SEYPEC

Seychelles Petroleum Company Limited

FUELLING COMMUNITY GROWTH

ANNUAL REPORT 2023

CONTENT

SEYPEC
Seychelles Petroleum Company Limited

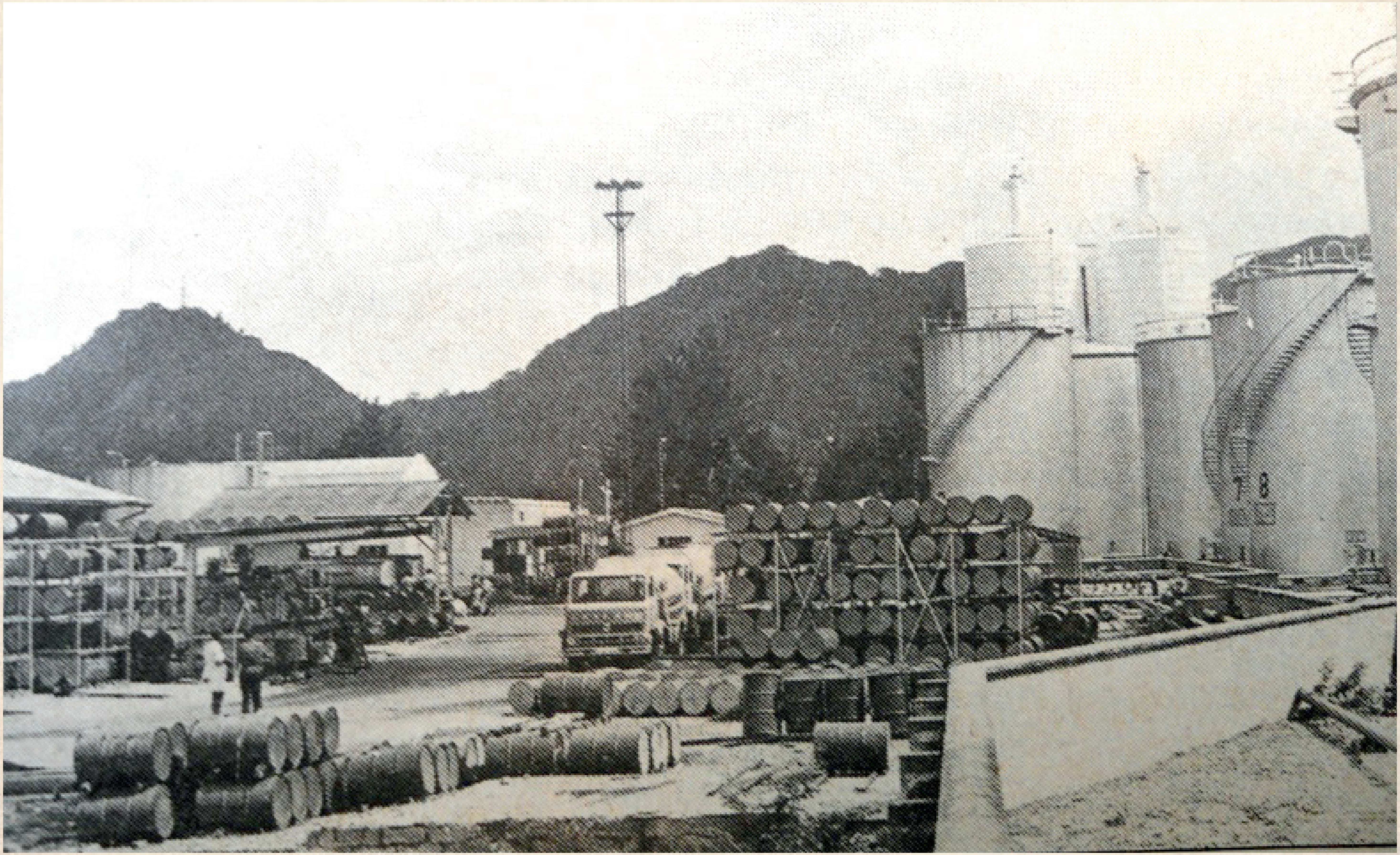
Concept, Write-Up, Design & Production: RN VISION Ltd

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.



YEARS OF SHARED PROSPERITY

SEYPEC

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

YEARS OF SHARED PROSPERITY

SEYPEC

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

YEARS OF SHARED PROSPERITY

- **2016** – INTRODUCTION OF COMPOSITE CYLINDERS
- **2017** – TANKERS FULLY PAID OFF
- **2017** – EXTENSION OF BUNKERING PIPELINE TO ILE DU PORT HANDLING SERVICES
- **2018** – CONSTRUCTION OF VICTORIA NORTH PETROL STATION
- **2018** – FIRST SEYCHELLOIS FEMALE 2ND OFFICER ON BOARD SEYPEC TANKER
- **2019** – OPENING OF VICTORIA NORTH PETROL STATION
- **2019** – 6th COHORT OF SEAFARERS RECRUITED
- **2019** – LEAD REPLACEMENT FUEL (LRF) PHASED OUT
- **2020** – 35 YEARS CELEBRATIONS
- **2020** – COVID-19 PANDEMIC CREATES HAVOC
- **2020** – FIRST SEYCHELLOIS CHIEF ENGINEER ON AN OCEAN TANKER
- **2021** – 7TH COHORT OF SEAFARERS RECRUITED
- **2022** – 8TH COHORT OF SEAFARERS RECRUITED
- **2022** – BEAU VALLON SERVICE STATION RENOVATED
- **2022** – NEW BOARD APPOINTED
- **2023** – NEW CEO APPOINTED
- **2023** – BOARD COMMITTEES CREATED


SEYPEC HOUSE

LOCATION

The Group's Head Office is situated at New Port in Victoria with its fuel and LPG storage tanks strategically located at depots in New Port and Airport sites on Mahe, as well as Eve Island on Praslin. The Group operates 10 service stations across the main islands. It also owns a fleet of five double-hull tankers, ensuring both regional and international services.

SEYPEC
Seychelles Petroleum Company Limited

REGISTERED OFFICE AND PRINCIPAL & PLACE OF BUSINESS

New Port,
Victoria, Mahé
Seychelles

REGULATORY ENVIRONMENT

The SEYPEC Group is governed by the following main laws:

- Seychelles Companies Act, 1972
- Public Enterprises Act, 2023
- The Public Finance Management Act 2012
- Seychelles Employment Act, 1995
- Merchant Shipping Act, 1994
- Business Tax Act, 2009
- Income & Non-Monetary Tax Act, 2010
- Public Officers Ethics Act, 2008
- Anti-Corruption Act, 2016,
- Beneficial Ownership Act, 2020
- 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)

BOARD COMPOSITION FOR 2023

Chairperson	Jennifer Morel	
Ex Officio Member	Sarah Romain	
Members	Brian Commettant	
	Marc Hoareau	
	Marie-May Jeremie	
	Tony Imaduwa	
	Patrick Joseph	
	Muhammad Saley	*resigned effective 31st August 2023*
	Yannick Vel	*resigned effective 31st October 2023*
	Nichol Elizabeth	*retired effective 1st December 2023*
	Ricky Barbé	*appointed effective 1st December 2023*
	Jan Robinson	*appointed effective 1st December 2023*
Company Secretary	ACM and Associates PO Box 1289 The Link Ile Du Port Mahe	
Auditors	Baker Tilly Chartered Accountants PO Box 285 202 Allied Plaza Rue de la Possession Mahe	
BANKERS	▪ The Mauritius Commercial Bank (Seychelles) Limited	
	▪ Absa Bank (Seychelles) Limited	
	▪ The Mauritius Commercial Bank Limited	
	▪ Seychelles International Mercantile Banking Corporation Limited	
	▪ Ostfriesische Volksbank eG	


MV 33

AT A GLANCE

Financial & Non-Financial Results

Revenue

2023	469M USD
2022	485M USD
2021	308M USD

Gross Profit

2023	38M USD
2022	23M USD
2021	8M USD

Net Profit

2023	30M USD
2022	22M USD
2021	12M USD

Net Profit Margin

2023	6.5
2022	4.6
2021	3.8

Dividends

2023	17M USD
2022	17M USD
2021	16M USD

Total Assets

2023	310M USD
2022	330M USD
2021	419M USD

Return on Total Assets

2023	9.8
2022	6.8
2021	2.8

Cash Flow

2023	89M USD
2022	82M USD
2021	35M USD

Reserves

2023	223M USD
2022	223M USD
2021	254M USD

Retained Earnings

2023	31M USD
2022	19M USD
2021	99M USD

Total Fuel Sales

2023	475M Litres
2022	430M Litres
2021	405M Litres

Total LPG Sales

2023	5.3M Kg
2022	5.2M Kg
2021	4.7M Kg

Tanker Fleet Occupancy

2023	89%
2022	94%
2021	90%

Tanker Fleet Revenue

2023	45M USD
2022	59M USD
2021	36M USD

Financial Performance Highlights

HIGHLIGHT OF STATEMENT OF FINANCIAL POSITION

	THE GROUP USD'M				
	2023	2022	2021	2020	2019
NON-CURRENT ASSETS	170.9	179.9	325.2	348.5	357.8
CURRENT ASSETS	139.3	150.7	94.6	60.1	78.2
TOTAL ASSETS	310.2	330.6	419.8	408.6	436.0
TOTAL EQUITY	258.6	245.9	362.9	354.3	381.4
NON-CURRENT LIABILITIES	8.3	9.7	11.7	27.2	20.5
CURRENT LIABILITIES	43.3	75	45.2	27.1	34.1
TOTAL LIABILITIES	51.6	84.7	56.9	54.3	54.6
TOTAL EQUITY & LIABILITIES	310.2	330.6	419.8	408.6	436.0
RATIOS:					
RETURN ON TOTAL ASSETS	9.8	6.8	(2.8)	8.7	3.9
(PAT/total Assets)					
RETURN ON EQUITY	11.7	9.1	(3.3)	10.0	4.4
(PAT/Equity)					
CURRENT RATIO					
(Current Assets/current liabilities)	3.2	2.0	2.1	2.2	2.3
LIABILITIES TO EQUITY RATIO	20.0	34.4	15.7	15.3	14.3

HIGHLIGHT OF STATEMENT OF PROFIT OR LOSS

		THE GROUP USD'M				
		2023	2022	2021	2020	2019
REVENUE		469.0	485.3	308.0	262.4	382.2
GROSS PROFIT		38.3	23.4	8.3	15.5	25.0
PROFIT (LOSS) BEFORE TAXATION		34.8	25.0	(33.9)	59.2	19.6
TAXATION		(4.5)	(2.6)	22.1	(23.7)	(2.7)
PROFIT FOR THE YEAR		30.3	22.4	(11.8)	35.5	16.9
RATIOS:						
EARNINGS PER SHARE		15,150	11,200	(5,900)	17,750	8,450
(Profit for the year/no. of shares)						
GROSS PROFIT MARGIN		8.2	4.8	2.7	5.9	6.5
(Gross Profit/revenue)						
NET PROFIT MARGIN		6.5	4.6	(3.8)	13.5	4.4
(Profit for the year/Revenue)						
DIVIDENDS		17.2	17.2	16.5	10.5	14.1
RATIOS:						
Dividends per share	SR	8,575.0	8,600.0	8,250.0	5,250.0	7,050.0
(Dividends/no. of shares)						
Dividend payout		56.6	76.8	-139.8	29.6	83.4
(Dividends/PAT)						
(Dividends/Profit for the year)						

HIGHLIGHT OF STATEMENT OFSTATEMENT OF CASH FLOWS:

THE GROUP USD'M	2023	2022	2021	2020	2019
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	**29.7**	56.5	(27.4)	81.9	40.9
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(3.1)**	3.1	5.9	(5.9)	(9.7)
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	**(17.2)**	(17.2)	(16.5)	(10.5)	(14.1)
NET CHANGE	**9.5**	42.4	(38.0)	65.5	17.1
EXCHANGE DIFFERENCES	**(2.0)**	4.2	51.6	(67.0)	1.3
AT JANUARY 1	**81.9**	35.3	21.7	23.2	4.8
AT DECEMBER 31,	**89.4**	81.9	35.3	21.7	23.2

RATIOS:					
CASH RATIO	**206.4**	109.2	78.1	80.1	**68.0**

(Cash & Cash equivalent/current liabilities)

Financial Review

SEYPEC had strong financial performance in the fiscal year 2023 in spite of a minor decline in revenue. Revenue for the company was reported at USD 469 million, a slight decrease from USD 485 million in 2022. This is mainly due to freight income from the tankers chartering which reduced by USD 13 million (2022 was a good year for the tanker chartering, when high rates were being paid resulting from the Ukraine Russia war) and USD 3 million from income from sale of petroleum products arising from the reduction in price of fuel on the international market.

Cost of sales decreased from USD 462 million in 2022 to USD 431 million in 2023, firstly mirroring the reduction in price in fuel on the international market as stated above in sales revenue. Secondly, SEYPEC undertook an assessment of remaining useful lives of its immovable assets and a reduction of USD 11 million was recorded during the year 2022 under depreciation charges. Lastly, with the reduction in tanker chartering income in year 2023, bunkering/ship running costs associated with the tanker activities also reduced by USD 5 million in 2023.

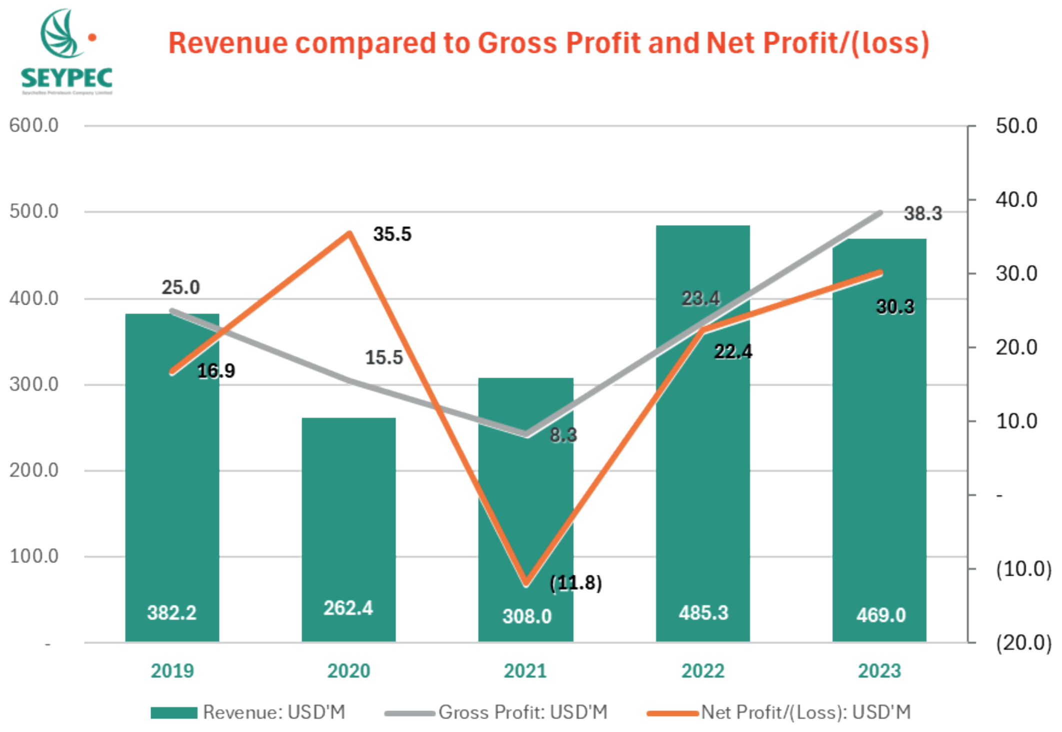
The company's outstanding profit for the year, which was USD 30 million—the biggest profit in the previous five years—was largely due to this reduction in costs. This profitability highlights the business's capacity to control costs and promote operational effectiveness even in a difficult economic environment.

SEYPEC further strengthened its financial stability by maintaining USD 223 million in reserves. Retained earnings increased, reaching USD 32 million in 2023, strengthening the company's financial base and enabling it to develop in the future. The Government of Seychelles earned dividends of USD 17 million in 2023 as a result of the strong financial performance. SEYPEC demonstrates this year again the dedication to providing value to the stakeholders and promoting the growth of the national economy. Seychelles Petroleum Company Limited is well-positioned for continued growth and profitability in the upcoming years thanks to its outstanding sound management and strategic focus, as demonstrated by the financial results for 2023.

	2019	2020	2021	2022	2023
Revenue: USD'M	382.20	262.40	308.00	485.30	469.00
Gross Profit: USD'M	25.0	15.5	8.3	23.4	38.3
Net Profit/(Loss): USD'M	16.90	35.5	(11.8)	22.4	30.3

Revenue

There was a fall in revenue during 2020 due to the impact of COVID-19, the country's lockdown, and the closure of all borders, including air and sea. However, the economy picked up thereafter with a turnover of USD 485.3 million reported in 2022. In 2023, the revenue slightly decreased to USD 469 million due to the decrease in the price of fuel on the international market.



