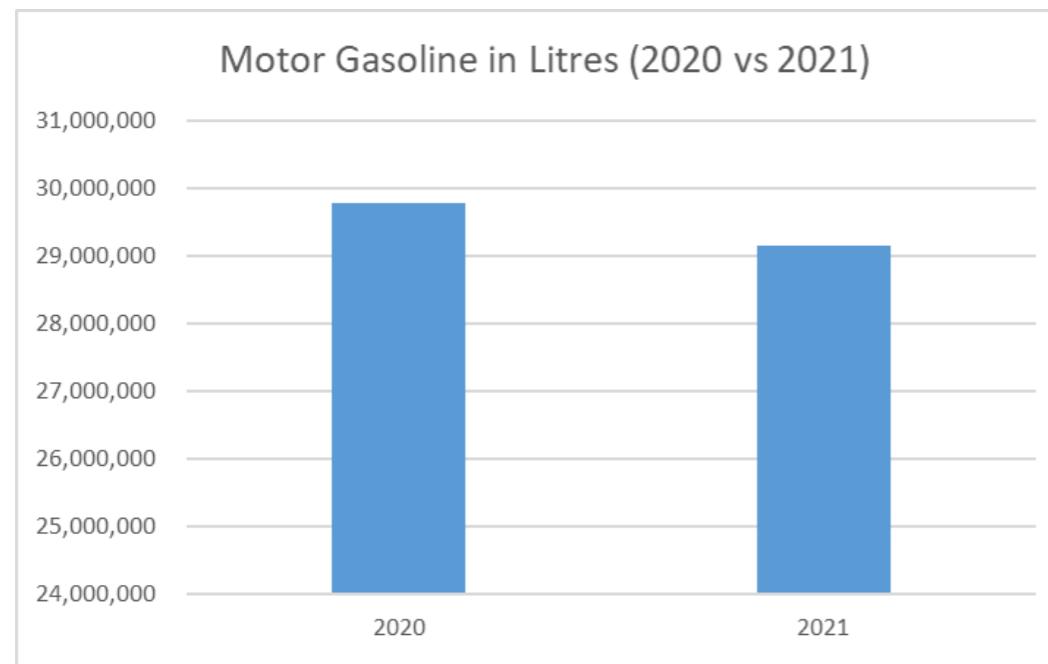
Motor Gasoline

Total Motor Gasoline volumes reduced by 2% (634,618 litres) in 2021. The average monthly volumes reduced from 2.48 million litres in 2020, to 2.42 million litres in 2021. The heavy Covid-19 related restrictions in the first quarter of 2021, saw monthly volumes going as low as 1.70 million litres. Sales however picked back up towards the latter stages of the year, with average fourth quarter volumes at 2.79 million litres per month.

The retailer segment being mainly the service stations where road users would purchase fuel was the sole driver of the reduction with a 4% (1.07 million litres) decrease in volumes. This can again be attributed to the movement restrictions in place during Q1 of 2021.

On the other hand, the consumer sector grew by 40% (432,495 litres), with monthly averages increasing from 89,300 litres in 2020 to 125,350 litres per month in 2021.

Motor Gasoline			
Motor Gasoline (Litres)	2020	2021	% Change
Domestic	29,779,763	29,136,845	-2%
International	2,000	10,300	415%
Total	29,781,763	29,147,145	-2%



Gasoil

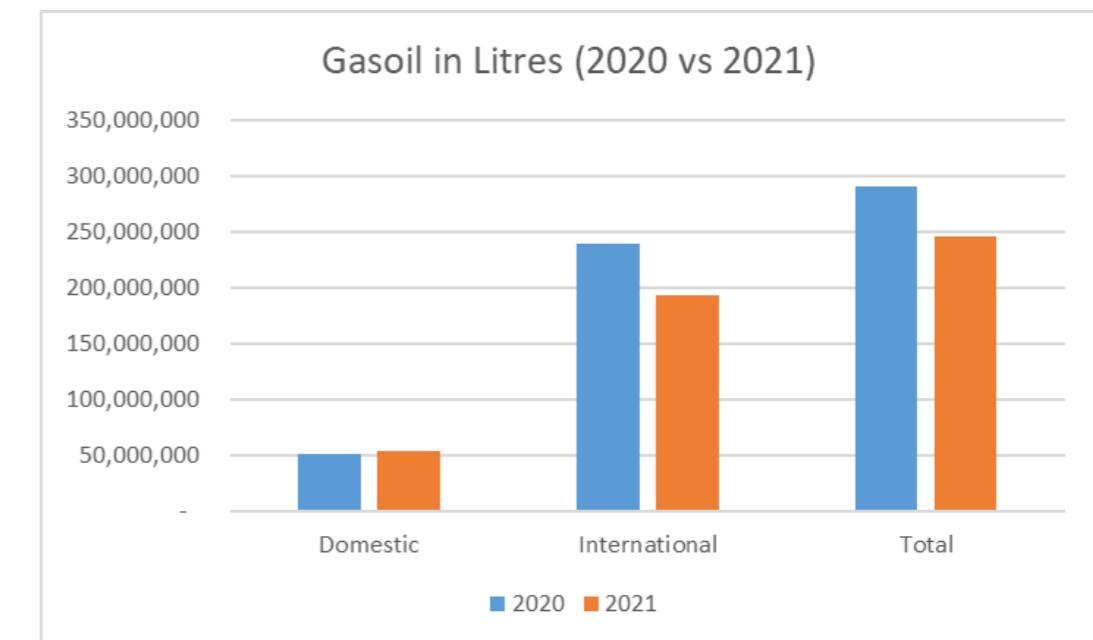
Total Gasoil sales reduced by 15% (44.61 million litres) in 2021. The main cause of the reduction is the international market which decreased in volume by 19% (46.33 million litres), while the domestic market experienced a volume increase of 3% (1.72 million litres).

The main cause of the increase in the domestic market is the consumer segment which includes hotels and industries, having risen by 9% (2.13 million litres) in 2021.

The decrease in the international market is due to international bunkering volumes, which dropped by 20% (46.76 million litres) in 2021. The average monthly sale for international bunkering was 15.90 million litres in 2021, compared to 19.80 million in 2020.

International Trade Zone companies experienced a healthy volume growth of 20% in 2021.

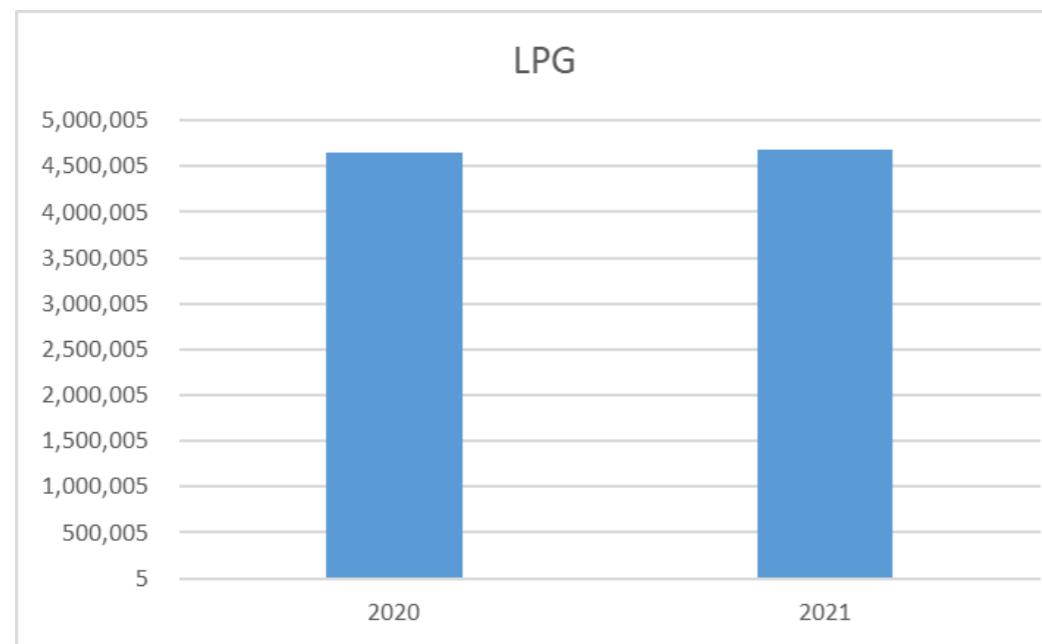
Gasoil			
Gasoil (Litres)	2020	2021	% Change
Domestic	51,534,824	53,260,426	3%
International	239,763,650	193,426,599	-19%
Total	291,298,474	246,687,025	-15%



Liquefied Petroleum Gas (LPG)

Total LPG sales increased marginally by 0.8% (38,395 kg) in 2021. Average monthly volumes increased from 387,588 kg in 2020, to 390,787 kg in 2021. While the retail sector decreased in volumes by 3%, a healthy increase in the consumer sector by 13% has added to the overall performance. The consumer sector (which includes hotels, catering establishments and other industries) suffered in mid-2020 due to Covid impacts which led to reduced operations, especially for tourism related activities. Consumer averages have risen to 108,370 kg in 2021, from 95,500 in 2020.

Liquefied Petroleum Gas			
LPG (Kg)	2020	2021	% Change
Retailer	3,504,979	3,388,963	-3%
Consumer	1,146,075	1,300,486	13%
LPG	4,651,054	4,689,449	0.8%



JET A1

Jet A-1 volumes increased by 19% (5.12 million litres) in 2021. An increase was seen across both domestic (16%) and international (19%) sectors.

Domestic volumes increased by 316,164 litres in 2021, with monthly averages rising from 160,290 in 2020 to 186,600 in 2021. While the first quarter of 2021 suffered reduced volumes due to the restrictions in place, the volumes picked up in the following months, with an average of 217,000 litres for the remainder of the year.

The international volumes increased by 4.81 million litres in 2021. The monthly average rose from 2.05 million litres in 2020, to 2.46 million in 2021. First quarter of 2021 shows the same trend as for the domestic sector, with impacted volumes due to Covid. However, the fourth quarter of 2021 shows positive improvement with an average of 4.06 million litres per month.

JET A1			
Jet A-1 (Litres)	2020	2021	% Change
Domestic	1,923,509	2,239,673	16%
International	24,740,833	29,551,004	19%
Total	26,664,342	31,790,677	19%



PLANT AND EQUIPMENT

Fuel Storage tanks

During 2021, SEYPEC continued with Phase 2 of its project to install Internal Floating Roofs (IFR) in all unleaded motor gasoline tanks at the Port Victoria Depot. IFRs were fixed in storage tanks 2, 4, 8 and 9. IFRs reduces loss through evaporation up to 80%.