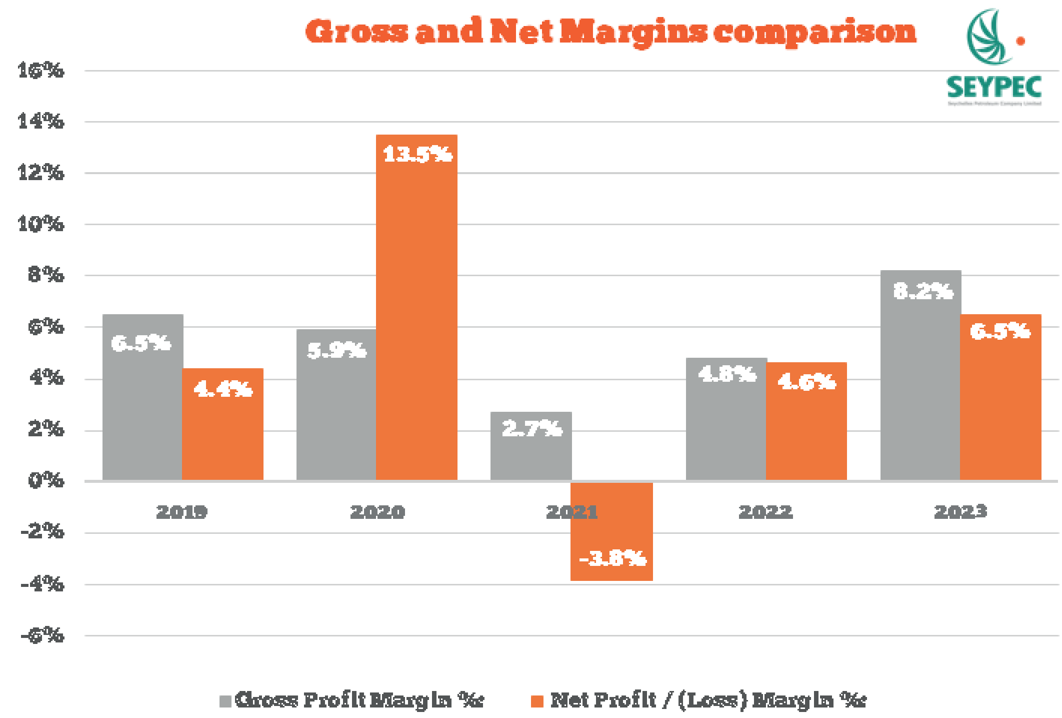
Gros Profit Margin

The gross profit margin in 2020 was maintained at a reasonable 5.9%. However, it fell to 2.7% in 2021 due to the high costs of oil in the world market, despite the weekly pricing mechanism that mitigates the impact of foreign exchange fluctuations. The gross profit margin improved to 4.8% in 2022 and further increased to 8.2% in 2023 due to better revenue from higher sales and prices, as well as continued cost containment.

Net Profit Margin

While the gross profit margin provides a basic indication of profitability by showing the proportion of revenue left after covering the cost of goods sold, the net profit margin offers a more comprehensive measure of overall profitability. It reflects the percentage of revenue remaining as profit after all operating expenses, interest, taxes, and other costs are deducted. Since 2017, the net profit margin has shown a positive trend, with a significant increase in 2020. However, in 2021, the company reported a loss due to exchange rate losses and a rise in oil prices. The net profit margin rebounded in 2022, as discussed previously, and continued to improve in 2023.

	2019	2020	2021	2022	2023
Gross Profit Margin: %	6.5	5.9	2.7	4.8	8.2
Net Profit / (Loss) Margin: %	4.4	13.5	(3.8)	4.6	6.5



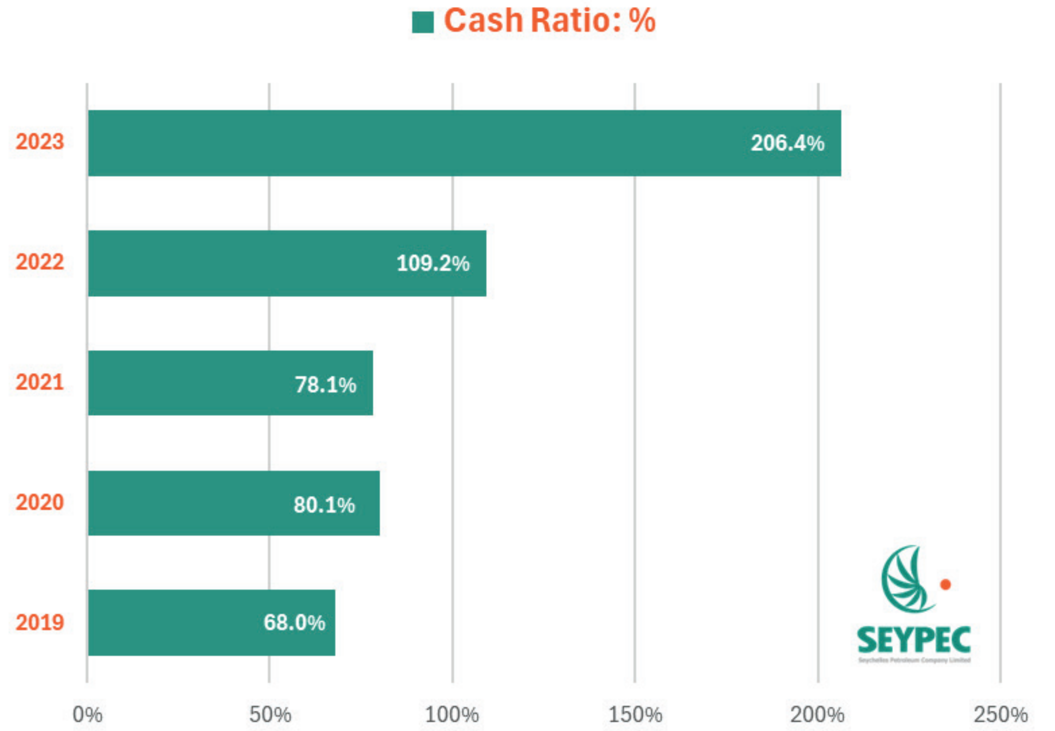
Cash Flow

In 2021, the company experienced a net loss, resulting in a negative cash flow from operating activities. However, investing activities generated positive cash flow due to investments in financial assets. Financing activities showed a cash outflow due to dividend payments. Despite the net decrease in cash equivalent movement in 2021, the Group managed to generate sufficient cash flow in 2022 and ended the year with a positive cash and cash equivalent of USD 81.9 million on December 31, 2022. In 2023, the company had a similar performance to 2022 and ended the year with a positive cash and cash equivalent of USD 89.4 million on December 31, 2023.

Cash Ratio

The positive cash ratio indicates the Group's strong liquidity position. It is expected to further improve as the Group generates additional cash from operations and other activities.

	2019	2020	2021	2022	2023
Cash Ratio: %	68.0	80.1	78.1	109.2	206.4

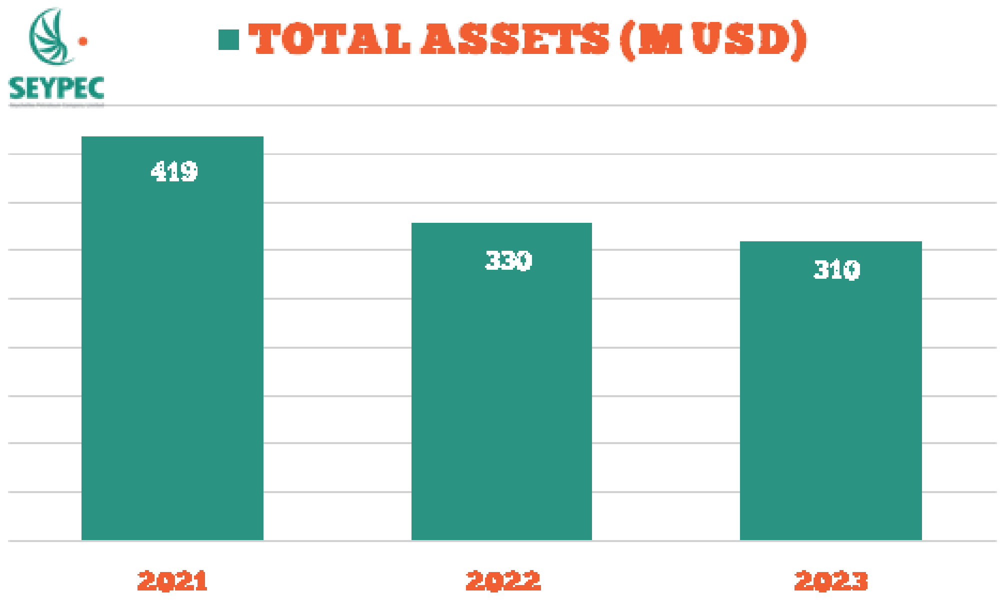


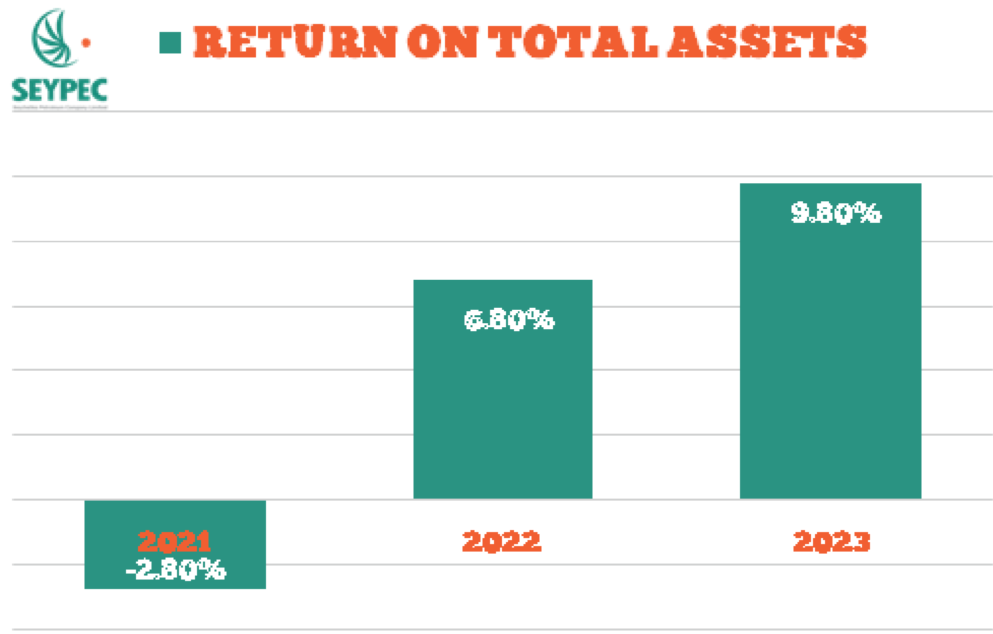
Return on Totals Assets

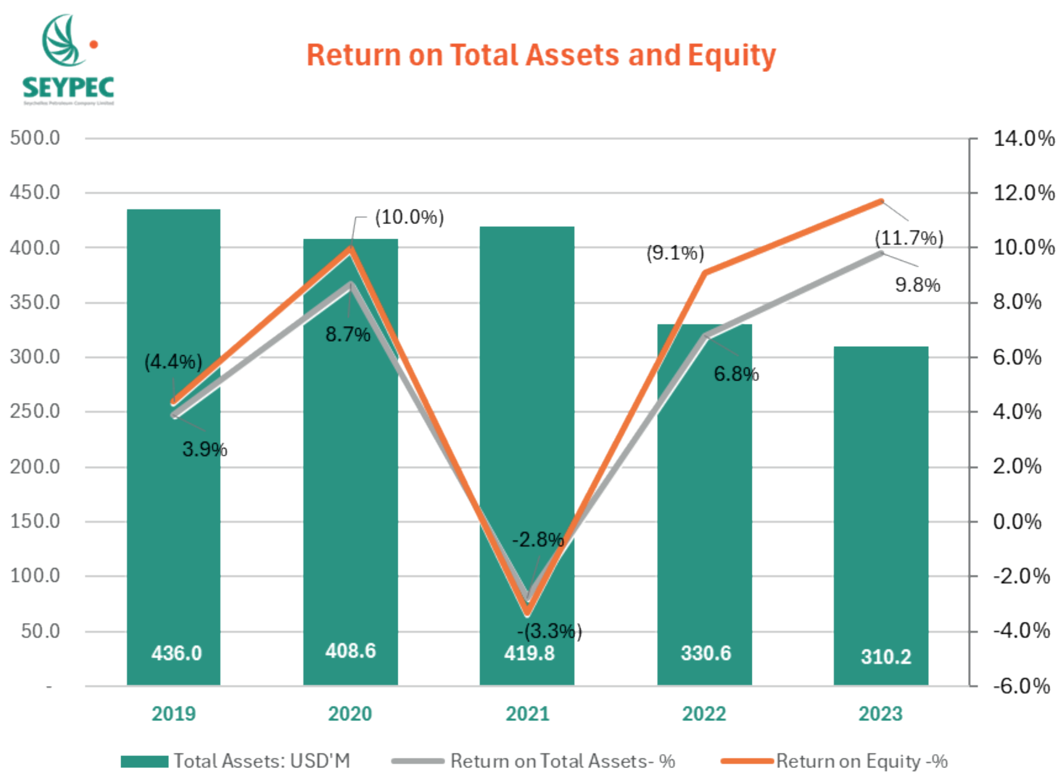
This ratio indicates a company's profitability relative to its total assets and shows how effectively management is using those assets to generate profit. In 2020, the company experienced a significant increase in profitability due to exceptional profits from unrealized gains on exchange following the conversion of some monetary assets from the functional currency to the presentation currency. However, in 2021, this gain turned into a loss, leading to a net loss for the company. The company recovered in 2022, returning to a positive but lower profit, primarily due to changes in foreign currency and the impact on the translation of fixed assets from historical rates. In 2023, there was a substantial increase to 9.8, (the percentage Return on Total Assets) attributed to the stabilization of foreign currency rates and adjustments to the useful lives of assets.

	2019	2020	2021	2022	2023
Total Assets: USD'M	436.0	408.6	419.8	330.6	310.2
Return on Total Assets- %	3.9	8.7	(2.8)	6.8	9.8

	2019	2020	2021	2022	2023
Return on Total Assets- %	3.9	8.7	(2.8)	6.8	9.8
Return on Equity -%	4.4	10.0	(3.3)	9.1	11.7







Dividends

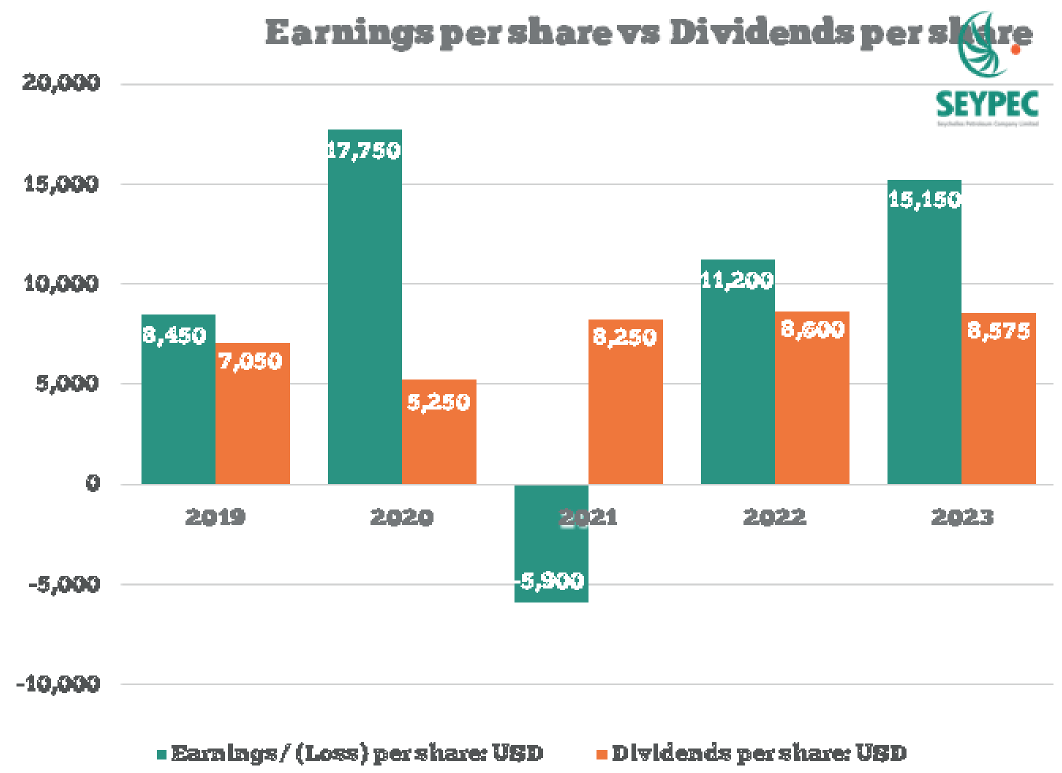
Year	Amount (SCR.Mn)	Amount (USD.Mn)	Notes	Y/E FX Rates
2017	90	6.60	Actual	14.00
2018	150	10.60	Actual	14.22
2019	200	14.10	Actual	14.23
2020	260	10.50	Actual	21.95
2021	250	16.50	Actual	15.16
2022	250	17.18	Actual	14.55
2023	250	17.15	Actual	14.58

The dividends paid during the year are a direct result of the Group's strong performance and turnaround since 2017. Higher dividends were paid in 2020 compared to 2019, with the effects of the COVID-19 which impacted the USD exchange rates with a USD/SCR rate as at end of 2020 at above SCR 21.00, resulted in a lower dividend amount in USD terms compared to 2019. The dividend payment were revised in 2021 and the same level of dividends were paid in 2022, and similarly in 2023. From 2017 to 2023, SEPYEC has paid a total sum of USD 92.63 (SCR 1.45 Billion) as dividends.

Earnings Per Share

Earnings Per Share (EPS) represents the portion of a company's profit allocated to each outstanding share and serves as an indicator of the Group's profitability. EPS showed consistent growth from 2017 to 2020, experienced a loss in 2021 due to exchange losses, and returned to positive in 2022. Furthermore, EPS saw further growth in 2023.

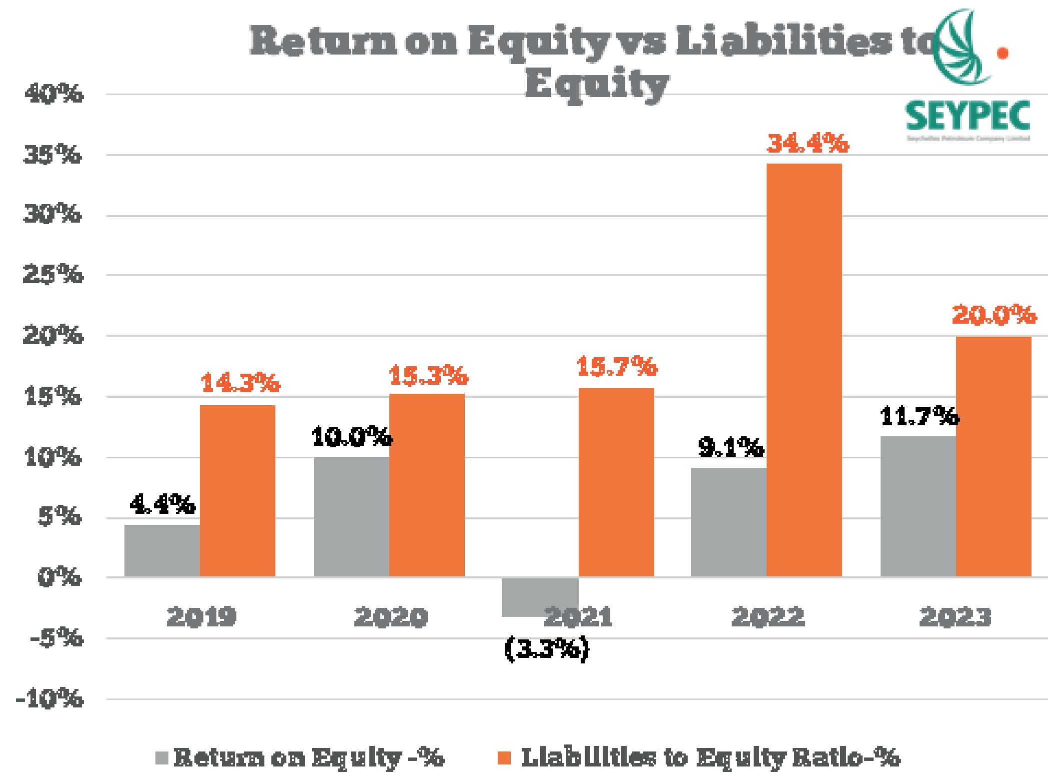
	2019	2020	2021	2022	2023
Earnings/ (Loss) per share: USD	8,450	17,750	(5,900)	11,200	15,150
Dividends per share: USD	7,050.0	5,250.0	8,250.0	8,600.0	8,575.0



Return on Equity

Return on equity (ROE) measures the net income as a percentage of shareholders' equity, indicating the company's profitability by showing how much profit is generated in comparison to the money shareholders have invested. There was a significant increase in 2020, driven by exceptional results due to an unrealized exchange gain. However, this gain reversed to a loss in 2021. In 2022, the company reported a profit once again, leading to a recovery. The continued increase in 2023 is attributed to improvements in profit margins.

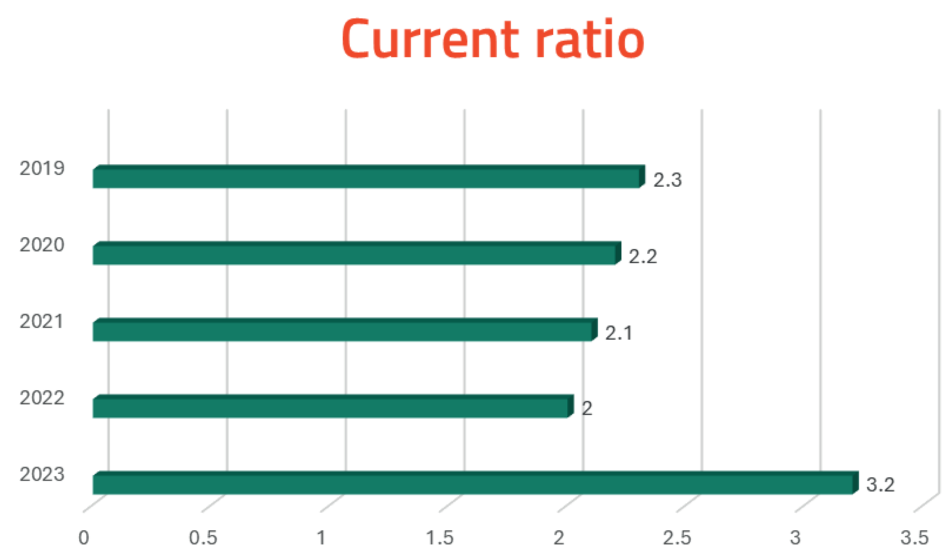
	2019	2020	2021	2022	2023
Return on Equity -%	4.4	10.0	(3.3)	9.1	11.7
Liabilities to Equity Ratio-%	14.3	15.3	15.7	34.4	20.0



Current Ratio

The current ratio indicates the Group's ability to pay back its debts. The ratio has been on an increasing trend, rising from 1.4 in 2017 to 2.3 in 2019, and 2.2 in 2020. It remained stable at 2.1 and 2.0 in 2021 and 2022, respectively, and saw a further increase to 3.2 in 2023. This trend indicates the Group's very good financial health.

	2019	2020	2021	2022	2023
Current ratio	2.3	2.2	2.1	2.0	3.2



Notes

In 2023, a total of nine formal customer complaints were lodged, three of which were found to be baseless following Company investigations. Of the six genuine complaints, the issues raised included one related to a procedural breakdown, one concerning available services at retail stations, three regarding service delays, and one regarding product quality. Corrective actions were promptly implemented for all complaints, and customers were informed of the status and resolution. The most significant complaint stemmed from a cross-contamination of fuel products at Baie Lazare Service Station in August 2023, the issue was swiftly addressed, with all affected customer claims fully settled.

As at the reporting date, the Company is not involved in any judicial proceedings that has been filed against it, nor is it aware of any that are likely to be filed against it.

During the reporting period, the Public Enterprise Monitoring Commission has not raised any issues nor proposed any recommendations concerning the company's operations, governance, or compliance. The company continues to adhere to all regulatory requirements

Jennifer Morel

CHAIRPERSON

In 2023, we continued to deliver our purpose by supplying fuels essential for land, sea, and air transport, thereby facilitating connectivity for people and businesses across Seychelles and beyond.

Despite encountering challenges throughout the year, SEYPEC achieved significant milestones. Amidst inflation, energy price volatility, and geopolitical tensions, we maintained financial stability and operational efficiency. Our unwavering commitment to delivering an exceptional customer experience remained a hallmark of 2023. SEYPEC's resilience and adaptability were evident as we navigated the complexities and dynamics of the business environment, ensuring stability and growth. We demonstrated our capability not only to adapt to challenging circumstances but also to thrive within them

In 2023, SEYPEC once again demonstrated its financial efficiency and performance, achieving a 35% increase in profits with a profit margin of 6.5%. This success enabled us to support the national budget through a SCR 250,000 dividend payment to the government, our sole shareholder. Additionally, we contributed SCR 1.1 billion duties and business taxes for the financial year and provided subsidies to the Public Utilities Corporation (PUC) for energy production amounting to SCR 40 million ensuring uniform pricing of our products for customers on the outer islands. This resulted in a total of SCR 1.39 billion as direct and indirect participation to the national revenue.

Throughout 2023, SEYPEC strictly adhered to applicable regulations and good governance guidelines. We maintained high standards of business ethics, fostering a corporate culture that promotes lawful, transparent, and ethical conduct and decision-making by all staff. We continuously raised and consolidated awareness of the importance of compliance among employees and business partners. Our zero-tolerance policy towards unlawful and unethical conduct by employees and business partners remained firmly in place.

In April 2023, the Board adopted charters for the establishment and operation of three key Committees: the Audit and Risks Committee, the Projects and Investment Committee, and the Nomination and Remuneration Committee.

> **Amidst inflation, energy price volatility, and geopolitical tensions, we maintained financial stability and operational efficiency**

> **The Board also affirmed the effectiveness of SEYPEC's planning and decision-making procedures, supported by its sub-committees**

The Audit and Risks Committee is tasked with overseeing both internal and external audits to ensure compliance and accuracy in financial reporting. Additionally, the Committee monitors legal cases, oversees debt management strategies, and evaluates the financial and business performance of the company to ensure sustainable growth and effective risk mitigation.

The Nomination and Remuneration Committee reviews the organizational structure to align with the company's strategic goals. This includes the creation and appointment of senior positions, conducting remuneration reviews, and overseeing staff welfare. The Committee also oversees the company's insurance portfolio to ensure comprehensive coverage and effective risk management.

The Projects and Investment Committee conducts comprehensive analyses of capital expenditures to ensure prudent financial management. It oversees project planning and contract awards, reviews project schedules and completion timelines, and manages the commissioning of projects. Additionally, the Committee is responsible for fleet extension initiatives to support the company's operational growth and efficiency.

The Board also affirmed the effectiveness of SEYPEC's planning and decision-making procedures, supported by its sub-committees, which played a pivotal role in identifying areas for enhancement and proposing solutions to optimize performance and facilitate well-informed decision-making.

Looking ahead to 2024, we anticipate new challenges as well as opportunities for growth. We are committed to improving our key financial indicators while steadfastly upholding our national mandate to provide a seamless supply of energy products at affordable prices to our fellow citizens and international customers.

SEYPEC will continue to navigate significant uncertainties arising from volatile energy markets and heightened geopolitical tensions due to the war in Ukraine and conflicts in the Middle East. The volatility in energy markets tightens conditions for the procurement of petroleum products and exerts inflationary pressure on costs. Additionally, there is a potential risk of supply chain disruptions, which could impact economic stability.

At this juncture, I would like to emphasize the invaluable contributions made by each SEYPEC employee. I extend my heartfelt gratitude to all of them for their effort, dedication, and commitment. They are the cornerstone of our success. Together, we have built and will continue to build a future that exceeds the expectations of our customers, partners, and the community.

I would also like to thank the Board for their counsel and contributions throughout the year. We are fortunate to have a diverse group of professionals whose guidance has significantly contributed to SEYPEC's resilience and strength.

My sincere thanks go to all members of the Management team for their continued passion and commitment, to all our partners for their unwavering support, and to our shareholders for their continued trust and confidence.

As we move into 2024, we do so with a clear sense of purpose and a commitment to making meaningful economic and social impacts.

Sarah Romain

CEO

I am honored to present SEYPEC's financial and operational performance for the financial year 2023. Across our distribution networks, we have continued to pursue our national mandate to enhance livelihoods and enable prosperity by ensuring national energy security for the country, empowering all sectors to improve their performance and achieve their goals.

Reflecting on the remarkable strides SEYPEC made in 2023, this is an opportunity to acknowledge the transformative changes we have embraced. We have not only adapted to change but have actively shaped it, creating a governance framework that lays the foundation for an exciting future.

We strengthened the core of our organisation through the appointment of a new CEO by the new Board. With the aim of improving corporate governance, SEYPEC went through a phase of restructuring to create an internal audit department as well as a department for risk and compliance, and forming new Board Committees. Each adjustment was a deliberate step forward, and our team has shown exceptional perseverance in adapting to these changes.

During the year under review, SEYPEC demonstrated robust financial management, evidenced by increased gross profit and net profit despite a slight decline in revenue. Effective cost management, stable operating expenses, and favorable foreign exchange movements have significantly contributed to our profitability. Additionally, increased liquidity, improved profitability, and reduced liabilities have strengthened our financial position at the end of 2023, positioning us well for future growth and operational efficiencies.

Gross profit surged from USD 23.42 million in 2022 to USD 38.25 million in 2023, marking a 63.35% increase. SEYPEC's net profit rose from USD 22.40 million in 2022 to USD 30.30 million in 2023, a 35.30% rise. This growth reflects our strong operational performance and cost control while maintaining our national mandate of ensuring a seamless energy supply.

> **"During the year under review, SEYPEC demonstrated robust financial management, evidenced by increased gross profit and net profit"**

> **"Despite these turbulent times, SEYPEC has managed to keep fuel prices as low as possible"**

Since my appointment as CEO, my focus has been on achieving our business goals, fostering a positive work environment, enhancing talent, and driving organizational growth. We are automating operations, shifting our plans towards clean energy, re-strategizing our shipping arm, and revising HR policies to ensure we have the right people with the right skills.

SEYPEC remains a key contributor to the country's fiscal revenue, with significant contributions through CSR initiatives, trade and excise tax, throughput fees, pipeline dues, business tax, and dividends. In 2023, our total contribution amounted to SCR 1.4 billion. We also support strategic activities such as subsidies for the national transport company, maintaining stable LPG prices, and absorbing transport costs to ensure fuel price parity between Praslin, La Digue, and Mahé.

In 2023, the global economic landscape continued its rapid transformation. Unlike the pre-pandemic era, where crises were sporadic and allowed time for recalibration, recent years have brought an acceleration of events, crises, and disruptions, leaving little room to breathe. From the aftermath of COVID-19 to geopolitical shifts, supply chain disruptions, and rising debt, each factor has reshaped trade dynamics, demanding swift responses from businesses to survive. Yet, amidst this change, SEYPEC has continuously adapted to the evolving risk landscape. We view disruption as an opportunity to learn, grow, and embrace resilience. Despite these turbulent times, SEYPEC has managed to keep fuel prices as low as possible through a strict import and storage protocol, minimizing price fluctuations at the pump.

One of our key initiatives in 2023 was rethinking and adapting our HR strategy to address current challenges such as employee retention, technological advancements, and sustainability. We have begun aligning our HR strategy with our broader goals, defining strategic pillars to improve today and prepare for tomorrow. Our aim is to remain an attractive employer, empower our employees to reach their full potential, and ensure resilience for the future while evolving our organizational culture. Equal opportunity is the cornerstone of our work; we are a family- and employee-friendly company, and we respect diversity in all recruitment, promotion, and staff development processes, providing equal opportunities for all, regardless of gender, age, nationality, race, religion, or other cultural differences.

At SEYPEC, we are fortunate to have talented individuals across all departments who contribute to our success, and I would like to recognize their efforts and give them the credit they deserve. I am consistently impressed by the dedication of our teams and individuals, and I am deeply grateful for their contributions. In 2023, as in past years, we celebrated the commitment and sense of duty demonstrated by all our colleagues.

I wish to extend my sincere appreciation to our valued customers, business partners, and stakeholders for their continued support. I express my heartfelt gratitude to our dedicated employees for their efforts throughout the past year. Without the guidance and support of the Board of Directors, this journey would not have been possible.


SEYPEC
Seychelles Petroleum Company Limited

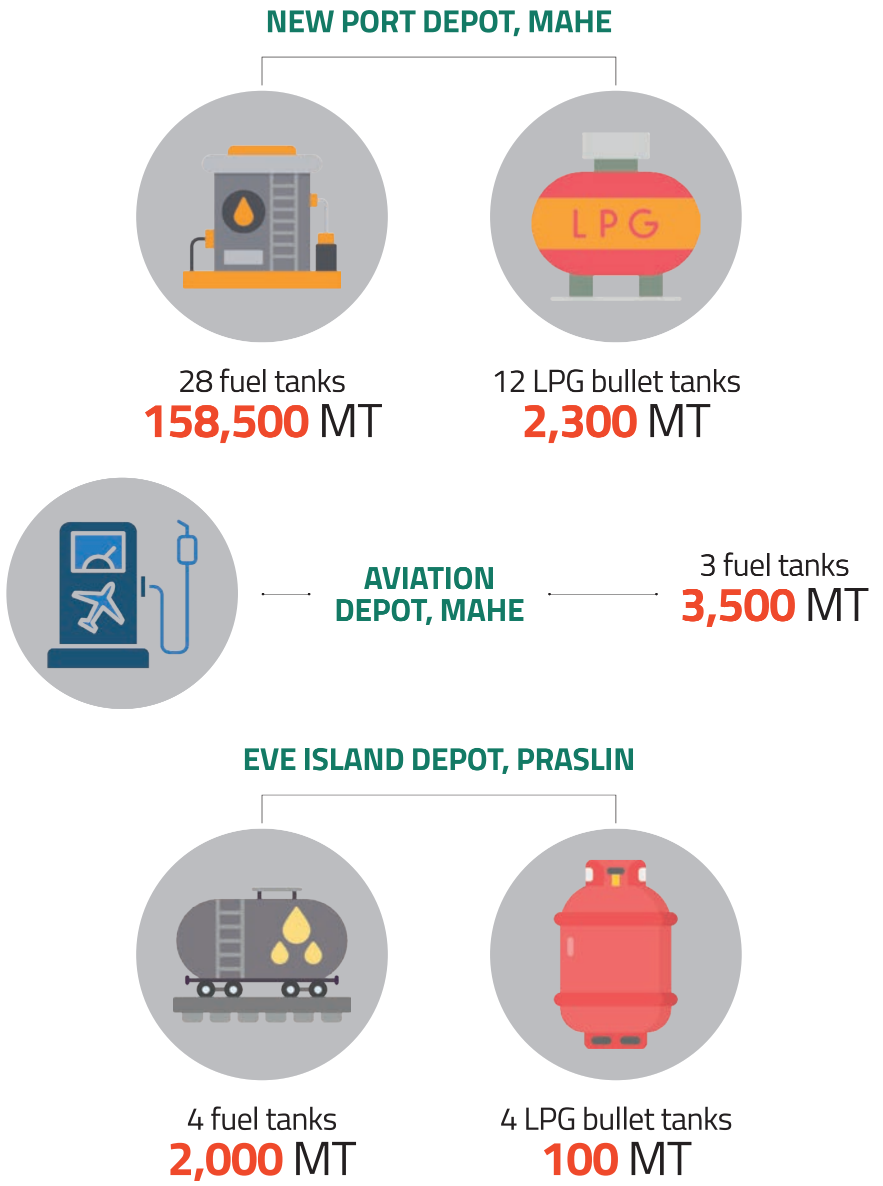
KEY ACTIVITIES

Products

SEYPEC offers a wide range of products which all abide to stringent international ISO standards, and which are regularly tested at independent overseas laboratories and in-house vigorous daily quality checks. The products are namely: Gasoil (Diesel) - 50ppm Sulphur, Fuel Oil - 180 cSt, unleaded Motor Gasoline (Mogas), Jet A-1, Avgas 100LL, Kerosene, Liquefied Petroleum Gas (LPG) and lubricants

Storage

SEYPEC has a fuel infrastructure consisting of 35 storage fuel tanks and 16 LPG bullet tanks with a total capacity for 158,500 MT of fuel products and 2,300 MT of LPG. The products are stored at strategic points to facilitate distribution



Distribution

The distribution network also consists of an 8-km pipeline to the airport for Jet A1, direct pipelines to PUC for Fuel Oil supply, and pipelines linking the Commercial Port, Fishing Port & Zone 14.

The road distribution is serviced by a fleet of specialised vehicles consisting of 11 Road Tankers, 4 LPG bulk delivery trucks, 2 Fuel Oil delivery trucks. Aviation supply is supported by 2 Aviation Refuellers, 3 Hydrant Servicers and 1 Combined Hydrant & Refueller.