SEYPEC also completed a 4-year project to upgrade the automatic level gauging and alarm system of the storage tanks at the Port Victoria and Airport Depots. As a result, all the tanks were fitted with a radar automatic level gauge, temperature, and density transducers, a 'high' and 'high-high' level alarms. Further, all unleaded motor gasoline service tanks were fitted with automatic valves, at the inlet, for emergency shutdown in case of a tank

overflow which can lead to spillage. The same set up was implemented at the Airport Depot on the Jet A1 tanks.

The reconstruction of the bund wall that accommodates all the storage tanks in the North Tanks Farm was completed in September 2021. The previous one was built in the early 1970s and had lost its structural integrity. Hence, it was due for replacement to ensure it serves its purpose effectively. Bund walls are built to contain products in case of tanks overfill and tanks and /or pipelines rupture.

LPG Plant

In 2021, a new carousel at the Port Victoria LPG Depot was installed and commissioned by SIRAGA/MAKEEN, the supplier for LPG filling and testing



equipment. The carousel allows for eight LPG cylinders to be filled at a time, by only one operative, thus accelerate the process and making it less labour dependent. The new equipment makes provisions for 4 additional filling points on the carousel, which can be used in the future as demand increases. Prior to that upgrade, LPG cylinders were filled by five standalone LPG cylinders filling scales, operated by three operatives.

Another facility completed at the Port Victoria LPG cylinders Depot in 2021, is a Radio Frequency Identification (RFID) for easy tracking of all LPG cylinders. Precious information as regards sizes, tare weights, manufacturer and technical details of each cylinder are thereby secured in a database. The system also allows automatic identification of cylinders, provides cylinders rotation pattern as well as details on cylinders maintenance history. It feeds cylinders tare weight automatically to the carousel for appropriate filling, a process currently performed manually. At any chosen

period, reports can be generated on cylinders movement and history, cylinders decommissioned and stock levels resulting in a more efficient managing tool.

To date, SEYPEC owns over 100,000 LPG cylinders and it is important to keep track of their rotation, maintenance history and test due dates. In the past those records were kept in ledgers and excel format.

A new LPG cylinders filling skid at the La Digue Petrol Station was completed in May 2021. The set up comprised of three LPG storage tanks of 5 tones capacity each, two LPG cylinders filling scales with pumps, associated pipelines, and accessories, to enable the filling of LPG cylinders on La Digue itself.

Currently, LPG cylinders are filled at the Praslin depot and transported to La Digue via ferries and /or landing crafts. A total of 1,400 LPG cylinders are carted between Praslin and La Digue monthly.



SEYPEC also assisted a stockiest on La Digue in setting up a cylinder storage shed to obtain a second outlet for distribution of LPG on that island. The new stockiest is based at L'Union La Digue.

Customer Facility Upgrades

The Bel Ombre Marine Refuelling Station opened its doors to the public on 2nd August 2021. This facility supplies boats operating in the Northern region of Mahe with their unleaded motor gasoline and gas oil requirements. Lubricant for outboard and inboard engines, are also available.

The set-up is made of a double compartment tank for storage of 22 cubic metres of unleaded motor gasoline and gasoil, a duo pump for delivering both product grades, a small

building that comprises of a shop, storage space, staff facilities and a pontoon for boats to fasten to when receiving their fuel.

During the year under review, the Beau Vallon Petrol Station was closed in September for a comprehensive renovation. The works were scheduled to be completed during the first quarter of 2022. The scope of works included the refurbishment of the buildings, canopy, forecourt and access roads, part of the boundary wall, the entire mechanical and electrical installation. A major component being the replacement of all the underground tanks and pipelines which have well passed their life span and was only 70% functional. The steel tanks were replaced with composite tanks and the steel pipelines were replaced with HDPE, which is corrosive resistant.

Sustainable energy

In 2020, the company invested in a 99KW photo voltaic system for the Port Victoria Depot, which saw a 17% reduction in our electrical consumption, with a recovery period of 4.7 years once commissioned.

For the year 2021, SEYPEC invested in a further 85KW PV system, expecting additional 10% reduction in electricity bills. Unfortunately, the worldwide pandemic caused delay in materials delivery and same arrived in the country in November 2021. As a result, its installation was due to overrun into 2022. Apart from enjoying the benefit of generating a percentage of electricity requirement, all excess during non-peak demand, are directed into the PUC grid.

Vehicle Replacement

For the year 2021, the Group received more replacement vehicles to upgrade its fleet:

- Two 10,000-litre tanker trucks to replace two units that have clocked 24 years old. Those tanker trucks are used to replenish petrol stations and other customers on Mahe and Praslin, on a daily basis.
- Hydrant Dispenser to replace a unit at the Airport Depot which was 29 years old.
- One Aircraft Refueler for replacing a 24-year-old unit at the Airport
- One 5-ton LPG tanker truck for Praslin Depot
- One 10,000-litre tanker truck for Port Victoria Depot
- Two 10,000-litre tanker truck to replace two 27 years' old units.





SHIPPING

2021 has truly been a most depressing year for the global wet freight business. The world tanker earnings were the worst in at least 30 years due to a number of key drivers that led to a significantly disappointing year.

At the start of 2021, the industry was riding a wave of optimism after the rollercoaster ride of 2020 amidst a global health pandemic – the tanker markets were expected to gradually improve. Multiple Covid vaccines were available, and it was hoped that the arrival of a new president in the United States would bring more stability to global markets. There was a large vessel supply overhang and the recovery in oil demand was expected to be gradual, but the overall consensus was that the market would start to improve in the second half of the year. Unfortunately, this was not the case and 2021 was one of the worst years on record for the tanker market.

Global oil demand growth was slower than forecasted, in particular in the countries that were the key drivers in previous years. China's zero Covid policy contributed to a down year in the oil markets. India was the centre of the Delta variant in the early part of 2021, hampering its oil demand recovery. Oil demand did recover in the OECD region in 2021 (+2.5 Million barrel per day- Mb/d), but almost 50% of this demand growth was satisfied through inventory drawdowns, dampening the impact on tanker demand. The release of vessels from floating storage was a double-negative for the market. It reduced the demand for tankers and increased its supply at the same time.

The reduction of global oil inventories, both on-land and on tankers (floating storage), was an important goal of OPEC. This objective was largely achieved through the slow return of the OPEC+ cutbacks, in addition to a voluntary 1 Mb/d Saudi 'bonus cut' in the spring of 2021, and aided by two significant weather events in the United States: the Texas winter storm in February and Hurricane Ida in August, both of which knocked out significant energy infrastructure in the U.S.

Another important factor that gained prominence in 2021 was the so-called 'rogue' or 'subterfuge' tanker fleet. These are mostly old and poorly maintained vessels that are engaged in clandestine trades, such as the shipment of U.S. sanctioned Iranian and Venezuelan oil. This fleet, estimated to be around 150 vessels, mostly tankers, is widely considered to be a drag on for the tanker market.

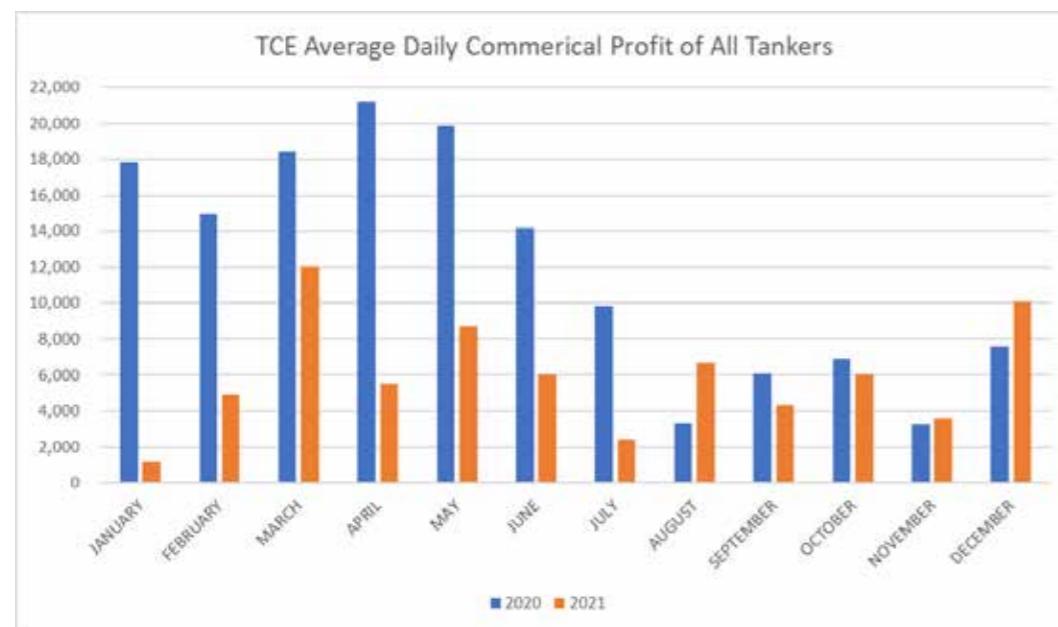
SEYPEC's Tanker Fleet Performance

SEYPEC tanker fleet could not do much to navigate out of the worldwide downturn in shipping and like the many other tanker companies, also experienced an annus horribilis. Even though the fleet occupancy was only 2% worse off compared to 2020, the revenue was greatly affected. The tankers had a 17% decrease year-on-year and earned USD 35.6 million. To make things worse the expenses increased by 17%, mainly due to bunker prices as SEYPEC tankers saw an increase of almost 50% in the amount paid per mt of Very Low Sulphur Fuel Oil (VLSFO) from the beginning to the end of 2021. All these factors culminated with the fleet finishing the year with only a gross commercial profit of USD 10.9 million, 50% less when compared to the previous year. This was also the lowest commercial amount the fleet has generated since 2004 when SEYPEC only had one long-haul tanker, namely the Seychelles Pride.