The marine tanker *MT Seychelles Paradise* ensures the delivery of Gasoil & Mogas and LPG to the Praslin Depot and offers offshore & inner harbour bunkering.

As regards LPG trade, there were an approximate 100,000 cylinders in circulation across the country in 2023. These are composed of steel & composite cylinders of 4.5, 5, 9, 10, 12, 20, 24 kg.

Retail Outlets

In order to reach the end customer and the households directly, retails sales are ensured through 10 service stations - 9 dedicated for road-users & 1 for marine-users. Service Stations offer Mogas, Gasoil, LPG, Lubricants & Accessories. These facilities are connected via Wayne Fusion servers providing 24/7 monitoring of fuel sales, and remote price application. LPG is made accessible at 104 active retail outlets.

Aviation Service

SEYPEC is the exclusive provider of aviation fuel to domestic and international airlines operating out of the Seychelles International Airport.

Jet A-1 & Aviation Gasoline are offered on a 24/7 service basis using international standards, procedures, maintenance plans and quality checks. These are serviced by 2 Refuellers (10,000 & 18,000 litres), 3 Hydrant Servicers, 1 Combined Refueller & Hydrant (13,000 litres)

Marine Bunkering

SEYPEC is the sole supplier of petroleum products, namely Gasoil and Fuel Oil in Port Victoria offering daily bunkering service. The in-port delivery network is composed of pipelines to the Commercial Port, Fishing Port, IPHS and Net Repairs Quay. The *MT Seychelles Paradise* offers inner-harbour and offshore bunkering with a 1.66m-litre capacity.

SALES PERFORMANCE 2023

World Oil Prices in 2023

Oil prices shed more than 13 percent in 2023 against its previous year's average price. However, prices exhibited a varied move throughout the year driven by multiple factors that affected its fundamentals. Many economic factors affected the trading prices including sluggish economic activity in China, US interest rate hikes, and the geopolitical tensions like the ongoing the Russia-Ukraine war and the conflict between Israel and Palestine.

Oil prices settled below $100 a barrel after 2022's highs of around $139 a barrel, with first months of the year marked by tight supply fears as sanctions on Russia continued unfolding and major oil producing countries were reluctant to increase their productions. After the outbreak of war between Hamas and Israel on October 7, prices soared from around USD 70 per barrel to more than USD 90 but fell to the USD 80 mark after two weeks. Even the escalation to broader regional hostilities including Red Sea shipping attacks and direct U.S.-Iranian exchanges has had little upward effect.

The market's direction is best understood through the basic economic principle that prices settle where supply and demand are balanced. So far, the conflicts have not yet reduced the world's overall oil supply, and demand is still limited due to global economic uncertainty.

In 2023, there is no shortage in worldwide supply, and plenty of spare production, despite Russia's exports having been reduced by sanctions stemming from its invasion of Ukraine, and Saudi Arabia's cutting back production. The resulting spare capacity has reduced any 'risk premium', which in the past could have bumped up prices in times of sudden bad news. In addition, non-OPEC supplies, especially from the United States, have been growing and now almost exceed OPEC's supplies in terms of internationally traded.

On the demand side, seasonal energy demand in the northern hemisphere has already been met on the supply side, removing another potential price driver. In the United States, many areas are experiencing a colder winter than normal this year, but their electricity needs are increasingly generated by natural gas, with coal in second place and nuclear in third. The transport market is rapidly changing as well. Cars and other vehicles have become more efficient, and many are using alternative fuel.

Total Sales

In 2023, Seychelles Petroleum Company Limited and its subsidiaries experienced a significant increase in total volumes, marking an impressive 11% growth, equating to an additional 45.63 million litres. This substantial rise was driven primarily by notable performance in the international sector.

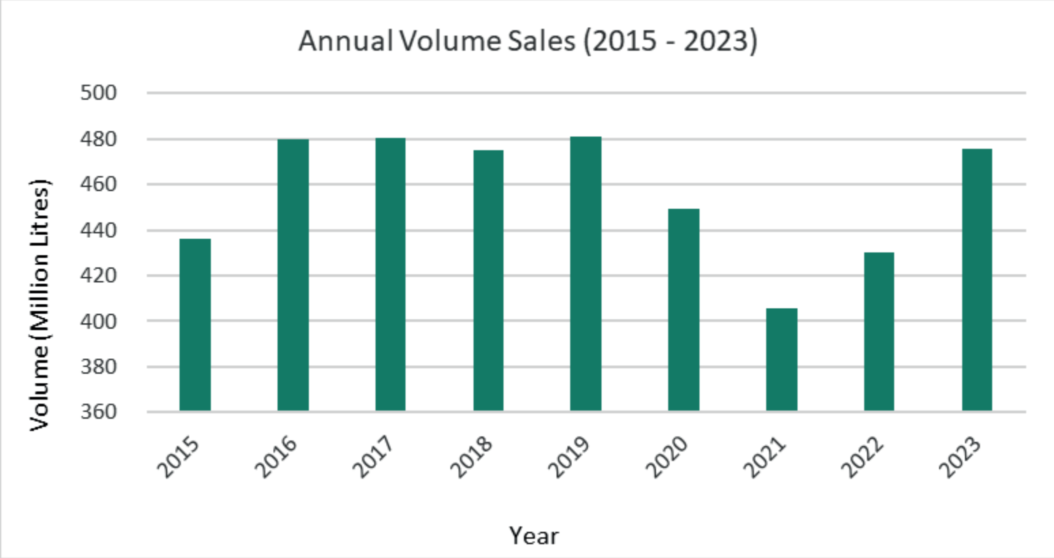
The international sector recorded a remarkable 17% increase, adding 39.50 million litres to its total volume. This robust growth underscores the increasing demand in international markets with enhanced supply chain efficiency.

On the domestic front, we observed a steady 3% increase, translating to an additional 6.13 million litres. This growth reflects our continued commitment to meeting the energy needs of the local market and our ability to adapt to the evolving demands of our domestic customers.

The ratio of international to domestic volumes shifted from 55:45 in 2022 to 58:42 in 2023. This shift highlights the enhanced volume in the international sector.

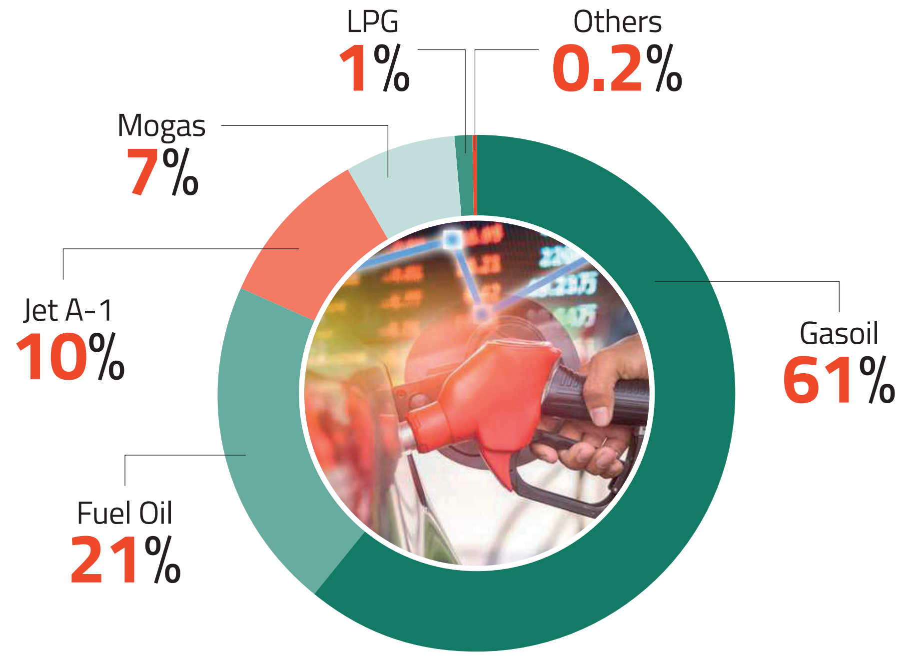
Volume in Litres

	2022	2023	%
International	236,736,728	276,232,375	17%
Domestic	193,459,744	199,594,228	3%
Total	**430,196,472**	**475,826,604**	**11%**



Sales by Product in 2023

Gasoil	Fuel Oil	Jet A-1	Mogas	LPG	Others
61%	21	10%	7%	1%	0.2%



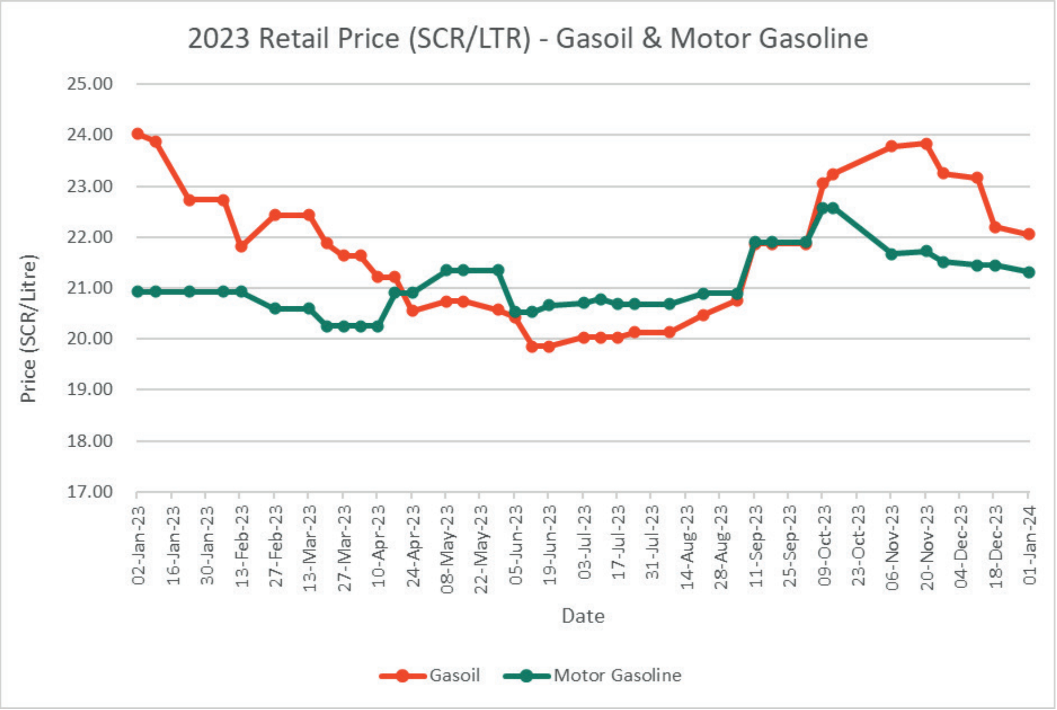
MOGAS AND GASOIL RETAIL PRICES FOR 2023

Gasoil Prices (SCR/Litre) 2023

The average retails price of gasoil in 2023 was SCR 21.76 per litre. At the beginning of the year, on January 2nd, the price was SCR 24.02 per litre and on December 31st, it had decreased to SCR 22.20 per litre, reflecting a reduction of SCR 1.82 per litre over the year. The highest recorded price for gasoil in 2023 was SCR 24.02 per litre.

Mogas Prices (SCR/Litre) 2023

The average retails price of Mogas in 2023 was SCR 21.07 per litre. On January 2nd, the price was SCR 20.93 per litre and by December 31st, it had gone up slightly to SCR 21.45 per litre, showing an increase of SCR 0.52 per litre over the year. The highest recorded price for Mogas in 2023 was SCR 22.58 per litre.



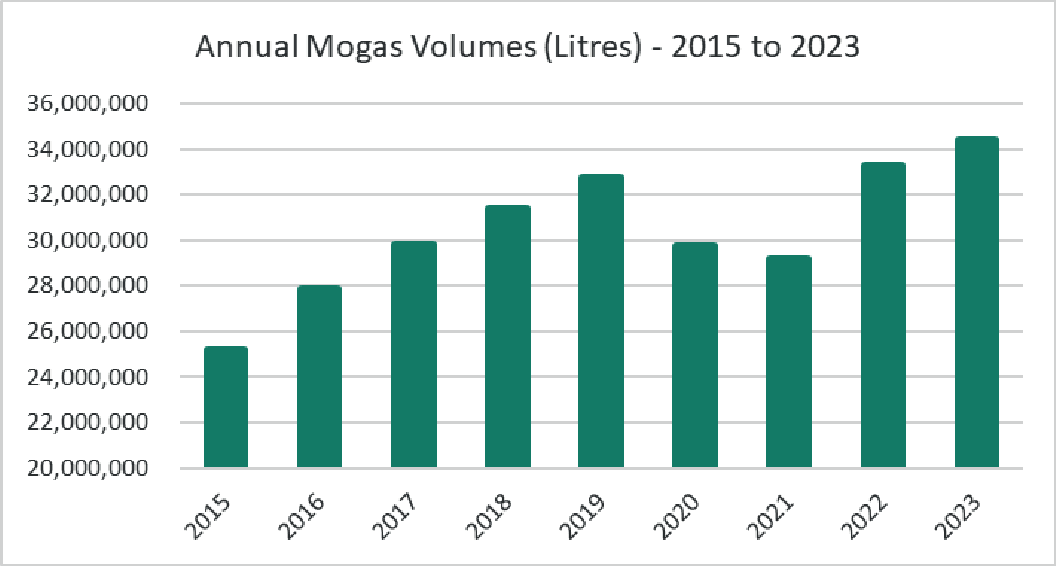
Mogas

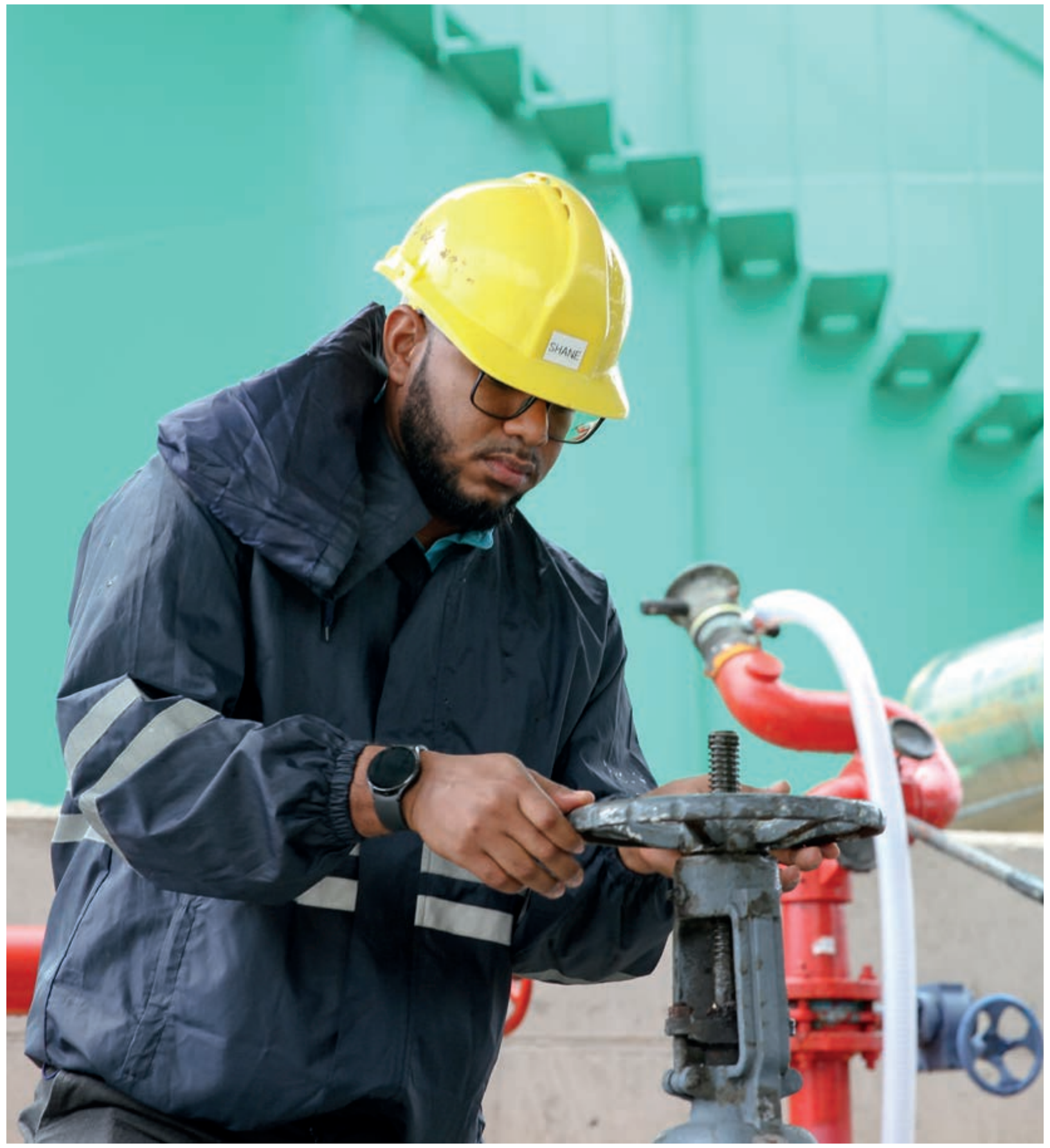
In 2023, our total Mogas volumes experienced a 3% increase, reflecting a growth by 1.13 million litres, with the Domestic sector being the primary contributor.

Moreover, the average monthly volume exhibited positive momentum, rising from 2.77 million to 2.87 million litres per month. This consistent upward trend reflects our commitment to meeting consumer demand efficiently.

Within the Mogas market, both the Consumer and Retailer segments expanded by 3%. Notably, the Retail segment drove this growth, with a volume increase of 1.05 million litres. Our Retailers, including Service Stations and Marine Retail outlets, played a pivotal role in achieving these results.