Summary of Finances 2021

FLEET SUMMARY	2020	2021	DIFFERENTIAL YEAR-ON-YEAR	
FLEET OCCUPANCY	92%	90%	-	-2%
	USD	USD	USD	%
REVENUE	42,895,441	35,557,373	(7,338,069)	-17%
COMMERCIAL EXPENDITURE	21,015,867	24,632,054	3,616,187	17%
GROSS COMMERCIAL PROFIT	21,879,575	10,925,319	(10,954,256)	-50%





Seychellois seafarers

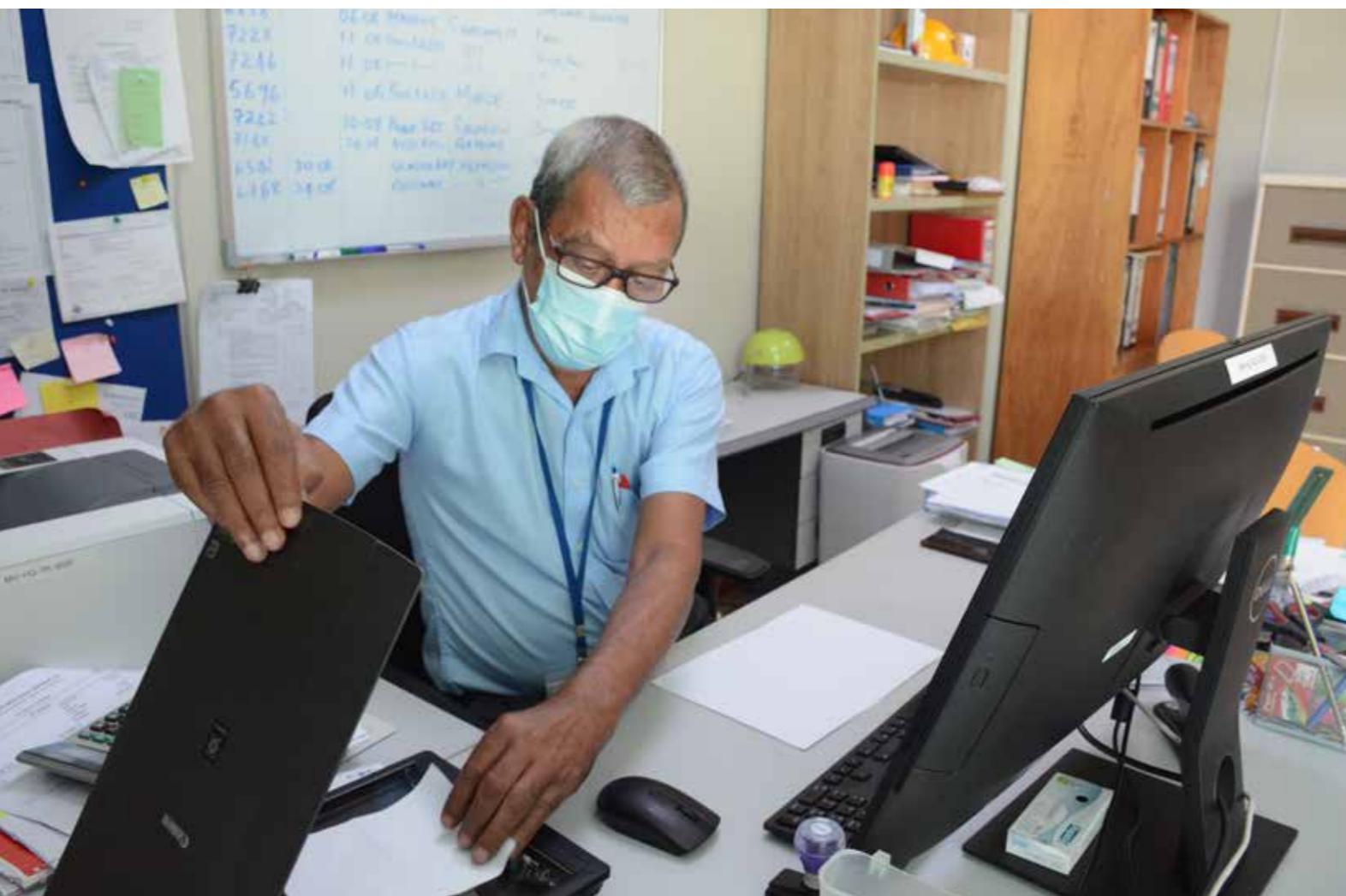
The number of active Seychellois crew members in December 2021 stood at 118 Seychellois seafarers. They are deployed on the 5 international tankers and one regional vessel. The apprentices of the 2020 7th Cohort graduated in February 2021 and prior to joining the vessels for their first seagoing experience they were engaged in an orientation session at SEYPEC. This was an opportunity for them to clarify any concerns regarding their placements and contracts. They were also provided with life-skills tips by the Employee Wellness Officer and provided with additional information regarding their placements and Marine Insurance.

Recruitment of an 8th batch of trainee seafarers started in September 2021 and the successful candidates were enrolled at the Seychelles Maritime Academy to start several short courses. This included basic safety, Standards of Training, Certification for Watch-Keeping for Seafarers (STCW 78 Convention as Amended), Maritime English and Tanker Familiarization course.

SEYPEC launched this ambitious project of recruitment of Seychellois in 2014 with the objective of promoting a new breed of local mariners. To-date, more than a hundred young Seychellois have been fully trained and are presently working on the Group's tankers in Seychelles and overseas representing well above 60% of the total workforce. In as much as the Group could have opted for the easy way to man its tankers by foreign cheaper labour, it has chosen the path of upgrading local talents and competencies. The choice has already yielded inestimable dividends and the bet was worth taking. SEYPEC is more than ever committed to build a team of internationally trained and qualified young Seychellois mariners and the recruiting and training of cadets is part of the Group's comprehensive career development program. This is also a unique opportunity for Seychelles to embark on a new and international career. Young Seychellois can combine a lot of different facets and gain a lot of exposure in terms of professionalism, adaptability, and travel. Besides a competitive remuneration package, the employment offers excellent opportunities for career advancement within the fleet.







HUMAN RESOURCE

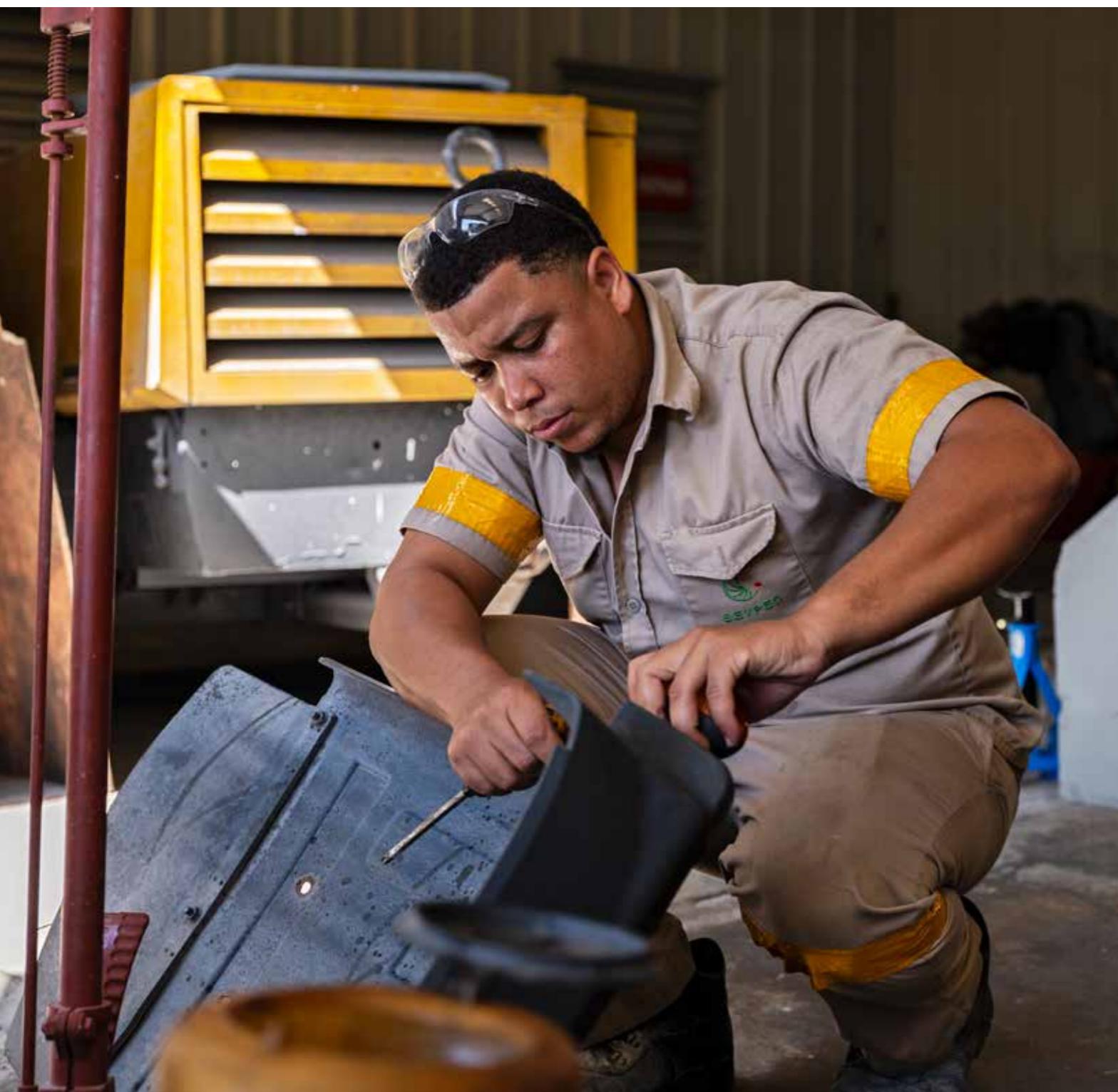
2021 has been a year of enabling the people of the Group to get the business operationally and commercially on track and to move beyond the pandemic. During these sanitary constraints, The Human Resource Department (HR) introduced a policy giving certain categories of employees the flexibility to work from home and also made sure that all precautions were taken for those who were required on sites of work due to the nature of the operations. This policy further enhanced SEYPEC's approach to business continuity planning while also aligning with its high-performance collaborative culture.

'Working closely together' in times of crisis was the moto of the HR Department

in all its endeavours to engage all staff members to deliver for the business and the customers. A very successful and efficient hybrid working environment, where teams worked both remotely and, in the office, yielded positive results. During this unprecedented time, employees embraced new skills and developed new behaviours which have improved the way the Group operates.

Many members of SEYPEC's workforce had no choice but to develop new skills and experiences during the pandemic. Employees were given crash courses on modern technology, and the result is that today, more people than ever have the skills and knowledge to work effectively from anywhere.