Mogas (Litres)			
	2022	2023	%
International	2,500	19,400	676%
Domestic	33,294,178	34,406,289	3%
Total	**33,296,678**	**34,425,689**	**3%**



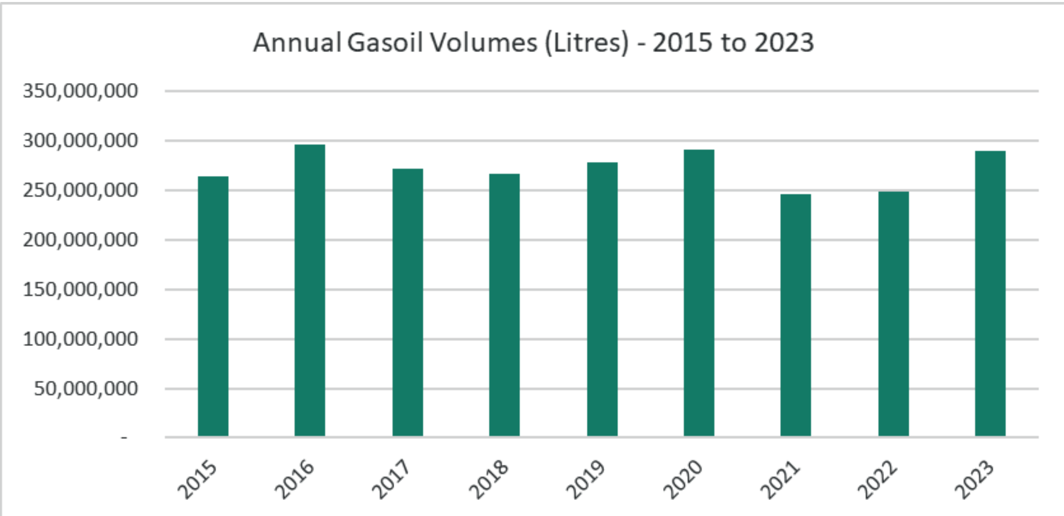


Gasoil

In 2023, the growth in Gasoil sales reached a total of 290.14 million litres. This represents a notable 17% increase in total Gasoil volumes, amounting to an additional 41.54 million litres compared to the previous year. The most substantial volume increase was observed in the International sector, which grew by 21%, translating to an additional 39.94 million litres. This growth was primarily driven by a significant rise in International Bunkering activities, which increased by 21%, adding 37.75 million litres. Monthly average volumes in this segment rose from 15.28 million litres to 18.42 million litres.

The Domestic sector also showed positive growth, with a 4% increase amounting to an additional 2.61 million litres. Within this sector, most domestic Gasoil segments experienced volume increases. Both the Retail and Consumer sectors grew by 3%, with the larger volume growth seen in the Consumer sector, particularly among hotels and industries, which increased by 980,339 litres. Further, key domestic customer accounts, such as the Public Utilities Corporation (PUC), displayed a positive increase in volumes of 7%.

Gasoil (Litres)			
	2022	2023	%
Domestic	62,040,816	64,646,944	4%
International	186,555,612	225,494,238	21%
Total	**248,596,428**	**290,141,183**	**17%**



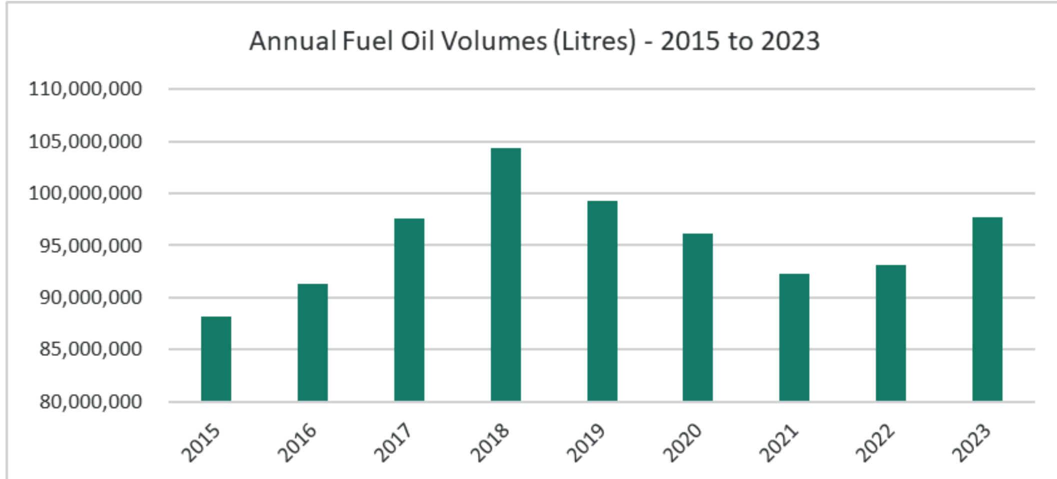
Fuel Oil

In 2023, Fuel Oil recorded a total sales volume of 97.72 million litres, marking a 5% increase compared to 2022. This represents an additional 4.58 million litres.

Both the International and Domestic sectors experienced healthy volume growth throughout the year. The International sector, in particular, saw a 58% increase, adding 2.38 million litres to its total volume. This significant growth was driven by international bunkering activities, particularly with numerous bunkers registered in February and November 2023, compared to 2022 when only one Fuel Oil bunkering took place.

In the Domestic sector, volumes increased by 2%, adding 2.20 million litres. This growth was primarily due to key customers, such as the Public Utilities Corporation (PUC), increasing their consumption in 2023.

Fuel Oil (Litres)			
	2022	2023	%
Domestic	89,013,833	91,213,828	2%
International	4,118,826	6,503,362	58%
Total	**93,132,659**	**97,717,190**	**5%**



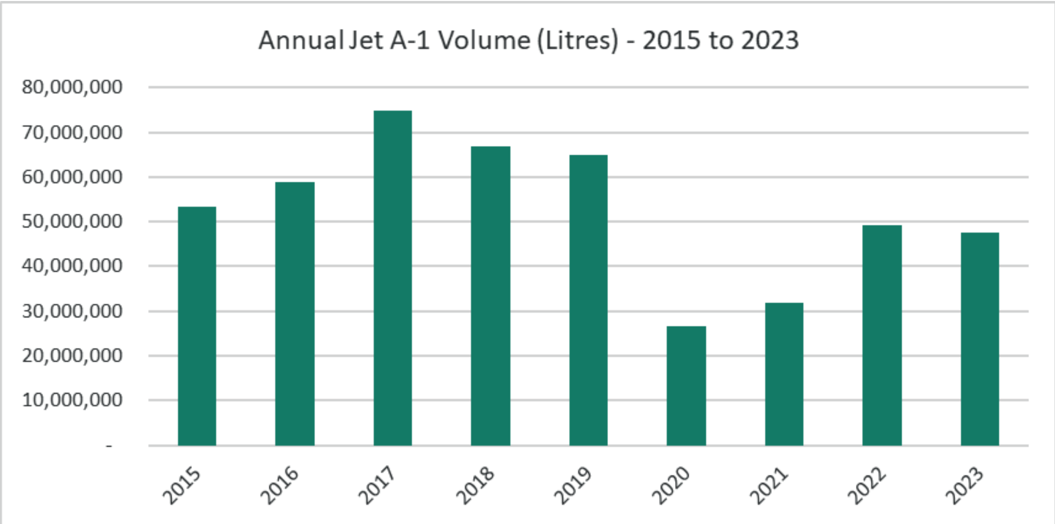
Jet A1

In 2023, a slight decline was noticed in Jet A1 sales volumes, which dropped by 3%, equating to a reduction of 1.65 million litres compared to the previous year.

The International sector saw a 4% reduction in Jet A1 volumes, amounting to a decrease of 1.84 million litres. Average monthly volumes in this sector fell from 3.84 million litres to 3.68 million litres, with particularly lower volumes observed from May to August 2023.

The Domestic sector demonstrated positive growth, increasing by 6%, which represents an additional 190,977 litres. Average monthly volume in the Domestic sector rose from 258,300 litres to 274,200 litres.

Jet A-1 (Litres)			
	2022	**2023**	**%**
Domestic	3,099,777	3,290,754	6%
International	46,059,790	44,215,375	-4%
Total	**49,159,566**	**47,506,129**	**-3%**

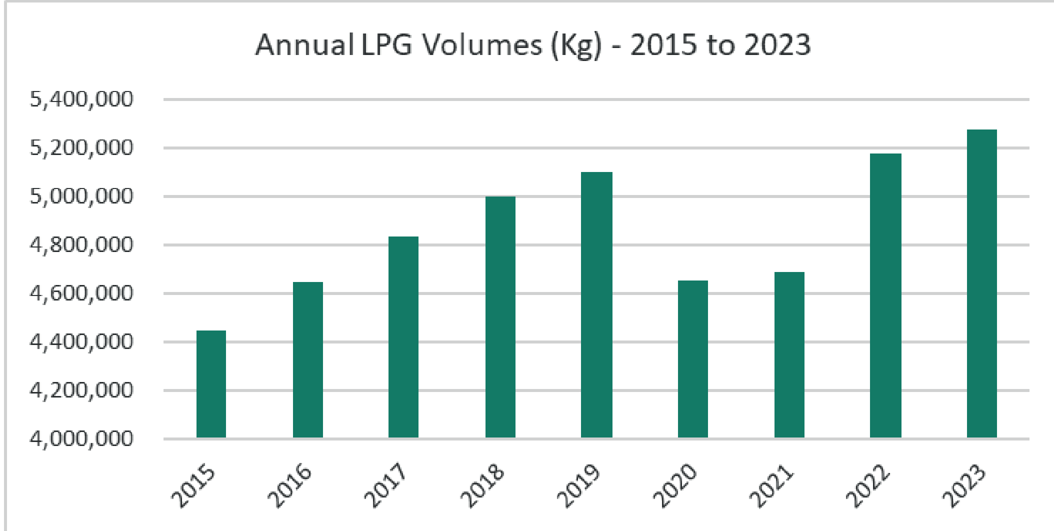


LPG

In 2023, our LPG volumes demonstrated resilience, growing by 2%, an increase of 99,364 kg. The average monthly volumes also witnessed positive momentum, rising from 432,000 kg to 440,000 kg per month.

Within the LPG market, both the Retail and Consumer sectors contributed significantly. The Retail sector, which includes Service Stations and LPG Retailers trading LPG cylinders, expanded by 1%, accounting for an additional 22,998 kg. Meanwhile, the Consumer sector, comprising hotels and industries primarily procuring LPG in bulk through on-site storage tanks, achieved a 5% growth, adding 76,366 kg to our overall volumes.

LPG (Kg)			
	2022	**2023**	**%**
Retailer	3,510,763	3,533,762	1%
Consumer	1,669,139	1,745,504	5%
LPG (kg)	**5,179,902**	**5,279,266**	**2%**



SHIPPING

World Overview

In 2023, the tanker market continued to be shaped by trends that originated in 2022. While volatility eased compared to the previous year, the oil and tanker sectors grappled with persistent challenges. However, amidst these headwinds, we witnessed sustained profitability across all tanker segments, driven by robust demand growth and supply constraints.

Geopolitical tensions—such as the ongoing conflict in Ukraine and the escalation between Israel and Palestine—disrupted established trade patterns. As a result, new trade routes emerged, bolstering ton-mile demand. These routes are poised to remain integral to global trade in the foreseeable future.

On a different front, the Panama Canal faced unprecedented challenges due to extremely low water levels. This limitation severely impacted transits, disrupting trade flows and tonnage supply from the US Gulf to the West Coast of Latin America.

China, a pivotal market driver, defied economic concerns. Despite apprehensions, China's oil demand surged, setting new records for monthly crude imports in 2023. This resilience underscored China's significance in the global energy landscape.

While OPEC+ maintained production cuts, non-OPEC supply surged. The United States led this charge, with Brazil and Guyana also contributing significantly to global oil output. Remarkably, despite geopolitical tensions, oil prices remained subdued compared to 2022, reflecting ample supply to meet rising demand.

Limited growth in tanker supply, coupled with increased demand, created a favorable supply-demand equilibrium for tanker owners. Against the backdrop of global turmoil, the tanker market stood resilient in 2023. Freight rates remained elevated, translating into robust earnings across the board. Indeed, 2023 marked another exceptional year for tanker owners

SEYPEC Fleet and Strategic Initiatives

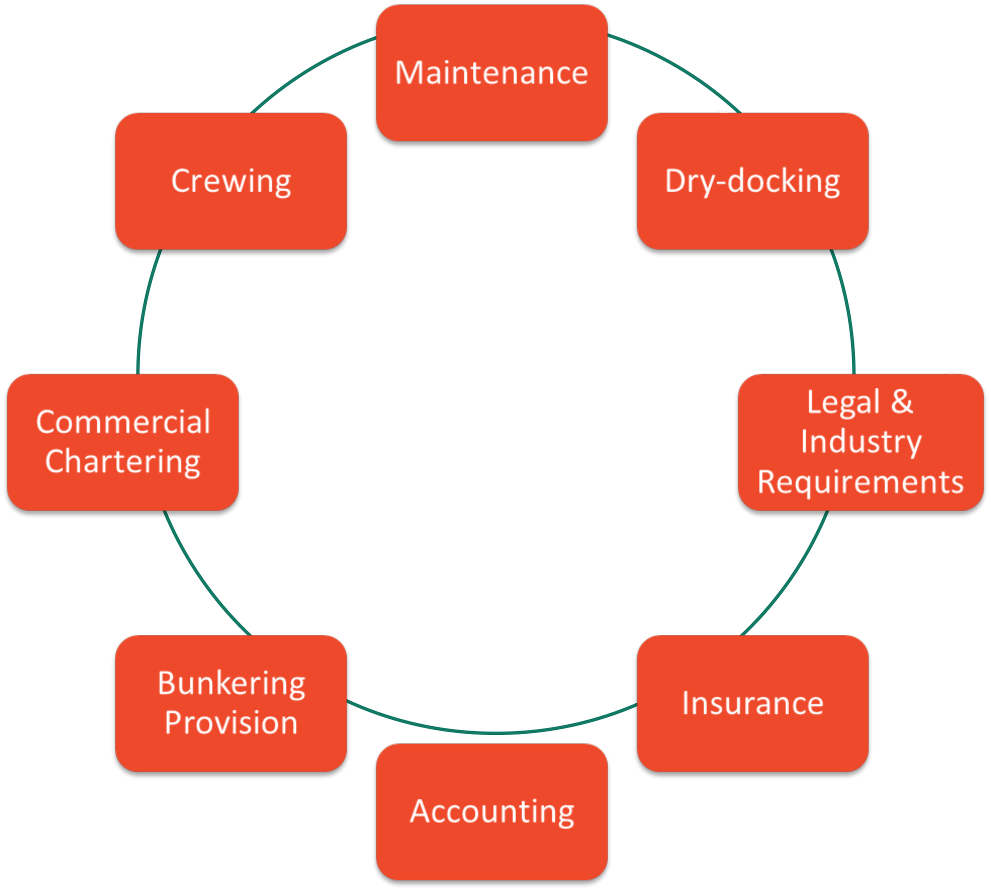
In the early 2000s, SEYPEC devised strategies to expand and diversify its revenue streams, leading to the decision to enter the international oil transportation business. The objective was to secure fuel logistics, support the domestic market, and create career opportunities for Seychellois seafarers.

Today, SEYPEC owns a fleet of five clean-product tankers which includes four international and ice-classed tankers: MT Seychelles Pioneer, MT Seychelles Progress, MT Seychelles Prelude, and MT Seychelles Patriot, as well as one coastal international class tanker,

MT Seychelles Paradise. In 2014, SEYPEC into a strategic partnership with German Tanker Shipping GmbH (GTS) to manage and operate the fleet on both voyage and time charters.

This partnership has since leveraged high levels of market insight into freight and charter rates, along with an extensive network of contacts, to secure the best deals. This resulted in a well-managed fleet which enhances hire ability and improves earnings. GTS maintains an oversight on both technical and commercial performance and provides a training platform to Seychellois seafarers across its own tanker fleet.

Name of Vessel	Year Delivered	Deadweight (MT)	LOA (m)	Tanker Type
Seychelles Pioneer	Apr 2005	37,500	185	IMO II, Chemical, Oil & Oil Products
Seychelles Progress	Aug 2005	37,500	185	IMO II, Chemical, Oil & Oil Products
Seychelles Prelude	Dec 2007	45,680	189	IMO II, Chemical, Oil & Oil Products
Seychelles Patriot	Mar 2008	45,680	189	IMO II, Chemical, Oil & Oil Products
Seychelles Paradise	Oct 2009	1,785	67.80	Oil Product & LPG



SEYPEC Tanker Fleet Performance

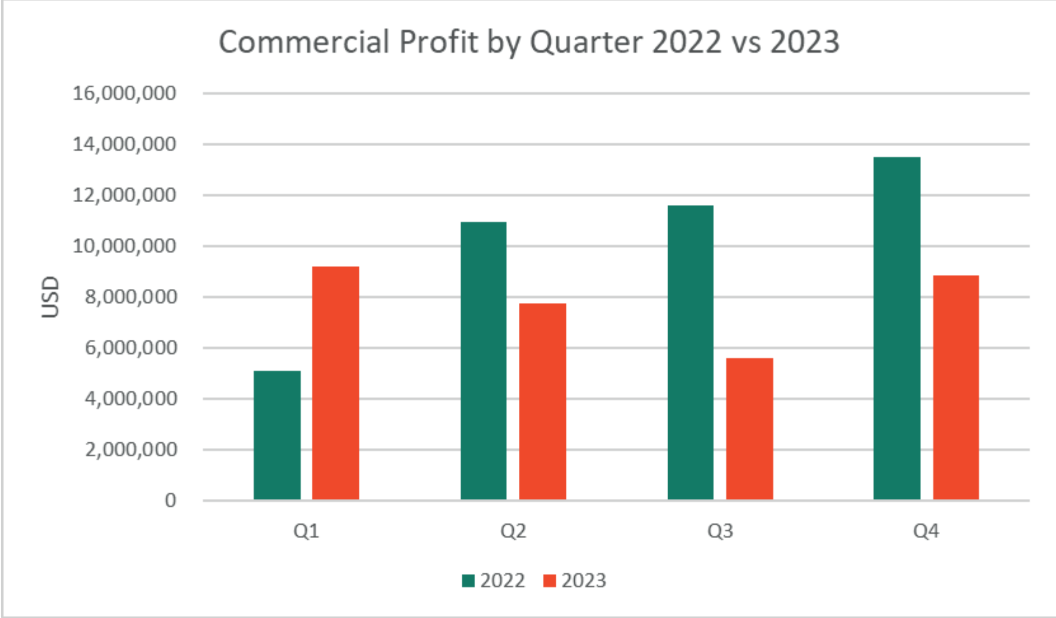
In the maritime landscape, 2022 emerged as an extraordinary year for our tanker fleet, largely shaped by the Russia-Ukraine conflict. The SEYPEC fleet capitalized on favorable market rates, culminating in revenue of USD 58.82 million. Two tankers operating in the spot market reaped substantial gains from lucrative Russian voyages, while our time-chartered vessels contributed significantly to cost reduction.

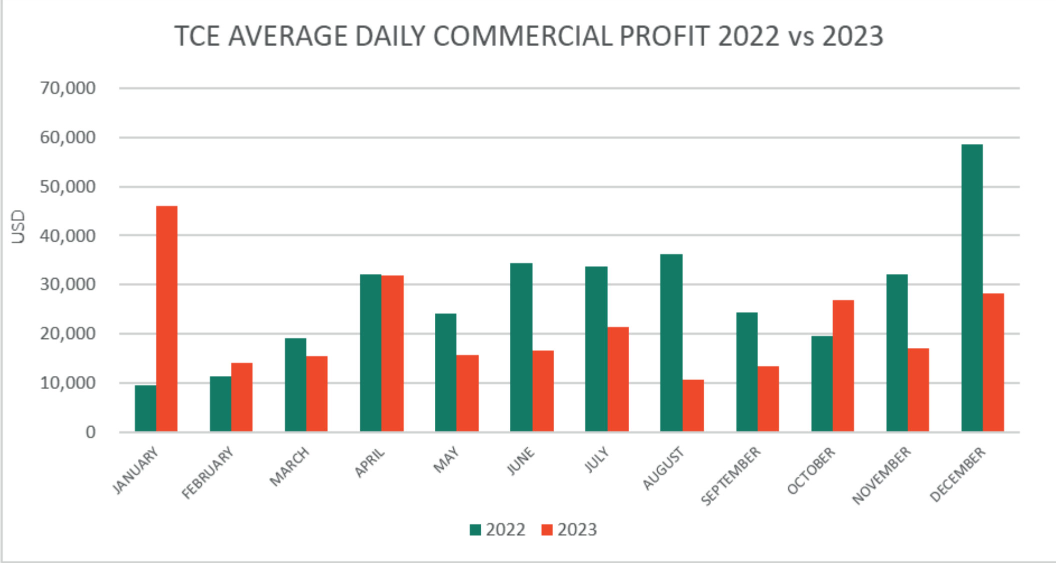
Fast-forward to 2023, a year that continued to favor our tanker operations. Despite evolving market dynamics, our fleet maintained robust performance. However, we encountered a 5% reduction in fleet occupancy rates. This downtime was primarily due to scheduled dry-dock maintenance for our vessels, Seychelles Progress and Seychelles Patriot.

Financially, 2023 presented a nuanced picture. Revenue declined by 24%, settling at USD 44.64 million. The stabilization of the European market post-2022 boom and the conclusion of exceptional Russian voyages contributed to this shift. On the bright side, our commercial expenses experienced a commendable 25% reduction, driven by a prudent 34% cut in bunker costs.

As the year drew to a close, our fleet achieved a gross commercial profit of USD 31.46 million. While this figure reflects a decrease from 2023, it remains a testament to our resilience and adaptability. Indeed, 2023 stands as another exceptional chapter in the performance of our tanker fleet.

SUMMARY OF FINANCIAL PERFORMANCE 2023				
FLEET SUMMARY	2022	2023	DIFFERENTIAL YEAR-ON-YEAR	
FLEET OCCUPANCY	94%	89%	-	-5%
	USD	USD	USD	%
REVENUE	58,820,057	44,635,299	(14,184,758)	-24%
COMMERCIAL EXPENDITURE	17,597,735	13,171,343	(4,426,392)	-25%
GROSS COMMERCIAL PROFIT	41,222,322	31,463,956	(9,758,366)	-24%





THE SEYCHELLOIS FLEET AND CREW

SEYPEC's Maritime Workforce: Nurturing Talent and Industry Excellence

As of the close of 2023, SEYPEC's tanker fleet proudly employs 90 Seychellois seafarers—a dedicated team committed to maritime excellence. Among them are 5 Masters, 2 Chief Officers, and 4 Chief Engineers, each contributing their expertise to our operations.

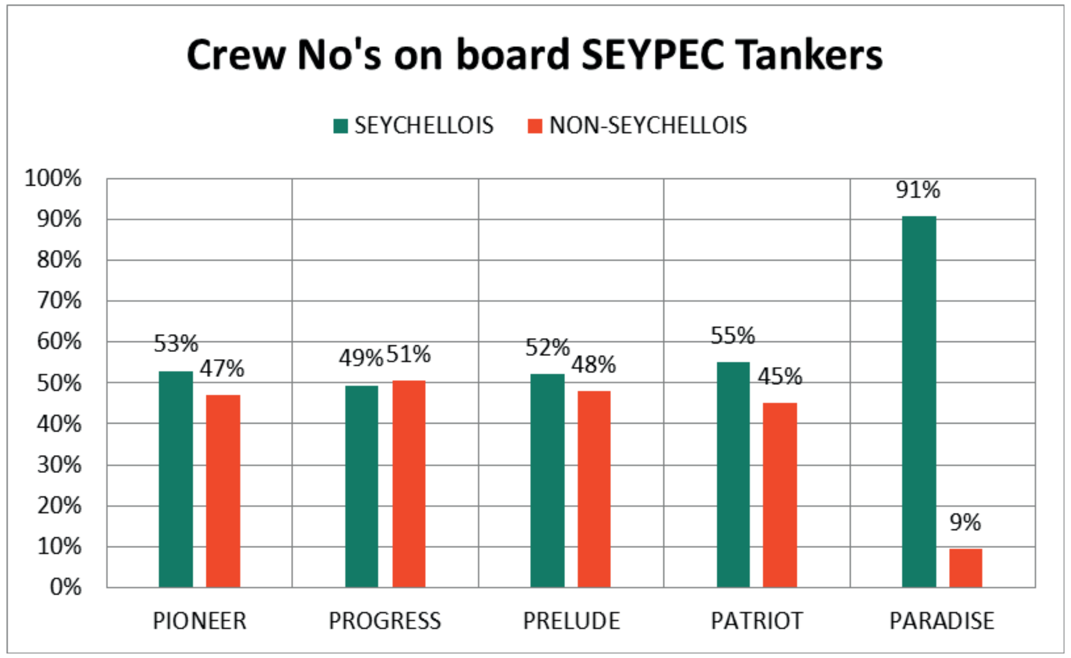
In a strategic move, SEYPEC temporarily suspended the Cohort recruitment program, awaiting the finalization of our tanker fleet strategy. Consequently, no recruitment of ratings or cooks occurred during this period.

Our commitment to talent development extends beyond the present. In 2022, ten navigational cadets embarked on the Nautical Cadetship program at Colombo International Nautical and Engineering College (CINEC). By July 2023, they successfully completed Phase 5 of their rigorous training. In September, nine cadets triumphed in their Oral Exams, earning coveted Certificates of Competency (CoC). Their journey continued with an intensive 1.5-month session at CINEC in December 2023, where they pursued additional short courses. Upon successful completion, these cadets will join deep-sea tankers as Junior Officers, with aspirations of advancing to Second Officers.

In April 2023, seven Able Seafarers achieved their Special Purpose Award in Nautical Studies at Munster Technological University (MTU). They further enhanced their qualifications with three additional courses before returning to Seychelles, to progress towards becoming Officers of the Watch or Second Officers.

From 21-23 November 2023, a successful Officer's Conference was held in Bremen, Germany, with participation from GTS, SEYPEC, Marlow, and OSM. The conference featured industry updates, soft skills workshops, and an introduction to GTS's tanker new building project. Additional working groups enabled attendees to take a deep-dive into selected topics such as the new buildings, vetting, and upcoming compliance requirements.

VESSEL	PIONEER	PROGRESS	PRELUDE	PATRIOT	PARADISE	TOTAL AVERAGE
SEYCHELLOIS	53%	49%	52%	55%	91%	60%
NON-SEYCHELLOIS	47%	51%	48%	45%	9%	40%



Jennifer Morel - Chairperson

Jennifer Morel holds a BSc (Econ) in Banking and Finance from University of Wales College, Cardiff, UK and an MA in Banking & Finance from Sheffield Hallam University in UK and has occupied several key positions such as Deputy Governor of the Central Bank of Seychelles, Revenue Commissioner of the Seychelles Revenue Commission, Chief Executive Officer of the Financial Services Authority (Seychelles) and more recently as Chief Executive Officer of Sacos Group Ltd and Sacos Life Assurance Company Ltd. Jennifer Morel is the first female to be appointed as Chairperson of the Board of Directors of SEYPEC.

Brian Commettant - Member

Brian Commettant has been working with the Central Bank of Seychelles for the past 21 years holding positions such as Senior Economist, Director of Research and Statistics Division; and Head of Division (Research and Statistics). He is currently in the position of First Deputy Governor of the Central Bank of Seychelles. He holds a BSc (Hons) in Business Economics from University of East London, UK and an MSc (Hons) in International Economics, Banking and Finance from Cardiff University in Wales, UK.

Tony Imaduwa - Member

Tony Imaduwa is currently the Principal Secretary for Energy and Climate Change. With over 19 years in the public sector, he previously occupied the position of Chief Executive Officer of Seychelles Energy Commission. He had also served as Principal Officer for Renewable Energy and Energy Management for the Commission and took on the role of Acting Chief Executive Officer in May 2013. Tony Imaduwa holds a BEng in Biomedical and Material Science Engineering from Queen Mary College, University of London, UK.

Marc Hoareau - Member

Marc Hoareau completed his Master course at the Southampton Institute of Higher Education (Warsash Nautical Academy) and started his sea experience as a Deck Cadet in August 1978, progressing through different ranks up to the rank of Master in 2002. During his sea experience, he has also sailed on board MT Seychelles Paradise as Master and MT Seychelles Patriot as 2nd Officer. He is currently working with the Seychelles Maritime Safety Authority as Flag State Surveyor and Examiner.

Marie-May Jeremie - Member

Marie-May Jeremie currently holds a Master of Environment from The University of Melbourne, Victoria, Australia. Previous to that, she completed her BSc Biological Sciences, with a major in Conservation Biology at the Edith Cowan University, Perth, Australia. Marie-May Jeremie is the current Chief Executive Officer of Seychelles Conservation and Climate Adaptation Trust. She has previously served as Director General of the Biodiversity Conservation and Management Division within the Ministry of Agriculture, Climate Change and Environment.

Patrick Joseph - Member

Patrick Joseph holds a BSc (Hons) in Geophysical Sciences from Southampton University, UK and a MSc in Exploration Geophysics from Leeds University, UK. He has been working with Petro Seychelles for the past 10 years and was appointed as its Chief Executive Officer in 2017. He has previously worked for Seychelles Petroleum Company Limited as Exploration Manager and Seychelles National Oil Company occupying several positions over the course of 13 years.

Ricky Barbé - Member

Ricky Barbé presently holds a Master's Degree in Internalisation of Companies and Access to Markets, from Barcelona Executive Business School; a BSC in Business Administration, from the University of London; a certificate in The Economic Analysis of Public Policy from Kings College, and a Certificate in Advanced Trade Policy, from Trade Academy Sweden. He is presently the Director General for Trade at the Ministry of Finance, National Planning and Trade and has worked with the Trade Department since June 2012. He was appointed as Director General in August 2022, after serving 7 months acting in this role. Previous work experience includes 5 years at the Seychelles Public Transport Company and 2 years at Creole Travel Services.

Jan Robinson - Member

Jan Robinson was appointed CEO of the Seychelles Fishing Authority (SFA) in 2023, having previously led research at SFA between 2001 and 2011. He obtained his PhD from James Cook University, Australia, studying the management implications of fisheries that exploit fish aggregating behaviour. He coordinated research in Seychelles and the Indian Ocean that focused on coral reef ecology, climate change and fisheries management. He has also chaired numerous scientific bodies for Regional Fisheries Management Organisations.

Board Meetings 2023

Member	27.01.23	24.02.23	24.03.23	05.05.23	31.05.23	30.06.23	28.07.23	25.08.23	29.09.23	09.10.23	15.12.23
Jennifer Morel - Chairperson	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Marie-May Jeremie		Present	Present	Present	Present		Present	Present	Present		Present
Marc Hoareau	Present	Present		Present	Present	Present	Present	Present		Present	Present
Tony Imaduwa	Present		Present				Present		Present	Present	
Patrick Joseph	Present	Present	Present	Present	Present	Present	Present	Present			
Nichole Elizabeth	Present	Present	Present	Present		Present	Present	Present	Present	Present	Present
Brian Commettant	Present	Present		Present		Present		Present	Present	Present	Present
Muhammad Saley		Present		Present	Present		Present		Present	Present	Present
Yannick Vel	Present	Present	Present	Present	Present	Present	Present		Present	Present	Present
Ricky Barbe	*Appointed in Dec 2023										Present
Jan Robinson	*Appointed in Dec 2023										Present

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee, established in accordance with the Public Finance Management Act, 2012, Regulation 96 of the Public Finance Management Regulations 2014 and the requirement of section 28 of the Public Enterprise Monitoring Commission Act 2013 and the Code of Corporate Governance for Public Enterprises, assists the Board of Directors in overseeing accounting, reporting, asset safeguarding, and risk management. Key objectives include reviewing internal controls, governance structures, compliance, and financial information accuracy. The committee also ensures effective risk management and internal audit processes and evaluates the performance of external and internal auditors.

The committee, appointed by the Board, comprises at least three non-executive directors, including a finance expert. Members serve without additional compensation beyond their director roles.

The Audit and Risk Committee operates under statutory duties and Board-delegated authority. It can request information from any company officer or employee, including the CEO, CFO, Internal Auditor, and the Director of legal, risk & compliance. The Committee adheres to relevant laws and regulations, investigates and reports on activities within its mandate, and regularly reviews its charter for adequacy. Members must disclose any conflicts of interest, which are recorded and managed appropriately during meetings

The Audit and Risk Committee ensures the adequacy and effectiveness of financial reporting, internal controls, and risk management. It reviews financial statements, changes in accounting policies, and management's responses to audit findings. The Committee also evaluates regulatory matters and legal claims impacting financial statements.

For narrative reporting, it ensures the annual report is fair, balanced, and understandable. The Committee monitors the internal audit function, ensuring it has adequate resources and independence. It reviews the internal audit plan, assesses audit performance, and ensures management's responsiveness to audit recommendations. The Committee has the authority to meet with the internal auditor without management being present

The Audit and Risk Committee sets criteria for the appointment, reappointment, and removal of external auditors, making recommendations to the Board. It investigates auditor resignations and oversees the relationship with external auditors, including remuneration, non-audit services, and engagement terms. The Committee ensures no conflicts of interest and meets regularly with auditors, including private sessions.

It reviews and approves the annual audit plan, discusses audit findings, and monitors management's response. The Committee also oversees risk management, reviewing the risk framework, key strategies, and policies, and interacts with other Board Committees on risk-related matters. It monitors remedial actions for identified deficiencies

The Audit and Risk Committee reviews periodic risk management reports, insurance coverage, major frauds, legal actions, and whistleblowing reports, making recommendations to the Board. It monitors compliance with regulations and suggests improvements. The Committee also reviews internal and external assurance findings, ensuring governance standards.

The Committee's terms of reference are publicly available, and its annual report includes a section on its activities. It ensures adequate arrangements for raising concerns about wrongdoing and reports annually to the Board on its work, highlighting necessary actions and improvements.

Audit and Risks Committee

Chairperson :	**Brian Commettant**
Ordinary Member:	**Ricky Barbe**
Interim member :	**Jennifer Morel**
Previous Board Member :	**Muhamad Saley**

Audit and Risks Committee Meetings 2023

Member	30.03.2023	27.04.2023	20.07.2023	18.08.2023	11.09.2023	23.10.2023	12.12.2023	Remarks
Brian Commettant Chairperson		Present	Present	Present	Present			
Yannick Vel	Present	Present	Present	Present	Present	Present		Resigned in October 2023
Muhammad Saley	Present	Present	Present	Present				Resigned in August 2023
Jennifer Morel						Present		Interim member with the departure of Mohammed Saley in August 2023
Marc Hoareau							Present	Interim member with the departure of Yannick Vel in October 2023
Rick Barbe								Was appointed on the SEYPEC Board and ARC in December 2023

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, established under the Public Enterprise Monitoring Commission Act 2013 and corporate governance codes, assists the Board in overseeing remuneration policies and ensuring a balanced mix of skills, experience, and independence. It manages the recruitment and remuneration of the CEO, company secretary, and senior management, oversees compensation plans, and advises on executive recruitment and succession planning. The Committee reviews remuneration policies for the annual report and undertakes assignments directed by the Chairperson. Comprising at least three non-executive directors, the Committee can seek advice from relevant bodies and external sources, ensuring compliance with relevant laws and regulations.

The Nomination and Remuneration Committee reviews reports from management on activities within its mandate. It consults with HR on key positions, reviews senior management nominations, and addresses potential conflicts of interest. The Committee evaluates organizational structure, recruitment, training, and compensation policies annually. It proposes key performance indicators for the CEO, reviews senior officer remuneration, and recommends companywide salary reviews biennially. Additionally, it considers external HR consultants, reviews remuneration and benefits structures, and ensures alignment with market trends and best practices. The Committee meets as needed, ensuring meetings occur two weeks before Board meetings.

Nomination and Remuneration Committee

Chairperson :	**Marie-May Jeremie**
Member:	**Jennifer Morel**
Member :	**Marc Hoareau**

Nomination and Remuneration Committee Meetings 2023

Member	20.03.2023	18.05.2023	28.06.2023	24.07.2023	26.09.2023	13.12.2023
Marie-May Jeremie Chairperson	Present		Present	Present		Present
Jennifer Morel	Present	Present	Present	Present	Present	Present
Marc Hoareau	Present	Present	Present	Present	Present	Present

THE PROJECTS AND INVESTMENT COMMITTEE

The Projects and Investment Committee, established under the Public Enterprise Monitoring Commission Act 2013 and corporate governance codes, assists the Board in ensuring good project governance and viable investments. It provides input on financial strategies, monitors the company's financial position, and reviews capital projects for suitability and viability. The Committee reports recommendations to the Board on capital projects and investments.