SEYPEC remained committed to the wellbeing of all its people, not least because this is a key foundation for high performance. To this end, the Group launched wellbeing initiatives during the sanitary crisis. These include the development of central guidelines

to manage one on one conversations between managers and employees, the development of ergonomic guidelines to create a healthy routine when working from home and the office and the creation of programmes to promote wellbeing at all levels.



In 2021, SEYPEC continued to implement its learning and development programmes which enabled the Group to operate safely, legally, and commercially. Training focused on the continuous development of the workforce to ensure the delivery of sound business results, in line with the skills requirements to achieve set targets. During 2021, courses were organised onsite or

virtually on subjects pertaining to Occupational Health and Safety Officer, Information Technology, Operations and Administration, among others. This responded to skills gaps identified after a thorough skills assessment conducted for employee groups. HR ensured it provided fit-for-purpose learning in a cost-efficient way with most of the learning solutions developed internally.





HEALTH & SAFETY

In 2021, SEYPEC continued to lay emphasis on operating responsibly to the highest standards. Safety is always the top priority of the Group with significant progress made on this front during the year. As a business deeply committed to having a long-term positive impact, being responsible goes hand-in-hand with being dynamic. This is at the heart of how SEYPEC operates.

The records show that apart from minor incidents pertaining to the operations, no significant hazardous event occurred on all sites management by SEYPEC. Corrective actions were taken to improve the quality and level of the health and safety of all employees and stakeholders.

In 2021, a review of all existing workplace hazards and risks was initiated to identify ways and means to improve the practices. Training for the members of the Environment, Health & Safety (EHS) Committee was planned, and work started on a new Environment Safety Standard Operating Procedure for all tasks performed at SEYPEC. These projects are due to be implemented or completed in 2022. The leadership commitment to safety has driven consistency across the business and setting the tone at the top and prioritising safety has been paramount to the positive safety culture within the Group.



COVID-19

COVID-19 presents a crisis on a scale never experienced before. SEYPEC reacted quickly to the waves of the pandemic and adjusted its operations to address the situation at hand keeping the safety of its employees, business partners and customers foremost. Through the effective implementation of its business continuity plan, SEYPEC has emerged from this crisis stronger than before.

Given the nature of its mandate, SEYPEC must always ensure that it promotes policies that benefit all stakeholders while maintaining the supply of energy needs for the population. The Group has been proactive to face this pandemic and the strategy was preventive rather than corrective. SEYPEC enforced stringent hygiene protocols before the outbreak and subsequently improved the precautionary measures. The plan of action that has been implemented was

devised to ensure minimal disruptions to operations as well as maintain business continuity in the event of a nationwide lockdown, given the mandate of ensuring the energy supply for the country. During the year vaccination rate for staff ran at 95% and SEYPEC continued to observe protocols, as advised by the Ministry of Health.

As for many companies worldwide and in Seychelles, operational risks posed many challenges in 2021. With the coronavirus pandemic causing many employees to be unable to access offices, SEYPEC strengthened its remote working solutions wherever possible to provide best in class customer service throughout the year. As the COVID-19 pandemic continued to evolve around the world and in Seychelles, SEYPEC maintained rigorous controls and response measures to protect the health of its workforce and community and maintain production at its operations.

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2021

The Directors are pleased to submit their report on Seychelles Petroleum Company Limited (SEYPEC) together with the audited financial statements of the Group and the Company for the year ended December 31, 2021.

PRINCIPAL ACTIVITIES

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

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

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

CURRENT YEAR EVENT

Commitment to dispose a tanker - Seychelles Pride

As part of the Company's Asset Management Policy, the Board Members took the decision to sell Seychelles Pride, the oldest tanker in the fleet of the Company. A desktop valuation of the Company's deep-sea fleet was performed in May 2021 and November 2021, without physical inspection. As a result, an estimated value of the Seychelles Pride was determined to range between USD 6.0m and USD 7.0m. Per Board minutes dated September 9, 2021, it was resolved to make a presentation to the Cabinet of Ministers as the disposal of the tanker was of significant value.

Per December 9, 2021 resolution, the Board members agreed to sell the Seychelles Pride for USD 5.9m to Northern Tankers DMCC. Since the criteria required by IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" were met, the tanker was therefore reclassified as a "Non current asset held for sale" on the face of the Statement of Financial Position as at December 31, 2021.

EVENT AFTER REPORTING DATE

The tanker, Seychelles Pride was disposed to Northern Tankers DMCC in January 2022 for USD 5.9m.

FINANCIAL PERFORMANCE

The net reported loss for the year amounted to USD 11.8m (2020: profit of USD 35.4m) for the Group and USD 12.8m (2020: profit of USD 34.1m) for the Company.

DIVIDENDS

The Director proposed and paid dividends amounting to USD 16.5m for the year under review (2020: USD 10.5m proposed and paid) (note 28).

PROPERTY, PLANT AND EQUIPMENT

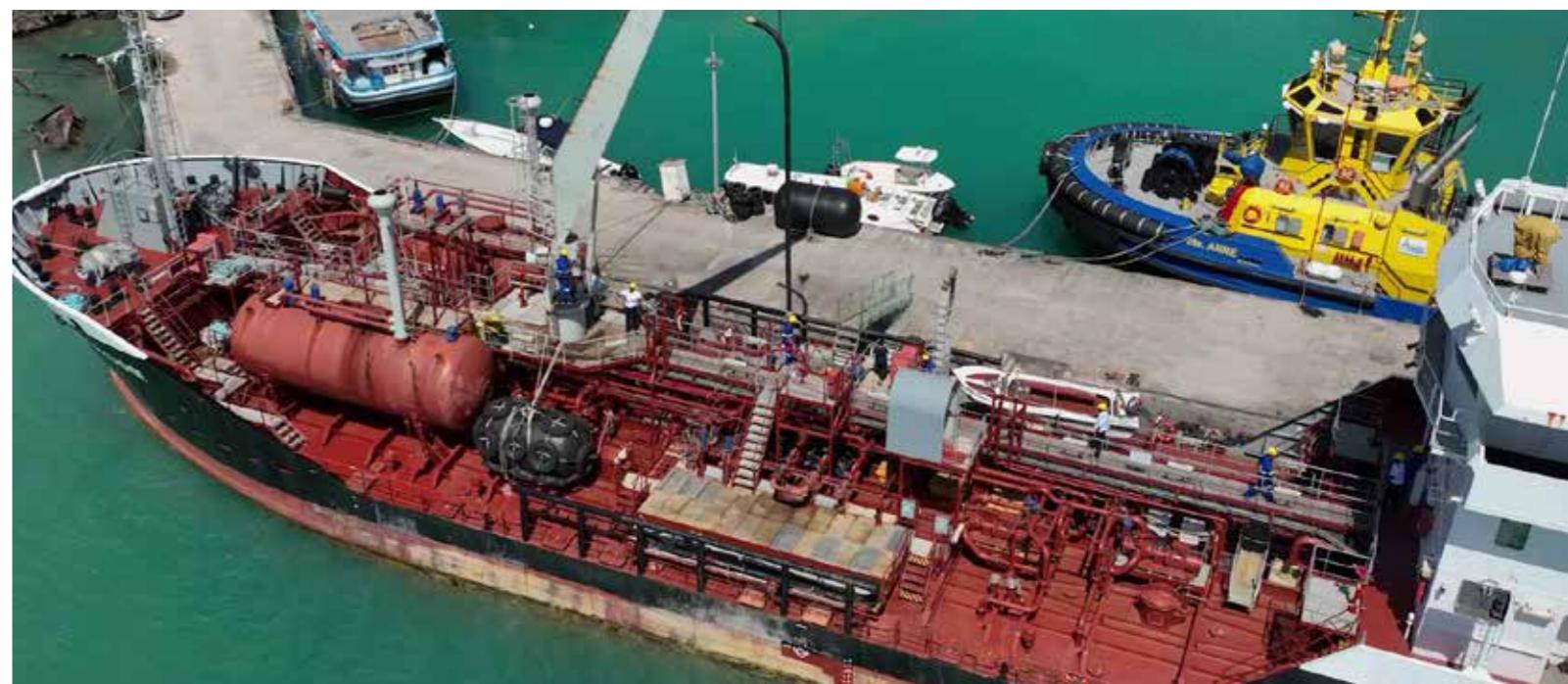
The property, plant and equipment of the Group and Company and the movements therein are detailed in note 5 to the financial statements. The Directors are of the opinion that the carrying amounts of property, plant and equipment at the reporting date approximate their fair value and no impairment is required.

FINANCIAL OVERVIEW

The Company's 2021 sales were characterised by a market slowly recovering from Covid-19 pandemic. The demand for products gradually increased sustained partially by the resurgence of the airline and industrial sectors. Nevertheless, the shipping industry experienced the worst year since the fleet's existence due to low global freight rates and depressed demand for tanker vessels. Whilst the overall sales volume of products in 2021 compared to 2020 was down by 10%, alongside shipping earnings which plummeted by 17% in the same period, the unexpected increase in the Company's revenue by 17% was a direct result of currency appreciation over the two years. As at the end of 2020, the exchange rate was SR 21: USD 1 versus SR 15: USD 1 in 2021. The surge in global fuel prices also affected the cost of fuel products in 2021 which saw an increase of 33% over the year 2020.

The Company's bottom line was also negatively impacted by the various subsidies extended to several industry sectors. In 2021, the Company absorbed a total amount of **SR 65.9m (USD 3.8m)**. The subsidy applied on the price of LPG, which was determined by the Shareholders, to ensure that the price of **SR 15** per kg was maintained. This consequently resulted in a loss of **SR 23.9m (USD 1.4m)** in 2021. Similarly, a zero-margin policy towards SPTC resulted into the Company absorbing a loss of **SR 4.9m (USD 281.1k)** in 2021. Fuel transport and distribution cost of **SR 35.9m (USD 2.1m)** to service Praslin and La Digue was equally absorbed to ensure sustainability of price at the same level for all and rental of offices to Petroseychelles at a cost of **SR 1.2m (USD 68.8k)** yearly was similarly absorbed.

Cumulatively from 2011, the Company absorbed **SR 827.3m** as subsidies.