Comprising at least three non-executive directors, the Committee reviews cash management, equity investments, and major asset acquisitions. It seeks advice from relevant parties, ensures compliance with laws and regulations, and regularly reassesses its charter. The Committee also oversees capital project management and investment matters, ensuring timely and accurate information for the Board.

The Projects and Investment Committee ensures good project governance, including environmental impact assessments, risk mitigation, project structure, insurance, and expenditures. It reviews investment and disinvestment proposals, recommends external investment advisers, and monitors investment policies and strategies. The Committee oversees asset and liability management, liquidity, and credit quality, making recommendations to the Board. It reviews and proposes resolutions on capital structure, financing, dividends, and debt issuance. Annually, it reassesses the capital project portfolio against SEYPEC's budget and operational requirements. The Committee meets at least three times a year, ensuring proper documentation and reporting to the Board.

Projects and Investment Committee

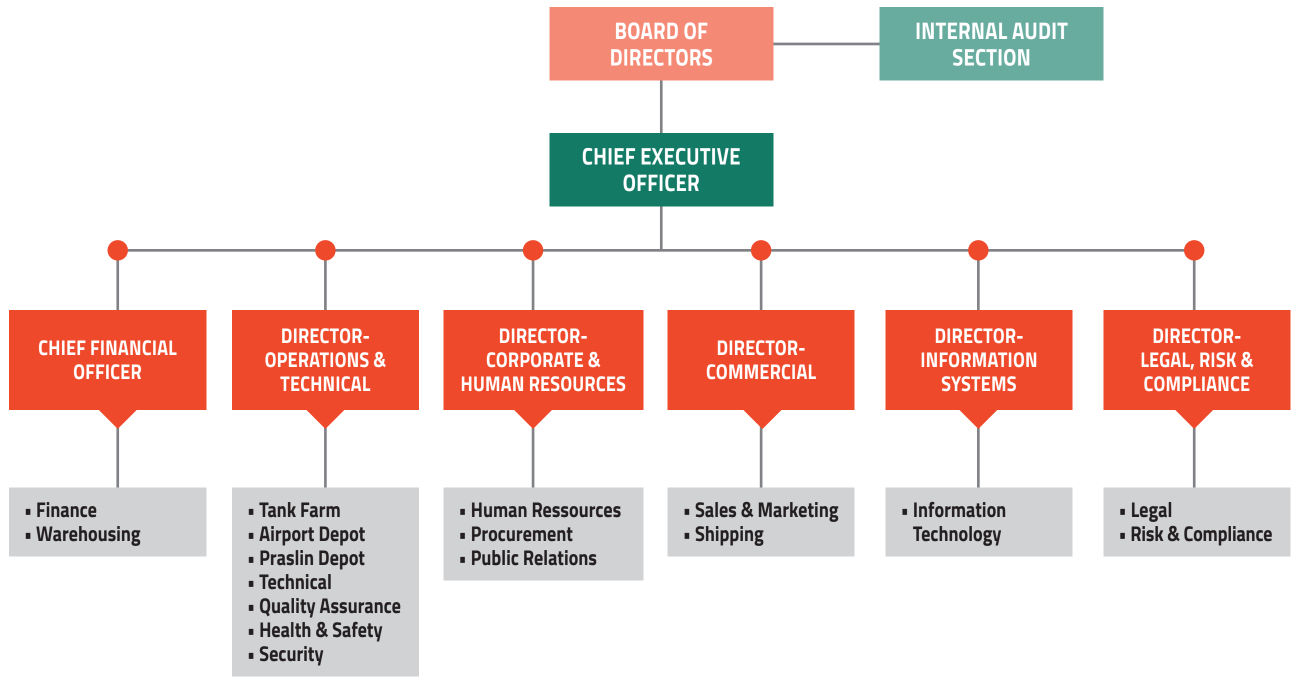
Chairperson :	**Tony Imaduwa**
Member:	**Patrick Joseph**
Member :	**Jan Robinson**
Previous Board Member:	**Nichol Elizabeth**

Projects and Investment Committee Meetings 2023

Member	21.04.2023	08.08.2023	16.09.2023	Remarks
Tony Imaduwa Chairperson	Present	Present	Present	
Nichol Elizabeth	Present	Present	Present	
Patrick Joseph	Present	Present	Present	
Jan Robinson				Was appointed on the SEYPEC Board and PIC in December 2023

SEYPEC MANAGEMENT TEAM

ORGANISATION CHART

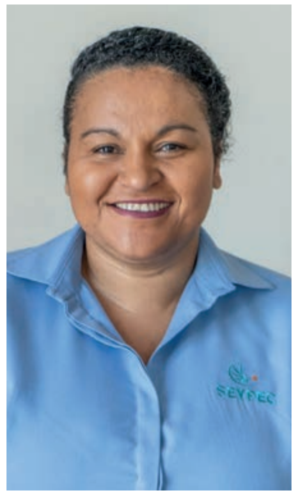


Sarah Romain – Chief Executive Officer

Sarah Romain has over 13 years of experience in the petroleum industry, a career she started as the Assistant Commercial Manager in 2010. Throughout her career with SEYPEC she has been promoted to the position of Commercial Manager, General Manager of Commercial and Acting Chief Executive Officer before her current appointment as the first female Chief executive officer of SEYPEC on February 1st, 2023. She holds a BSc in Nutrition and Dietetics from Surrey and an MSc in Public Health Nutrition from Southampton. Her educational background is complemented by a Professional Diploma in Marketing (CIM, UK,) and a business leadership course from the University of Cranfield UK, along with several petroleum related courses as well short courses in business finance.

Ray Hoareau – Director Operations and Technical

Ray Hoareau holds a Bachelor (honours) in Mechanical Engineering from the University of Leeds UK. He started his career with SEYPEC at a young age, his sole employer, and he has accumulated 33 years of employment with the company since then. Over the years he has occupied several managerial positions within the technical and operations departments. His position oversees the three SEYPEC Depots and all technical and operational aspects of the business unit.



Unice Romain – Director Corporate and Human Resources

Unice Romain joined SEYPEC as the Corporate Manager in 2016. Shortly after she was promoted to the position of Manager of Corporate and Human Resources, overseeing the Human Resources, Corporate, Procurement and Administrative functions. She is currently the Director of Corporate and Human resources, a role which she undertakes alongside her dedicated team members. From her two previous positions, she has expertise in working both in public and private sectors. She has a Bachelor of Business, specializing in Human Resources and International Business, from the University of Technology Sydney, Australia and a Masters in Strategic Leadership and Management (with distinction) from the Institute of Public Administration of Ireland.

Xerxes Pardiwalla – Director Commercial

Xerxes Pardiwalla earned his BSc in Business Management from King's College London in the UK. Shortly after graduating in 2012, he started his career at SEYPEC as the Assistant Commercial Manager and was promoted to Director of Commercial in 2023. He brings over a decade of experience to SEYPEC's commercial sector, inclusive of extensive stakeholder relationships, both local and international. His current role also oversees the Shipping Arm of SEYPEC, which is a key function of the Commercial Department.

Francis Racombo – Chief Finance Officer

Francis Racombo holds a Diploma in professional Accounting and is currently pursuing to complete the professional stage of the ACCA qualification. He started his accounting career with SEYPEC in 2003 and he has occupied a number of positions, from Accounts Assistant to Accounts Technician, progressing to become the Assistant Finance Manager. As the company grew in operations he took the role of Management Accountant overseeing key aspects of the finance function. With a vision to challenge himself to the limit, he took the role of Head of Finance and was later appointed as Chief Financial Officer. Francis carries a wide knowledge of the business, having worked at different levels within the organization and being part of the team implementing numerous policies in the company over the years.

Brenda Gobine – Director, Legal, Risks and Compliance

Brenda Gobine is the Director for Legal, Risk and Compliance at SEYPEC. She holds a BA in Economics and Finance from The University of Manchester, a Post Graduate Diploma in Public Administration, and a Master's Degree with Distinction in Public Policy from the Australian National University. Additionally, she holds an International Diploma in Governance, Risk and Compliance and is a professional member of the International Compliance Association based in UK. In her current capacity at SEYPEC, she leverages her extensive experience in policy, strategy, and compliance to adeptly manage the legal responsibilities of her role whilst ensuring that SEYPEC remains compliant with applicable legislations in achieving its strategic objectives.

Joyvani Chetty – Director Information Systems

Joyvani Chetty holds a Bachelor of Engineering in Electronic Engineering from Curtin University of Technology, Perth, Western Australia, a MSC Information Systems (Distinction), from Robert Gordon University, Aberdeen, Scotland and an MBA Cyber Security from Wrexham University, North Wales. He has occupied several positions in various local companies before joining SEYPEC in 2018. As the Director of Information Systems, he brings a wealth of knowledge in electronics, telecommunications, broadcasting and IT.

HUMAN RESOURCES

As an employer, our goal is to give our employees a rewarding experience, with a particular emphasis on maintaining their motivation and engagement. Our goal is to establish a space where everyone is welcome to be who they are and feel included. We want to be a desirable employer by concentrating on employee retention and attraction in order to meet the fundamental needs of both our business and staff. We achieve this by offering our workers modern, appealing working circumstances, making us the employer of choice.

A key element of SEYPEC's overall development plan is the Human Resources (HR) strategy. The foundation of our business and its future expansion consists of our accomplished, driven, and devoted staff members. Our vision addresses many of the major issues that contemporary society faces and is backed by audacious business strategies that demand a comprehensive approach to human resources management. This strategy includes a well defined recruitment and selection policy, commitment to the training and development of our personnel, encouragement of teamwork, execution of an efficient system for employee compensation and advancement, evaluation of employee satisfaction and engagement, and protection of each worker's health, safety and security at work.

In order for us to be prepared for the future as a team, as a sustainable employer, we guarantee the long-term health of our workforce. We take cultural and demographic shifts into account when doing this. The health and vigour of our staff members come first. We provide a range of activities aimed at promoting the well-being and vitality of our entire business to make sure that our workers maintain a healthy work-life balance and take time for personal growth.

An extensive range of internal human resources assistance is also made possible by SEYPEC's HR development system and ongoing staff education and training programmes. Our employees' array of qualifications, both theoretical as well as technical, makes it possible for them to quickly adjust to changes and seize internal job openings to take on new challenges in different departments within SEYPEC.

We made sure that internal communication kept our team members united in 2023. Through a variety of platforms, we shared the human stories of our employees, clarified the status of our current initiatives, and heightened public awareness of important training, safety, and wellness-related problems. One of the primary instruments for fostering communication within and outside of the workplace was the company's newsletter, SEYPEC INSIGHT.

As regards to the recruitment process at SEYPEC, all applicants receive the same treatment throughout the hiring process, regardless of their gender, age, or other conditions. Finding the ideal employees is getting more and harder, so we search through a variety of channels for prospects. We use in-depth interviews and a variety of psychological testing for recruiting and selection.

SEYPEC Staff

Total headcount was 218 staff as of December 2023

Airport Depot	**18 staff**
Praslin Depot	**17 staff**
New Port Depot	**183 staff**

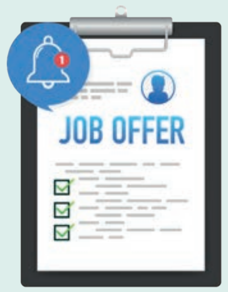
- **Gender breakdown:** 50 females and 168 males
- **Total Exits:** 15 (11 resignations, 1 frustration of contract, 2 dismissals and 1 retirement)
- 29 staff were recruited in 2023
- Staff Retention Ratio: 93%
- Recruitment Policy & Procedure
- The recruitment philosophy of SEYPEC is based on the following principles:-
- **Fairness -** Equal employment opportunities for all
- **Transparency -** A level playing field for all applicants
- **Inclusivity -** The Departmental Head and his Manager are involved in the selection process

Recruitment Checklist

SEYPEC has a checklist of processes that is required to be carried out by the Business Partners for each individual vacancy. This is a pillar to post scenario and all checklists must be ticked off as part of the policy.

1. Request from Line Managers
2. Advert (Internal/External)
3. Employment application form/application letter (Including CV, certs, references)
4. Scanning/Shortlisting of applications
5. Interview (Compilation of interview forms and reports)
6. Application for Police Clearance

7. Background check
8. Drug Testing for applicants shortlisted for psychometric testing
9. Psychometric Testing
10. Medical Examination for successful applicant(s)
11. Notify unsuccessful candidate(s)
12. Recommendation for Appointment for approval of CEO



13. Inform applicant on starting date/Letter of Offer
14. Letter of Appointment/Role Clarification/ Employment Pack
15. Orientation/Induction/Testing Feedback
16. Input on IFS
17. Add on Payroll with banking details
18. Fingerprint Registration for clock in/clock out

19. Arrangement for Safety gears
20. Photo for staff movement
21. Induction with the CEO
22. On-the-Job Training
23. Monthly work progress evaluation
24. Letter of Confirmation/Non-Confirmation sent

Application documents

All forms are filled out fully by the applicant and a passport size photograph is required

Interview Process

There is a minimum of three participants on the interview panel comprising of at least one HR staff member and one representative of the Department for which the vacancy was advertised. Interview forms are filled in and graded at the completion of each interview and additional notes are to be attached as supportive documents. Background checks and police checks are mandatory. Psychometric testing is recommended for technical positions and/or positions above Supervisory levels

Screening and selection

All applicants are subjected to a medical fitness test and a drug and alcohol test. Given the nature of our business, SEYPEC has a zero tolerance for drugs and alcohol. Any candidate who fail the drugs and alcohol test forfeits the opportunity to move up the recruitment process. It is mandatory to request disclosure of any existing medical conditions of applicants.

Performance Review

Monthly performance review is mandatory to determine the suitability of staff for any position. The probationary period at SYPEC is 6 months, however, consideration can be exceptionally given from the 3 months mark. A minimum of 1 month submission to HR is mandatory if extension of probation is required.

Induction and training programme

Induction and training programmes must be completed and signed by new the recruit and the supervisor. All employees must have a meeting with the Chief Executive Officer as part of his induction programme.

Advertisement of vacancies

All vacancies are advertised internally before they are advertised externally

2023	
Position advertised	Month of advertisement
Welder	January
Project Officer	January
Bunker Operative	January
Risk & Compliance Officer	February & April
Internal Auditor	February & April
Assistant Internal Auditor	February & April
Fire Safety Officer	February
Executive Personal Assistant	March
Security Officer	April
General Manager Commercial	April
Security Officer (Praslin)	April
Project Officer	April
Sales Counter Clerk (Part Time)	May
Director of Risk & Compliance	July
Maintenance Technician	July
Head of Finance	July
Head of Technical	July
Security Manager	July
Sales & Marketing Manager	August & October
Bulk Driver	September
Project Officer	September
Maintenance Technician (Praslin)	September
Distribution Centre Supervisor	October
Procurement Officer	October
LPG Operative	October
Security Team Leader	November
Bunker Driver	November

New positions created in 2023

- Project Officer
- Director Risk and Compliance
- Risk and Compliance Officer
- Internal Auditor
- Assistant Internal Auditor
- Fire Safety Officer
- Head of Finance
- Head of Technical
- Head of Projects
- Head of Technical
- Head of operations
- Security Manager
- Senior IT Infrastructure and Network Technician
- IT Application Development & Management Technician

Staff Events in 2023

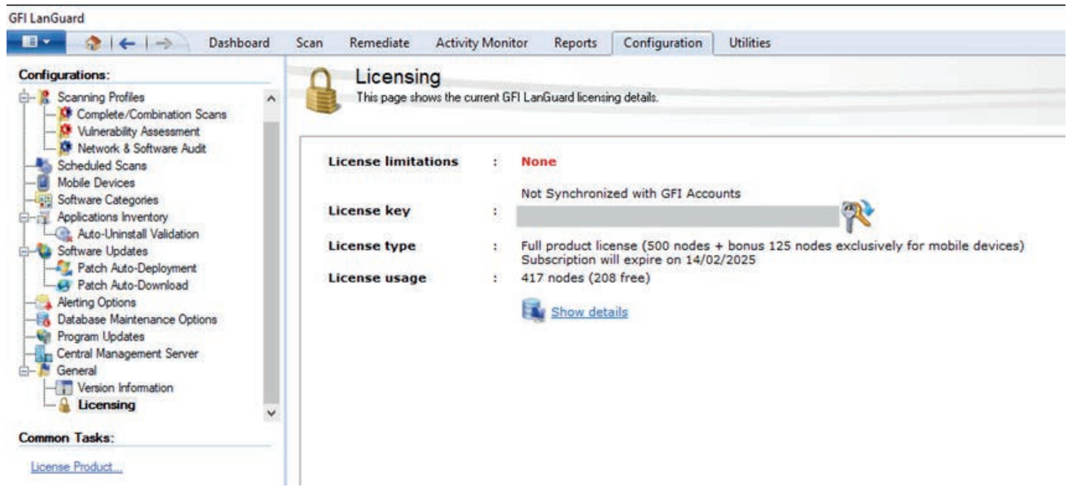
- Happy hours introduced twice a month (karaoke, snacks, games)
- Monthly birthday gathering (birthday voucher for each staff on their birthday, refreshments, music, karaoke)
- End of year gathering (350 staff plus guests, inclusive of crew members, and board members) were invited at SAVOY. CEO thanked staff for their hard work for 2023 and the festivities included refreshments, dinner, entertainment by local artists. Long service staff were honored and one retiree staff received special mention. A raffle was organized in house whereby lucky winners walked away with some interesting prizes.