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)	M Nalletamby
V Laporte	Y Vel
S Patel	

Appointed

S Romain (Acting Chief Executive Officer)	C Benoiton (Retired effective April 1, 2022)
	E Belle (Resigned effective April 12, 2021)

Subsidiaries

(i) Seychelles Patriot Limited

(iv) Seychelles Prelude Limited

F Racombo	R Hoareau
U Romain	S Romain

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



STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

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

BOARD APPROVAL

S Gendron
Director

V Laporte
Director

S Patel
Director

M Nalletamby
Director

Y Vel
Director

Date: 17 JUN 2022
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 50 which comprise the Statements of Financial Position as at December 31, 2021, the Statements of Profit or Loss, the Statements of Other Comprehensive Income, Statements of Changes in Equity and the Statements of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at December 31, 2021 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.

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 controls as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 matter

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

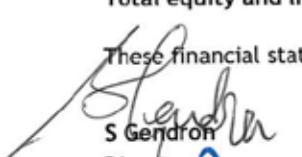
Dated: 17 JUN 2022
Victoria, Seychelles



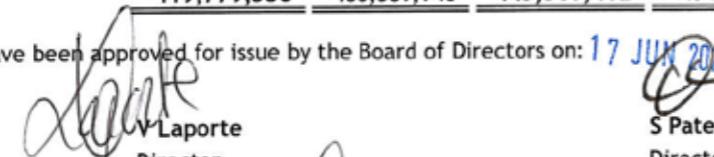
SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021		2020	
		USD	USD	USD	USD
ASSETS					
Non-current assets					
Property, plant and equipment	5	322,893,308	345,761,313	275,527,011	289,160,100
Right-of-use assets	6(a)	2,315,958	2,701,856	2,315,958	2,701,856
Investment in subsidiaries	7	-	-	70,952,423	82,986,733
Investment in financial assets	8(a)	4,172	2,881	4,172	2,881
		<u>325,213,438</u>	<u>348,466,050</u>	<u>348,799,564</u>	<u>374,851,570</u>
Current assets					
Inventories	9	19,371,038	12,099,644	19,371,038	12,099,644
Investment in financial assets	8(b)	-	6,788,401	-	6,788,401
Trade and other receivables	10	35,199,506	19,478,825	35,199,506	19,478,825
Cash and cash equivalents	26(b)	35,384,870	21,757,020	35,384,870	21,757,020
		<u>89,955,414</u>	<u>60,123,890</u>	<u>89,955,414</u>	<u>60,123,890</u>
Non-current asset held for sale	11	4,610,484	-	4,610,484	-
		<u>94,565,898</u>	<u>60,123,890</u>	<u>94,565,898</u>	<u>60,123,890</u>
Total assets		<u>419,779,336</u>	<u>408,589,940</u>	<u>443,365,462</u>	<u>434,975,460</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	8,595,053	8,595,053	8,595,053	8,595,053
Other reserves	13	254,529,157	216,599,114	253,563,886	218,460,318
Retained earnings		<u>99,760,357</u>	<u>129,107,252</u>	<u>124,325,220</u>	<u>153,646,195</u>
		<u>362,884,567</u>	<u>354,301,419</u>	<u>386,484,159</u>	<u>380,701,566</u>
LIABILITIES					
Non-current liabilities					
Lease liabilities	6(b)	2,372,053	1,486,879	2,372,053	1,486,879
Deferred tax liabilities	14	7,669,013	24,645,625	7,669,013	24,645,625
Retirement benefit obligations	15	1,690,661	1,094,282	1,690,661	1,094,282
		<u>11,731,727</u>	<u>27,226,786</u>	<u>11,731,727</u>	<u>27,226,786</u>
Current liabilities					
Lease liabilities	6(b)	2,941	135,955	2,941	135,955
Trade and other payables	16	45,160,101	26,925,780	45,146,635	26,911,153
		<u>45,163,042</u>	<u>27,061,735</u>	<u>45,149,576</u>	<u>27,047,108</u>
Total liabilities		<u>56,894,769</u>	<u>54,288,521</u>	<u>56,881,303</u>	<u>54,273,894</u>
Total equity and liabilities		<u>419,779,336</u>	<u>408,589,940</u>	<u>443,365,462</u>	<u>434,975,460</u>

These financial statements have been approved for issue by the Board of Directors on: 17 JUN 2022


 S Gendron
 Director

 M Nalletamby
 Director


 V Laporte
 Director

 Y Vel
 Director

The notes on pages 101 to 141 form an integral part of these financial statements.
 Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF PROFIT OR LOSS - YEAR ENDED
DECEMBER 31, 2021

Notes	THE GROUP		THE COMPANY		
	2021		2020		
	USD	USD	USD	USD	
Revenue	18	308,000,403	262,380,323	308,000,403	262,380,323
Cost of sales	19(a)	(299,743,305)	(246,868,304)	(300,856,063)	(248,295,533)
Gross profit		8,257,098	15,512,019	7,144,340	14,084,790
Selling & marketing expenses	19(a)	(32,201)	(30,630)	(32,201)	(30,630)
Administrative expenses	19(a)	(10,889,537)	(11,801,216)	(10,809,112)	(11,758,900)
Other income	20	7,925,023	7,998,932	7,925,023	7,998,932
(Charge) / Reversal of credit impairment	10(d)	(629,482)	318,593	(629,482)	318,593
Other (losses) / gains - Net	21	(38,606,943)	46,948,677	(38,606,943)	46,948,677
		(33,976,042)	58,946,375	(35,008,375)	57,561,462
Finance costs	22	(229,137)	(20,970)	(229,137)	(20,970)
Finance income	22	289,552	251,135	289,552	251,135
(Loss) / Profit before taxation	17(c)/23	(33,915,627)	59,176,540	(34,947,960)	57,791,627
Taxation credit / (charge)	17(b)	22,123,082	(23,737,381)	22,123,082	(23,737,381)
(Loss) / Profit for the year		(11,792,545)	35,439,159	(12,824,878)	34,054,246

The notes on pages 101 to 141 form an integral part of these financial statements.
 Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021 USD	2020 USD	2021 USD	2020 USD
(Loss) / Profit for the year					
Currency translation differences	13	37,928,752 (1,058,253)	(51,482,209) (541,685)	35,102,277	(49,656,684)
- 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 & 13	1,291 36,871,790	(1,563) (52,025,457)	1,291 35,103,568	(1,563) (49,658,247)
Other comprehensive income / (expense) for the year, net of tax					
Total comprehensive income / (expense) for the year		25,079,245 <u>(16,586,298)</u>	22,278,690 <u>(16,586,298)</u>	22,278,690 <u>(15,604,001)</u>	22,278,690 <u>(15,604,001)</u>
Profit attributable to:					
Owners of the parent		(11,792,545) <u>(11,792,545)</u>	35,439,159 <u>35,439,159</u>	(12,824,878) <u>(12,824,878)</u>	34,054,246 <u>34,054,246</u>
Non-controlling interest		-	-	-	-
Total comprehensive income / (expense) for the year		25,079,245 <u>(16,586,298)</u>	22,278,690 <u>(16,586,298)</u>	22,278,690 <u>(15,604,001)</u>	22,278,690 <u>(15,604,001)</u>

Profit attributable to:

Owners of the parent

Non-controlling interest

Total comprehensive income / (expense) for the year

Owners of the parent

Non-controlling interest

The notes on pages 101 to 141 form an integral part of these financial statements.

Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2021

THE GROUP	Attributable to owners of the parent				Non-Controlling Interest	Total Equity USD
	Note	Share Capital	Other Reserves	Retained Earnings		
At January 1, 2021						
Total comprehensive income for the year	28(a)	8,595,053 <u>8,595,053</u>	216,599,114 <u>254,529,157</u>	129,107,252 <u>99,760,357</u>	354,301,419 <u>362,884,567</u>	- <u>-</u>
Dividends		-	-	(16,496,097)	(16,496,097)	<u>(16,496,097)</u>
At December 31, 2021						
At January 1, 2020						
Total comprehensive expense for the year	28(a)	8,595,053 <u>8,595,053</u>	268,082,886 <u>216,599,114</u>	104,677,201 <u>129,107,252</u>	381,355,140 <u>354,301,419</u>	- <u>-</u>
Dividends		-	(51,483,772) <u>(10,467,423)</u>	34,897,474 <u>(10,467,423)</u>	(16,586,298) <u>(10,467,423)</u>	<u>(16,586,298)</u> <u>(10,467,423)</u>
At December 31, 2020						
THE COMPANY						
At January 1, 2021						
Total comprehensive income for the year	28(a)	8,595,053 <u>8,595,053</u>	218,460,318 <u>253,563,886</u>	153,646,195 <u>124,325,220</u>	380,701,566 <u>386,484,159</u>	
Dividends		-	(49,658,247) <u>(10,467,423)</u>	(12,824,878) <u>(16,496,097)</u>	22,278,690 <u>(16,496,097)</u>	
At December 31, 2020						
At January 1, 2020						
Total comprehensive expense for the year	28(a)	8,595,053 <u>8,595,053</u>	218,460,318 <u>218,460,318</u>	130,059,372 <u>153,646,195</u>	406,772,990 <u>380,701,566</u>	
Dividends		-	(49,658,247) <u>(10,467,423)</u>	34,054,246 <u>(16,496,097)</u>	(15,604,001) <u>(10,467,423)</u>	
At December 31, 2020						

The notes on pages 101 to 141 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2021

Notes	THE GROUP		THE COMPANY	
	2021 USD	2020 USD	2021 USD	2020 USD
Cash flows generated from operations				
Cash (used in) / generated from operations				
26(a)	(17,094,075)	87,857,787	(23,118,757)	81,684,515
22	289,552	251,135	289,552	251,135
	(16,804,523)	88,108,922	(22,829,205)	81,935,650
Tax paid	17(a)	(10,450,064)	(5,782,985)	(10,450,064)
Retirement benefit obligations paid		(155,406)	(386,258)	(155,406)
Net (used in) / cash generated from operating activities		(27,409,993)	81,939,679	(33,434,675)
				75,766,407
Cash flows from investing activities				
Purchase of property and equipment	5	(3,948,825)	(2,667,459)	(3,948,825)
Proceeds from sale of equipment		26,723	24,732	26,723
Repayment of lease liability	6(b)	(2,886)	(182,590)	(2,886)
Addition to financial assets	8(b)	-	(7,473,495)	-
Redemption of financial assets	8(b)	10,105,954	4,370,755	10,105,954
Finance costs	22	(229,137)	(20,970)	(229,137)
Net cash generated from / (used) in investing activities		5,951,829	(5,949,027)	5,951,829
				(5,949,027)
Cash flows from financing activities				
Dividends and Net cash used in financing activities	28(a)	(16,496,097)	(10,467,423)	(16,496,097)
				(10,467,423)
Net (decrease) / increase in cash and cash equivalents		(37,954,261)	65,523,229	(43,978,943)
				59,349,957
Movement in cash and cash equivalents				
At January 1,		21,757,020	23,230,012	21,757,020
(Decrease) / Increase		(37,954,261)	65,523,229	(43,978,943)
Foreign exchange differences		51,582,111	(66,996,221)	57,606,793
At December 31,	26(b)	35,384,870	21,757,020	35,384,870
				21,757,020

The notes on pages 101 to 141 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

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) New and amended standards and interpretations

(i) Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments have no impact on the Group's financial statements. The Group intends to use the practical expedients in future periods if they become applicable.

(b) New and amended standards and interpretations (Cont'd)

(ii) Covid-19-Related Rent Concessions beyond June 30, 2021 Amendments to IFRS 16

On May 28, 2020, the IASB issued Covid - 19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021. However, the Group has not received Covid-19-related rent concessions.

(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, 2022 or later periods and are not likely to have an impact on the Group's financial statements.

(i) The following amendments are effective for the period beginning January 1, 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- References to Conceptual Framework (Amendments to IFRS 3).

(ii) The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts (effective January 1, 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to January 1, 2023.

(d) Property, plant and equipment

Buildings, tanks, pumps and petrol stations are carried at revalued amounts based on periodic valuations by external independent valuers, less subsequent depreciation. 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, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(d) Property, plant and equipment (Cont'd)

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in owners' interest. Decreases that offset previous increases are charged against revaluation reserve directly in equity; all other decreases are charged to Statement of Profit or Loss.

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

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

	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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the Statement of Profit or Loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(e) Non-current assets held for sale

A non-current asset measured at fair value is classified as held-for sale if it is highly probable that it will be recovered primarily through sale rather than through continuing use. Such asset, is generally measured at the lower of its carrying amount and fair value.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

The assets classified as held for sale is presented separately as current item in the Statements of Financial Position.

(f) Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

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

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

Transactions and non-controlling interests

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

Disposal of subsidiaries

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



2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments

Recognition and measurement

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

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

(a) Financial assets

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

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

(i) Amortised cost

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

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

Impairment of financial assets

The Group 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.

The Group's and Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statements of Financial Position.

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.

(ii) Fair value through other comprehensive income

The Group and Company have investments in listed entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group and Company have made an irrevocable election to classify the investments at Fair Value through Other Comprehensive(FVOCI) rather than through Statement of Profit and Loss as the Group and Company consider this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in Other Comprehensive Income and accumulated in the Fair Value through Other Comprehensive Income reserve. Upon disposal, any balance within FVOCI reserve is reclassified directly to Retained Earnings and is not reclassified to Statements of Profit and Loss.

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

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

Definition of default

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

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

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition of a financial asset

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

(b) Financial liabilities

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

Derecognition of financial liabilities

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

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

(c) Offsetting financial instruments

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

(h) Deferred tax

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

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

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

(i) Inventories

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

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

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

(j) Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(k) 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 USD were as follows:

	2021 USD	2020 USD
1 Seychelles Rupee	0.0660	0.0456
1 Euro	<u>1.1316</u>	<u>1.2292</u>

(l) Impairment of non financial assets

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

(m) Revenue recognition

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

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.

(n) Leases

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

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

The lease liability is presented as a separate line in the 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).
- 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.

(o) 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 USD 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	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
Bank balances	1,340	763	32	53
Trade receivables	580	428	-	-
Trade payables	22	12	55	55

THE COMPANY

	Seychelles Rupee		Euro	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
Bank balances	1,340	763	32	53
Trade receivables	580	428	-	-
Trade payables	22	12	55	55

At December 31, 2021, 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

Sensitivity analysis

The table below summarises the impact of increases/(decreases) in the fair value of the investments on equity. The analysis is based on the assumption that the fair value has increased / (decreased) by 5%.

	THE GROUP AND THE COMPANY		2021 USD'000	2020 USD'000
	2021	2020		
	USD'000	USD'000		
Equity instrument at fair value through Other Comprehensive Income	0.21	0.14		

(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		2021 %	2020 %
	2021	2020		
	%	%		
10 major counterparties	60	63		
Others (diversified risk)	40	37		
	100	100		

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties, 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 and the Company at December 31,

	Trade Receivables at amortised cost		Provision for credit impairment		Carrying Amount	
	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
<i>Trade receivables</i>						
International	16,614	8,548	1,503	803	15,111	7,745
Local	11,598	8,776	3,070	1,926	8,528	6,850
TOTAL	28,212	17,324	4,573	2,729	23,639	14,595



3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(b) Credit risk (Cont'd)

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 10(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

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2021				
Lease liabilities (undiscounted)	217	433	12,055	12,705
Trade and other payables	<u>45,160</u>	<u>-</u>	<u>-</u>	<u>45,160</u>
At December 31, 2020				
Lease liabilities (undiscounted)	150	299	8,473	8,922
Trade and other payables	<u>23,022</u>	<u>-</u>	<u>-</u>	<u>23,022</u>

THE COMPANY

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2021				
Lease liabilities (undiscounted)	217	433	12,055	12,705
Trade and other payables	<u>45,147</u>	<u>-</u>	<u>-</u>	<u>45,147</u>
At December 31, 2020				
Lease liabilities (undiscounted)	150	299	8,473	8,922
Trade and other payables	<u>23,008</u>	<u>-</u>	<u>-</u>	<u>23,008</u>

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 reassessing 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, 2021 and 2020, 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 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.

(e) Fair value estimation

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

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

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

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

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

(f) Asset lives and residual values

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

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

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

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

(g) Length of service

The amendments to the Seychelles Employment Act in the year 1999 entitled one day wage for each completed month of service provided the employee has completed five years continuous service. The Company accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur. The Directors have estimated that the amount of the liability provided will not be materially different had it been computed by an external Actuary.

(h) Going concern

The Group'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 Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(i) Functional currency

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

(j) 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

	THE GROUP		Tanks, pumps & petrol stations		Vehicles & refuellers		Work in progress		Total
	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Cost	Valuation	Cost	Cost	
	Valuation USD	Cost USD	Cost USD	USD	USD	USD	USD	USD	USD
At January 1, 2020	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	(219,208)
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	-	
Exchange differences	-	17,037,925	-	-	-	-	-	-	17,037,925
Assets written off	-	-	-	-	-	-	(99,997)	(99,997)	
Transfers to / (from)	-	-	-	-	-	-	-	-	
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	
Additions	-	659	84,944	478,470	-	794,195	2,590,557	3,948,825	
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)	
Exchange differences	-	(15,269,673)	-	-	-	-	-	-	(15,269,673)
Transfers to / (from)	-	-	-	1,865,900	-	-	(1,865,900)	-	
Transfer to assets held for sale	-	(20,642,963)	-	-	-	-	-	-	(20,642,963)
At December 31, 2021	10,071,590	201,314,279	3,970,148	36,724,157	279,615,879	6,648,295	2,630,522	540,974,870	
ACCUMULATED DEPRECIATION									
At January 1, 2020	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	
Charge for the year	391,639	5,916,061	222,031	1,012,515	10,000,743	421,951	-	17,964,940	
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)	
Transfer to assets held for sale	-	(16,032,479)	-	-	-	-	-	-	(16,032,479)
Exchange differences	-	(11,028,267)	-	-	-	-	-	-	(11,028,267)
At December 31, 2021	2,674,185	134,554,519	2,111,986	13,579,021	59,891,440	5,270,411	-	218,081,562	
NET BOOK VALUE									
At December 31, 2021	7,397,405	66,759,760	1,858,162	23,145,136	219,724,439	1,377,884	2,630,522	322,893,308	
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	345,701,313	

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

	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	USD
	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION								
At January 1, 2020	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)	-	-	349,845	899,959	-	-	(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
Additions	-	659	84,944	478,470	-	794,195	2,590,557	3,948,825
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)
Transfers to / (from)	-	-	-	1,865,900	-	-	(1,865,900)	-
Transfer to assets held for sale	-	(20,642,963)	-	-	-	-	-	(20,642,963)
At December 31, 2021	10,071,590	24,271,828	3,970,148	36,724,157	279,615,879	6,648,295	2,630,522	363,932,419
ACCUMULATED DEPRECIATION								
At January 1, 2020	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)	-	(152,048)	-	(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
Charge for the year	391,639	922,551	222,031	1,012,515	10,000,743	421,951	-	12,971,430
Disposal	-	-	(43,870)	-	-	(43,045)	-	(86,915)
Transfer to assets held for sale	-	(16,032,479)	-	-	-	-	-	(16,032,479)
At December 31, 2021	2,674,186	4,878,367	2,111,984	13,579,021	59,891,439	5,270,411	-	88,405,408
NET BOOK VALUE								
At December 31, 2021	7,397,404	19,393,461	1,858,164	23,145,136	219,724,440	1,377,884	2,630,522	275,527,011
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

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

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 19):

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of sales	17,320,958	16,742,096	12,327,448	11,955,032
Administrative expenses	643,982	448,001	643,982	448,001
	17,964,940	17,190,097	12,971,430	12,403,033

(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 a 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, 2021.

(e) The fair value of property, plant 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	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost	41,247,380	27,143,367	10,732,049	7,408,133
Accumulated depreciation	(21,664,539)	(13,685,378)	(7,865,514)	(5,217,402)
Net book value	19,582,841	13,457,989	2,866,535	2,190,731

6. LEASES

(a) Right-of-use assets

	<u>THE GROUP AND THE COMPANY</u> USD
Land and buildings	
At January 1, 2020	2,509,458
Lease modification adjustment	249,807
Amortisation charge (note 19)	(57,409)
At December 31, 2020	<u>2,701,856</u>
Amortisation charge (note 19)	(385,898)
At December 31, 2021	<u>2,315,958</u>

(b) Lease liabilities

	<u>THE GROUP AND THE COMPANY</u>	
	2021	2020
	USD	USD
At January 1,		
Lease modification adjustment	1,622,834	2,545,902
Finance cost (note 22)	-	249,807
Payments	229,137	20,970
Exchange difference	(232,023)	(203,560)
At 31 December,	<u>755,046</u>	<u>(990,285)</u>
	<u>2,374,994</u>	<u>1,622,834</u>
Analysed as:		
- Non current	2,372,053	1,486,879
- Current	2,941	135,955
Total	<u>2,374,994</u>	<u>1,622,834</u>

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

(d) If the incremental borrowing rate had moved by 5% higher/(lower), the impact on the results of the year would have been USD 11.5k (2020: USD 1.0k) higher/(lower).

7. INVESTMENT IN SUBSIDIARIES

	<u>THE COMPANY</u>	
	2021	2020
	USD	USD
Cost - Unquoted (note 7(a))	14,856	14,856
Loans receivable (notes 7(b) & 7(c))	<u>70,937,567</u>	<u>82,971,877</u>
	<u>70,952,423</u>	<u>82,986,733</u>

(a) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	% shareholding 2021 & 2020	Country of subsidiary
Seychelles Pioneer Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Progress Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Patriot Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Prelude Limited	Rental of tanker	Ordinary	100	Isle of Man

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

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

<u>December 31, 2021</u>	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	7,782	8,180	15,940	15,464
Non-current liabilities	10,339	11,771	25,787	22,765
Current liabilities	5	3	3	3
Revenue	1,376	1,376	1,677	1,677
Profit for the year and total comprehensive income	384	346	139	163

December 31, 2020

<u>December 31, 2020</u>	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	458	421	242	264

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summarised cash flow information

December 31, 2021

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Operating activities	1,357	1,357	1,657	1,655
Financing activities	(1,357)	(1,357)	(1,657)	(1,655)
Net change in cash and cash equivalents	-	-	-	-

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	-	-	-	-

(e) Credit Loss Allowances

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 (2020: nil).

8. INVESTMENT IN FINANCIAL ASSETS

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

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,		
Net increase / (decrease) in fair value (note 13)	2,881	4,444
At December 31,	4,172	2,881

(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.

(b) Investments at amortised cost

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	6,788,401	6,742,860
Additions	-	7,473,495
Matured	(10,105,954)	(4,370,755)
Accrued interest	276,804	71,230
Exchange gain / (loss)	3,040,749	(3,128,429)
At December 31,	-	6,788,401

(i) The investment in financial assets at amortised costs was in respect of Treasury bills with interest ranging from 4.8% to 6.5% and all matured in 2021.

(ii) No provision for expected credit losses was expected since the risk of default of Treasury bills issued by the Central Bank of Seychelles is negligible.

9. INVENTORIES

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Petroleum products	17,121,829	10,611,633
Lubricants	624,234	483,431
Others	1,624,975	1,004,580
Total	19,371,038	12,099,644

(a) The cost of inventories recognised as an expense and included in cost of sales amounted to USD 201,358,335 (2020: USD 149,528,125) for the Group and USD 207,464,603 (2020: 155,742,420) for the Company (note 19).

10. TRADE AND OTHER RECEIVABLES

	THE GOUPE AND THE COMPANY	
	2021	2020
	USD	USD
Trade receivables	28,212,423	17,323,862
Less: provision for impairment (notes 10(c) & (d))	(4,573,663)	(2,728,947)
Total	23,638,760	14,594,915
Prepayments	10,597,633	4,594,500
Others	320,116	289,410
Tax receivable (note 17)	642,997	-
Total	35,199,506	19,478,825

(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.

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Credit Loss Allowances (Cont'd)

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.

THE GROUP AND THE COMPANY

At December 31, 2021

	Trade Receivables-days past due				
	0-30 days	31-60 days	61-90 days	>90 days	Total
Expected credit loss rate (%)	2.08%	6.06%	30.69%	85.87%	16.21%
Total estimated gross carrying amount	22,308,144	757,788	644,166	4,502,325	28,212,423
Estimated gross carrying amount at default - International	14,128,347	757,788	644,166	1,084,622	16,614,923
Estimated gross carrying amount at default - Local	8,179,797	-	-	3,417,703	11,597,500
Total Lifetime ECL (note 10(d))	463,768	45,959	197,671	3,866,265	4,573,663

At December 31, 2020

Expected credit loss rate (%)

	Trade Receivables-days past due				
	0-30 days	31-60 days	61-90 days	>90 days	Total
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

(d) Movement in allowance for credit loss

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
At January 1,	2,728,947	4,465,596
Charge / (Credit) for the year	629,482	(318,593)
Exchange differences	1,215,234	(1,418,056)
At December 31, (note 10(c))	4,573,663	2,728,947

Sensitivity analysis

If the ECL rates on trade receivables above 90 days past due had been 5% higher/lower as of December 2021, the loss allowance would have been **USD 193.3k** (2020: USD 115.8 k) 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.

11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

THE GROUP
AND THE
COMPANY
USD

Reclassification and At December 31, (notes 5(a) & (b) & 11(a))

4,610,484

(a) Per December 9, 2021 resolution, the Board members agreed to sell the Seychelles Pride for USD 5.9m to Northern Tankers DMCC. Since the criteria required by IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" were met, the tanker was therefore reclassified as a "Non current asset held for sale" on the face of the Statement of Financial Position as at December 31, 2021.

THE GROUP AND THE COMPANY	Number of shares	Amount
	USD	USD
Ordinary shares At December 31, 2021 & 2020	2,000	8,595,053

The total authorised number of ordinary shares is **2,000 shares** (2020: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

13. OTHER RESERVES

(a) THE GROUP

	Equity instrument at fair value through other comprehensive income reserve				
	Currency translation deficit USD	Revaluation reserves USD	USD	USD	Total USD
At January 1, 2020	(38,734,696)	306,817,885	(303)	268,082,886	
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))			(1,563)	(1,563)	
Exchange differences	(51,482,209)	-	-	(51,482,209)	
At December 31, 2020	(90,216,905)	306,817,885	(1,866)	216,599,114	
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))			1,291	1,291	
Exchange differences	37,928,752	-	-	37,928,752	
At December 31, 2021	(52,288,153)	306,817,885	(575)	254,529,157	

(b) THE COMPANY

	Equity instrument at fair value through other comprehensive income reserve				
	Currency translation deficit USD	Revaluation reserves USD	USD	USD	Total USD
At January 1, 2020	(38,699,017)	306,817,885	(303)	268,118,565	
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))			(1,563)	(1,563)	
Exchange differences	(49,656,684)	-	-	(49,656,684)	
At December 31, 2020	(88,355,701)	306,817,885	(1,866)	218,460,318	
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))			1,291	1,291	
Exchange differences	35,102,277	-	-	35,102,277	
At December 31, 2021	(53,253,424)	306,817,885	(575)	253,563,886	

14. DEFERRED TAXE

(a) Deferred taxes are calculated on all temporary differences under the liability method at 25% (2020: 30%) for the Group and 25% (2020: 30%) for the Company at December 31, 2021.

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	2021	2020
	USD	USD
Deferred tax assets (note 14(c)(i))	(12,204,855)	(823,262)
Deferred tax liabilities (note 14(c)(ii))	19,873,868	25,468,887
	7,669,013	24,645,625

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

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
At January 1, (Credit) / Charge for the year	24,645,625	16,131,635
Exchange differences	(28,026,657)	14,556,898
At December 31,	11,050,045	(6,042,908)
	7,669,013	24,645,625

(Credit) / Charge for the year is analysed as follows:

Statement of Profit or Loss (note 17(b)) (28,026,657) 14,556,898

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is shown subsequently.

14. DEFERRED TAXES (CONT'D)

(i) Deferred tax assets

THE GROUP AND THE COMPANY

	Unrealised			
	All provisions	exchange losses	Lease liabilities	Total
	USD	USD	USD	USD
At January 1, 2020	(1,883,541)	-	(10,933)	(1,894,474)
Credit for the year	74,350	-	330,794	405,144
Exchange differences	662,222	-	3,846	666,068
At December 31, 2020	(1,146,969)	-	323,707	(823,262)
Charge / (Credit) for the year	95,140	(10,637,800)	(469,817)	(11,012,477)
Deferred tax at old rate	(218,076)	(12,765,360)	(470,012)	(13,453,448)
Impact of change in tax rate	313,216	2,127,560	195	2,440,971
Exchange differences	(514,252)	-	145,136	(369,116)
At December 31, 2021	(1,566,081)	(10,637,800)	(974)	(12,204,855)

(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, 2020	6,543,003	(2,199,168)	13,682,274	18,026,109
Charge 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
(Charge) / Credit for the year	330,749	(15,204,036)	(2,140,893)	(17,014,180)
Deferred tax at old rate	2,164,629	(15,204,036)	-	(13,039,407)
Impact of change in tax rate	(1,833,880)	-	(2,140,894)	(3,974,774)
Exchange differences	2,736,116	4,706,602	3,976,443	11,419,161
At December 31, 2021	9,169,399	-	10,704,469	19,873,868

15. RETIREMENT BENEFIT OBLIGATIONS

Other post retirement benefits

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

Movement in the severance allowances is as follows:

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
At January 1,	1,094,282	1,812,873
Charge to the Statement of Profit or Loss (note 24)	261,155	305,427
Payment during the year	(155,406)	(386,258)
Exchange differences	490,630	(637,760)
At December 31,	1,690,661	1,094,282

16. TRADE AND OTHER PAYABLES

THE GROUP	THE COMPANY	2021	2020
		USD	USD
Trade payables	36,316,187	19,014,926	36,316,187
Accrued expenses	7,277,913	2,601,198	7,277,913
Other payables	1,566,001	1,406,164	1,552,535
Tax liability (note 17(a))	-	3,903,492	-
45,160,101	26,925,780	45,146,635	26,911,153

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

THE GROUP	THE COMPANY	2021	2020
		USD	USD
US Dollars	29,641,181	13,922,095	29,641,181
Euro	5,649,221	1,367,141	5,635,755
Seychelles Rupee	9,530,539	11,241,750	9,530,539
Others	339,160	394,794	339,160
45,160,101	26,925,780	45,146,635	26,911,153

17. TAX EXPENSE

(a) Statement of Financial Position

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
At January 1,	3,903,492	505,994
Paid during the year	(10,450,064)	(5,782,985)
Charge for the year (note 17(b))	5,903,575	9,180,483
At December 31,	(642,997)	3,903,492

17. TAX EXPENSE (CONT'D)

(b) Statement of Profit or Loss

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 17(c))	5,903,575	9,180,483
Deferred tax (credit) / charge (note 14(b))	(28,026,657)	14,556,898
Taxation charge	(22,123,082)	23,737,381

(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	
	2021	2020	2021	2020
	USD	USD	USD	USD
(Loss) / Profit before taxation	(33,915,627)	59,176,540	(34,947,960)	57,791,627
Tax calculated at applicable tax rates (note 17(d))	12,483,943	17,750,160	13,024,152	17,334,686
Income not subject to tax	-	-	-	-
Expenses not deductible for tax purposes	(9,865,158)	(11,338,181)	(10,405,367)	(10,922,707)
Excess of depreciation over capital allowance	3,284,790	2,768,504	3,284,790	2,768,504
	5,903,575	9,180,483	5,903,575	9,180,483

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

Taxable income	Tax rates - %
	2021 & 2020
≤ SR. 1,000,000	25%
> SR. 1,000,000	30%
Change in tax rates - effective 2022	

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the Minister of Finance, Economic Planning and Trade announced changes to tax rates for all Companies effective January 1, 2022, as shown below:

≤ SR. 1,000,000	15%
> SR. 1,000,000	25%

18. REVENUE

Sales of products
Sales of services

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
277,159,473	223,359,556	
30,840,930	39,020,767	
308,000,403	262,380,323	

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 9(a))	201,358,335	149,528,125	207,464,603	155,742,420
Depreciation (note 5(c))	17,964,940	17,190,097	12,971,430	12,403,033
Amortisation of right-of-use assets (note 6(a))	385,898	57,409	385,898	57,409
Duties and taxes	36,737,489	36,690,937	36,737,489	36,690,937
Bareboat charter fees	5,952,489	6,133,221	5,952,489	6,133,221
Bunkering costs	12,500,324	9,039,593	12,500,324	9,039,593
Ship running expenses	14,733,513	19,374,260	14,733,513	19,374,260
Port agency costs	10,754,299	9,750,662	10,754,299	9,750,662
Employee benefit expense (note 23)	3,947,451	4,109,306	3,947,451	4,109,306
Other expenses	6,330,305	6,826,540	6,249,880	6,784,222
Total cost of sales, selling and marketing and administrative expenses	310,665,043	258,700,150	311,697,376	260,085,063

(a) Analysed as:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of sales	299,743,305	246,868,304	300,856,063	248,295,533
Selling and marketing expenses	32,201	30,630	32,201	30,630
Administrative expenses	10,889,537	11,801,216	10,809,112	11,758,900
	310,665,043	258,700,150	311,697,376	260,085,063

20. OTHER INCOME

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Demurrage claims	3,526,764	3,025,270
Storage and throughput	2,326,876	2,762,178
Deviations and other recoveries	1,747,975	1,877,138
Rental income (note 23)	214,456	247,572
Gain on disposal of property and equipment (note 23)	26,723	24,732
Sundry income	82,229	62,042
	7,925,023	7,998,932

21. OTHER LOSSES - NET

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Net foreign exchange (losses) / gains on operations	(38,606,943)	46,948,677	(38,606,943)	46,948,677

Included in the net movement in exchange (losses) / gains figure above is an exchange loss of **SR 644.9m** (2020: gain of SR 768.1m) which arose from the conversion of Euro denominated receivables to Seychelles Rupee. This resulted in exchange loss of **USD 34.6m** (2020: gain of USD 41.3m) included in the net foreign exchange (losses) / gains figure.

22. NET FINANCE INCOME

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Interest income	289,552	251,135	289,552	251,135
Finance costs on lease liabilities (note 6(b))	(229,137)	(20,970)	(229,137)	(20,970)
Net finance income	60,415	230,165	60,415	230,165

23. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / Profit before taxation is arrived at after:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income (note 20)	214,456	247,572	214,456	247,572
Gain on disposal of equipment (note 20)	26,723	24,732	26,723	24,732
<i>and Charging:</i>				
Depreciation charge on property and equipment (note 5)	17,964,940	17,190,097	12,971,430	12,403,033
Amortisation of right-of-use assets (note 6(a))	385,898	57,409	385,898	57,409
Charge / (Reversal) for credit impairment (note 10(d))	629,482	(318,593)	629,482	(318,593)
Finance cost on lease liabilities (note 6(b))	229,137	20,970	229,137	20,970
Directors' remuneration (note 23(a))	103,025	108,923	103,025	108,923
Audit fees	27,354	27,354	22,490	22,490
Employee benefit expense (note 24)	3,947,451	4,109,306	3,947,451	4,109,306

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

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
S Fanny	-	2,916
V Laporte	3,561	3,786
P Samson	-	2,916
E Belle	1,007	3,786
S Gendron	5,342	5,415
S Patel	3,561	3,786
S Romain	1,510	807
M Nalletamby	3,561	870
Y Vel	3,561	870
C Benoiton	80,922	83,771
	103,025	108,923

24. EMPLOYEE BENEFIT EXPENSES

THE GROUP AND THE COMPANY	2021	2020
	USD	USD
Salaries and wages	3,686,296	3,803,879
Retirement benefit obligations (note 15)	261,155	305,427
	3,947,451	4,109,306

25. 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	2021	2020
	USD'000	USD'000
Property, plant and equipment	1,447	1,949

26. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP		THE COMPANY	
		2021 USD	2020 USD	2021 USD	2020 USD
(a) Cash generated from operations	Page 5	(33,915,627)	59,176,540	(34,947,960)	57,791,627
(Loss) / Profit before taxation					
Adjustments for:					
Depreciation on property, plant and equipment	5	17,964,940	17,190,097	12,971,430	12,403,033
Assets written off	5	-	99,997	-	99,997
Amortisation of right-of-use assets	6(a)	385,898	57,409	385,898	57,409
Accrued interest on investment in financial assets	8(b)	(276,804)	(71,230)	(276,804)	(71,230)
10(d)	629,482	(318,593)	629,482	(318,593)	(318,593)
Provision for credit impairment	20	(26,723)	(24,732)	(26,723)	(24,732)
Profit on disposal of equipment	22	(289,552)	(251,135)	(289,552)	(251,135)
Finance income	22	229,137	20,970	229,137	20,970
Finance costs	22	261,155	305,427	261,155	305,427
Charge of retirement benefit obligation	15	(15,038,094)	76,184,750	(21,063,937)	70,012,773
Changes in working capital					
- (Increase) / Decrease in inventories		(7,271,394)	2,988,795	(7,271,394)	2,988,795
- (Increase) / Decrease in trade and other receivables		(16,922,400)	15,378,077	(16,922,400)	15,378,077
- Increase / (Decrease) in trade and other payables		22,137,813	(6,693,835)	22,138,974	(6,695,130)
Cash (used in) / generated from operations		(17,094,075)	87,857,787	(23,118,757)	81,684,515
(b) Cash and cash equivalents					
Cash in hand					
Bank balances					

	Notes	THE GROUP		THE COMPANY	
		2021 USD	2020 USD	2021 USD	2020 USD
Amount due to					
Amount due from					
Remuneration		43	28	-	-
Purchases of products and services		5,369	11,953	-	-
Sales		-	-	274	352
THE COMPANY		57,319	50,900	-	-
Subsidiary companies					
Amount due to					
Amount due from					
Investment in		70,938	82,972	5,369	11,953
Remuneration		15	15	-	-
Bareboat charter fees		-	-	-	274
Technical management fees		6,106	6,214	-	-
Purchases of goods and services		-	-	770	1,033
Sales		-	-	57,319	50,900

27. RELATED PARTY TRANSACTIONS

	Notes	THE GROUP		THE COMPANY	
		2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
Amount due to					
Amount due from					
Remuneration		43	28	-	-
Purchases of products and services		5,369	11,953	-	-
Sales		-	-	274	352
THE COMPANY		57,319	50,900	-	-
Amount due to					
Amount due from					
Investment in		70,938	82,972	5,369	11,953
Remuneration		15	15	-	-
Bareboat charter fees		-	-	-	274
Technical management fees		6,106	6,214	-	-
Purchases of goods and services		-	-	770	1,033
Sales		-	-	57,319	50,900

(c) The above transactions have been made at arm's length, on normal commercial terms and in the ordinary course of business except for transactions extended to selected industry sectors which were at subsidised value.

(d) Outstanding balances with related parties at the year-end are unsecured and interest free. Impairment of receivables relating to amounts owed by related parties has been included in note 10(c). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

27. RELATED PARTY TRANSACTIONS (CONT'D)

(e) Key management personnel

Key management personnel comprises the Chief Executive Officer and General Managers as they have authority and responsibility for the planning, directing and controlling the activities of the Company.

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Salaries & other benefits	268,478	344,609
Pension costs	5,679	7,212
	274,157	351,821

28. DIVIDENDS

The Directors proposed and paid a dividend of USD 8,248 per share amounting to USD 16.5m during year under review (2020: Dividends proposed and paid USD 10.5m (USD 5,234 per share)).

(a) PROPOSED AND PAID

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Dividend proposed	16,496,097	10,467,423
Paid during the year	(16,496,097)	(10,467,423)
At December 31,	-	-

29. FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2021	2020	2019	2018	2017*
	USD'000	USD'000	USD'000	USD'000	USD'000
(Loss) / Profit for the year	(11,792)	35,439	16,906	6,298	21,472
Other comprehensive (expense) / income	(1,059)	(543)	477	2,466	(4,948)
Retained earnings brought forward / restated	129,107	104,678	101,355	99,552	90,937
Reclassification	-	-	-	3,600	-
Profit available for distribution	116,256	139,574	118,738	111,916	107,461
Dividends	(16,496)	(10,467)	(14,060)	(10,561)	(6,564)
Retained earnings carried forward	99,760	129,107	104,678	101,355	100,897
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	254,529	216,599	268,304	268,304	275,068
Retained earnings	99,760	129,107	104,678	101,355	100,897
Owners' interest	362,884	354,301	381,577	378,254	384,560
Total equity	362,884	354,301	381,577	378,254	384,560

29. FIVE YEAR FINANCIAL SUMMARY (CONT'D)

(b) THE COMPANY

	2021	2020	2019	2018	2017*
	USD'000	USD'000	USD'000	USD'000	USD'000
(Loss) / Profit for the year	(12,825)	34,054	15,665	5,243	20,237
Retained earnings brought forward / restated	153,647	130,060	128,455	130,173	117,844
Reclassification	-	-	-	3,600	-
Profit available for distribution	140,822	164,114	144,120	139,016	138,081
Dividends	(16,496)	(10,467)	(14,060)	(10,561)	(6,564)
Retained earnings carried forward	124,326	153,647	130,060	128,455	131,517
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	253,563	218,460	268,118	268,301	273,932
Retained earnings	124,326	153,647	130,060	128,455	131,517
Total equity	386,484	380,702	406,773	405,351	414,044

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.