Staff Activities in 2023		
Programme/ Event	**Provider**	**Goal**
March: Women's Day (8th March)	In-House	Recognition through a message of thanks and presentation of a token to each female staff by their respective managers.
April: SEYPEC Anniversary Hike	In-House	Promoting team building, networking and through a light hiking activity, ending with a lunch at Anse Major
April: Labour Day Praslin	In House Praslin Depot	Team building and healthy lifestyle promotion through activity on Praslin
28th April: World Day for Safety and Health at Work	In-house/Ministry of Employment	Talk on Seychelles Occupational Safety and Health Decree 151
May onwards: Medical Tests	Ministry of Health/ Future Care	Awareness on employee health through routine medical tests as per Occupational Health Decree to rule out any serious health issues and fitness for work.
June/July: Sports Day	National Sports Council/In-House	Team building and healthy lifestyle promotion through sporting activities.
July/August: Eye care talk	Pure Vison	Awareness about Eye Health
September: Hike Challenge	National Sports Council/In-House	Team building, family time and healthy lifestyle/environmental awareness promotion through exercise
October: Health and Safety Week	In-House	Activities to promote awareness of safety at work (tbc)
October: Drug Awareness Talk	Agency for the Prevention of Drug Abuse and Rehabilitation	Sensitizing staff on effects of drugs on health and, dealing with friends and family addicted to drugs and the current drug problem in the country
November: Tree Planting Activity	In-House Praslin Depot	Team building and environmental awareness through tree planting
November: Team-Building Activity Praslin	In-House Praslin Depot	Team building and environmental awareness
November: Men's Day	In-house	Recognition through a message of thanks and presentation of a token to each male staff by their respective managers.
October: Cancer Walk	Soroptimist Seychelles	Physical fitness- walk on Beau-Vallon beach in support of cancer awareness.
December: End of year gathering	In-house	Recognition of staff and their significant others through dinner and dance.
Bi-Monthly	Birthday Gatherings	Get-together for employees celebrating Birthdays in a specific month and any special staff recognition (e.g. training, long-service)

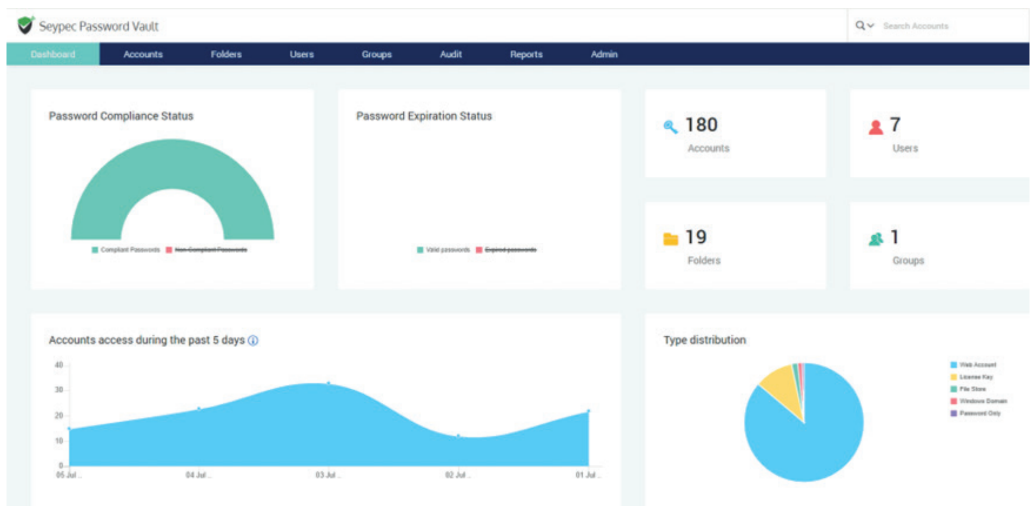
INFORMATION TECHNOLOGY REVIEW

In 2023, the IT Department of SEYPEC assessed its goals with a comprehensive diagnosis of critical issues and risks while fixing the priorities of IT strategy for the year. In this context, multiple upgrades were introduced together with new software as well as equipment.

The GFI Languard software implementation enhanced security by regularly scanning network for vulnerabilities and ensuring systems are always up to date with the latest patches. The new software now provides comprehensive reports that include information on vulnerabilities, compliance status, and asset inventory. These reports are invaluable for audits, compliance checks, and internal reviews, as they provide transparency and accountability.



Another improvement in IT security was the introduction of a password vault software, which significantly improved security posture at SEYPEC by ensuring that passwords are strong, unique, and stored securely, thus reducing the risk of security breaches caused by weak or reused passwords. On the same strict security policy, all servers Operating Systems were upgraded with better performance, increased compatibility and standardisation.



In 2023, operations process was made more efficient and quicker by the digitalisation of the User Access Management Form. This helped to improve the digital infrastructure, manage changes effectively, and adopt a paperless approach. It also reduces errors through validation checks, ensuring that the information entered is accurate and consistent. Lastly, it has a positive environmental impact by decreasing the use of paper, contributing to our ongoing efforts in environmental conservation and support sustainability by reducing the ecological footprint.

Simultaneously, the IT Department upgraded the memory and storage capacity on servers to meet increased workload demands, address performance bottlenecks, implement modern applications, support business growth, and enhance data management. With higher capacity and faster storage solutions, servers are now less likely to experience downtime due to resource constraints, ensuring continuous business operations.

A modular conferencing system with high-definition video and audio quality was implemented, making sessions more interactive and effective. The new installation features automatic camera control, multiple microphone capability that can extend across the training room ensuring everyone present can be heard clearly.

The Biometric Clocking System was also replaced during the year under review. It now offers higher accuracy and reliability with improved algorithms, which reduce false acceptances and rejections. It also provides better integration with our ERP system (IFS) and simplifies processes with less administrative burden with better insights into attendance.

ENHANCING QUALITY CONTROL

In the dynamic world of fuel products, precision and safety are paramount. The commitment to quality control at SEYPEC ensures that every drop of fuel meets the highest standards. The quality for all fuels is monitored daily and all protocols are respected to deliver the best product. In 2023, major investment and efforts have been deployed for the storage, delivery and service of Jet-A fuel.

The acquisition of a cutting-edge flashpoint tester marked a significant milestone. This sophisticated instrument enhances our quality control procedures during product receipt from ocean tankers. The flashpoint analysis, crucial across industries such as oil and gas, precisely gauges the volatility of fuels and lubricants. y ensuring safe storage and transportation, we prioritize passenger safety.

Further aligning with the new international EI 1530 standards, the Quality Department invested in state-of-the-art jet A-1 filtration systems. EI 1530 provides a comprehensive framework which incorporates industry-accepted mandatory provisions and best practice recommendations. By adhering to these standards, SEYPEC continues to guarantee the integrity of its facilities and operational procedures at the airport.

A new flush system for Jet A-1 was also introduced during the year. It outlines stringent quality assurance requirements, covering fuel quality, traceability, sampling, testing, additives, bulk storage, and transportation.

During the same year, a refresher training for all airport depot staff was conducted, focusing on internationalstandard requirements. In collaboration with OFC Aviation Terminal Athens, this training fostered a culture of excellence in order to uphold the safety and reliability of the aviation fuel operations.

HEALTH, SAFETY, SECURITY & ENVIRONMENT

The safety and wellbeing of our people and the communities we work in is one of our highest priorities. It is an essential part of the way we approach everything we do. We strive to embed up-to-date procedures in all organisational aspects, focusing on our operational practices, road transportation activities, training and development, and our assurance programmes.

At SEYPEC, our people recognise the importance of executing their work activities safely and are responsible for their own safety and that of their colleagues and members of their communities. Our leaders are continuously working on improving health and safety and ensuring that all our workers operate in line with the requirements of the Health, Safety, Security and Environment Management System.

In 2023, all our sites were compliance with the internal HSSE Management System which is verified through our internal programme. To improve the health and safety of all employees all workplaces had adequate protective equipment and were made aware of all preventive measures in place. The risk assessment remains a cornerstone of the safety and health of all employees and others present. It is equally important to ensure the health of our customers and other users of our facilities.

Among other salient actions pertaining to safety and environment, the Incident report form was reviewed to reflect changes in procedure. A new and successful oil spill contingency kit was introduced for Victoria North and South petrol stations as a pilot project and this new kit will be implemented on all petrol stations at latest 2025. A campaign was organized to raise awareness to the public on safety protocols to be adhered on petrol stations Mahe, Praslin And La Digue. As regards training, sessions were conducted for Airport Depot staff on safety management and hazard identification for all line managers.

In line with this policy of risk management and protection, SEYPEC have opted for international accreditations to help the organisation attain international levels. These are namely the Operational Health & safety Management System ISO 45001:2018 and the Environmental Management System ISO 14001 :2015

SEYPEC is committed to promoting a safe and healthy working environment. Its ISO 45001:2018 accreditation standards provide a framework to identify and control health and safety risks, reduce the potential for accidents, ensure legislative compliance, and enhance overall performance. This standard imposes requirements for an occupational health and safety management system and gives guidance for its use and to provide safe and healthy workplaces by preventing work-related injury and ill health.

SEYPEC has adopted the ISO 14001: 2018 standard to address the delicate balance between maintaining profitability and reducing environmental impact. Within this accreditation, we take a responsible stance towards the environment, with a strong emphasis on environmental management controls and risk assessment.

SOCIAL COMMITMENT

SEYPEC demonstrated its conscientious social responsibility in 2023 by engaging in environmental projects and providing aid to those in need. The business and staff cultures of SEYPEC are strongly embedded with this social outreach culture. Among its social actions: assisting the School for the Exceptional Child and the Liam's Rainbow Foundation , supporting the promotion of good health practices nationally, contributing to the disaster relief fund, donation of special equipment to the Seychelles Defence Forces and participating in the tree planting campaign on Praslin.

The partnership with the School for the Exceptional Child has changed throughout time in a number of ways, including beautifying the school's grounds, fundraising events, and donation of equipment. Corporate social responsibility is essentially the idea that the company is not the only one that helps the school. With great enthusiasm, the SEYPEC staff members contributed their time as a sign of their caring. It supports and empowers children with exceptional needs, which is in line with the company's sustainable development purpose.

On a national level, SEYPEC contributed SCR 2M to the 7th of December disaster relief fund and SCR 350,000 to the national heart study initiated by the Ministry of Health.

In keeping with its dedication to environmental sustainability, SEYPEC has collaborated with the non-governmental group Terrestrial Restoration and Action Society of Seychelles (TRASS) to run some community-based programmes. Our staff members took part in a tree-planting campaign in several Praslin locations that have been badly damaged by erosion. 'Near endangered' tree species are the main target of this programme because they are essential to the restoration of these ecosystems. Employees of SEYPEC have been encouraged to actively participate in these restoration efforts as part of the company's support. By these initiatives, SEYPEC hopes to modestly support Praslin's environmental restoration and show the company's commitment to protecting the Seychelles' natural beauty and ecological integrity.


SAF
SEYCHELLES AIR FORCE
DONATED BY SEYPEC
3Y
1863
FLAMMABLE LIQUID
3

PLANT & MACHINERY

During the year under review, important capital projects were implemented with a budget of SCR 38M. These projects included works for regular maintenance of facilities, extension of distribution tools, improvement of storage capacities and purchase of up-to-date equipment for transportation of fuel products and LPG.

Among other projects, a new lubricant shed was constructed at Port Victoria, dredging of the channel to the Bel Ombre Marine fuel stations commenced and repairs were undertaken on several fuel tanks. This included the concreting of many tanks in order to reduce the risk of environmental pollution through spillage of fuel product in the bund wall.

As regards the inspection expenses for security and long-term viability purposes, seven LPG bulk bullet tanks (two on Praslin depot and five on Victoria) were inspected two engineering consultants from South African company NEDA Inspection Pty Ltd who were assisted by SEYPEC personnel. The inspection was performed in accordance with the internal standards API510 in line with the ISO 9001, ISO 14001, and ISO 45001. After this exercise, the seven tanks were certified fit for service for the next 10 years.

In order to boost the national security of Seychelles, SEYPEC purchased and donated a brand new 6,000-liter Jet A-1 Turbo Bowser to the Seychelles Defence Forces (SDF) air wing, enhancing its refuelling capabilities and operational readiness. This facility will help the defence forces in their task to ensure maritime security in protecting against illegal activities, safeguarding sea trade routes, and ensuring the safety of seafarers.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of Seychelles Petroleum Company Limited ('SEYPEC') (referred to as "the Company") together with its subsidiaries (referred to as "the Group") for the financial year ended December 31, 2023.

PRINCIPAL ACTIVITIES

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

(a) Supply of petroleum products and lubricants in the Republic of Seychelles;
(b) Marine bunkering;
(c) Aviation refueling; and
(d) Transshipment and transportation of petroleum and chemical products by tankers.

Subsidiaries were principally engaged in renting out their tankers to their holding company, Seychelles Petroleum Company Limited ('SEYPEC').

CURRENT YEAR EVENTS

Assessment of remaining useful life of immovables

The Company engaged Ramboll Deutschland GMB on September 15, 2023 to conduct useful life assessments of Seypec's buildings, tanks, pumps and petrol stations (immovables) in line with the International Accounting Standards (IAS 16 Property, Plant and Equipment). The same firm had previously performed the valuation of the immovable assets on May 17, 2023.

The evaluation considered several factors including the expected usage of the asset, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset and legal or similar limits on the use of the asset. The determination of the useful lives of different types of assets was based on the in-house data, the valuer had gathered from the previous revaluation exercise and after considering the industry experience.

The assessment report was received from the Valuer on November 10, 2023. The Company adjusted the useful lives of immoveable assets in line with the recommendations of the Valuer prospectively.

The Company carried out an assessment of the remaining useful lives of other classes of assets and adjusted them prospectively, wherever it was appropriate.

RESULTS	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Profit for the year	**30,303,638**	22,396,643	**28,758,560**	20,639,642

DIVIDENDS

Interim dividend of USD 17.15 million was paid for the financial year under review (2022 : USD 17.18 million). The Directors do not propose any final dividend for the financial year under review (2022 : USD nil).

PROPERTY, PLANT AND EQUIPMENT

Additions of USD 2,861,382 to the property, plant and equipment of the Company during the financial year under review comprised equipment, motor vehicles, furniture and fixtures (2022: USD 2,596,478). Disposals of the Company comprised furniture, equipment and vehicles carried at net book value of USD 82,937 (2022: USD 112). There were no movements in the equipment of subsidiaries during the financial year under review (2022 : USD. nil)

Property, plant and equipment of the Company and the Group together with 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 of the Company and the Group at the reporting date approximate their fair value and no impairment is required.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company from the date of the last report to the date of this report are:

Jennifer Morel (Chairperson)	
Brian Commettant	
Patrick Joseph	
Tony P. Imaduwa	
Marie-May Jeremie	
Marc D. Hoareau	
Ricky Barbe	Appointed effective December 1, 2023
Jan Robinson	Appointed effective December 1, 2023
Muhammed D. Saley	Resigned effective October 31, 2023
Yannick Vel	Resigned effective August 31, 2023
Nichol Elizabeth	Retired effective December 1, 2023

Sarah Romain (Chief Executive Officer) (Appointed effective February 1, 2023)

The Directors of subsidiaries from the date of the last report to the date of this report are as follows:

F Racombo
U Romain
R Hoareau
S Romain

The following were the subsidiaries from the date of the last report to the date of this report:

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Board of Directors are 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 and the Public Enterprise Act, 2023. 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 Board of Directors have the general responsibility of safeguarding the assets, owned by the Group and those that are held in trust and used by the Group.

The Board of Directors confirm that the financial statements presented for audit are free from material misstatements and that they have met their aforesaid responsibilities.

The Directors hereby confirm that they have not entered into any contracts or arrangements (other than service contracts with the Company and the Group) and did not make any profit from the operations of the Company and the Group for the financial year under review (2022 : USD. nil). The Directors further confirm that there is no transfer pricing involved in related party transactions.

AUDITORS

The retiring auditor Messrs. Baker Tilly, Chartered Accountants, Seychelles being eligible offer themselves for reappointment.

BOARD APPROVAL

Jennifer Morel Director	**Brian Commettant** Director	**Patrick Joseph** Director
Tony P. Imaduwa Director	**Marie-May Jeremie** Director	**Marc D. Hoareau** Director
Ricky Barbe Director	**Jan Robinson** Director	**Sarah Romain** Ex-officio

Dated: May 24, 2024
Mahé, Seychelles

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

This report is made solely to the members of Seychelles Petroleum Company Limited (the "Company") and its subsidiaries (the "Group"), in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group or the members of the Group for our audit work, for this report, or for the opinions we have formed.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Seychelles Petroleum Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 6 to 54 which comprise the statements of financial position at December 31, 2023, the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at December 31, 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and comply with the Seychelles Companies Act, 1972 and Public Enterprises Act, 2023.

Basis for Opinion

We conducted our audit in accordance with the 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 other ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified and how they were addressed in the audit are stated below.

IFRS 16 Leases

The Company applied IFRS 16 leases with effect from January 1, 2019, which resulted in change in the accounting policy. The Company elected not to restate comparatives as per the transitional provision available in IFRS 16.

The change in accounting policy results in right-of-use assets and lease liabilities being recognised in the Statement of Financial Position. The incremental borrowing rate ('IBR') method has been applied. The adoption of IFRS in 2019 resulted in changes to processes, systems and controls.

This area has been considered a key audit matter due to the number of judgements which have been applied and the estimates made in determining the impact of IFRS 16.

How the matter was addressed in the audit

We obtained an understanding of the changes in the Company's adoption and the level of internal controls implemented including the accounting, processes and systems under the new accounting standard.

We assessed the design and implementation of key controls pertaining to the application of IFRS 16. We also assessed the appropriateness of the discount rate applied in determining lease liabilities.

We verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment and obtained written representations in regard to the decisions.

We determined if the disclosure made in the financial statements pertaining to leases, including disclosure relating to the transition to IFRS 16, were in compliance with IFRS.

We also obtained an understanding of the changes in the Company's adoption and the level of internal controls implemented including the accounting, processes and systems under the new accounting standard.

Impairment allowance for financial assets based on IFRS 9

The materiality of the reported amounts in the financial statements, subjectivity associated with the Management's impairment estimation underpinned our basis for considering it as a key audit matter.

How the matter was addressed in the audit

We assessed the reasonableness of the impairment allowance, the audit procedures were designed to obtain sufficient and appropriate audit evidence, including the following:

- We performed procedures in order to assist our understanding of the methodology applied by the Management in their IFRS 9 model.
- We evaluated the impairment methodology applied against the requirements of IFRS 9: Financial Instruments.
- We evaluated completeness of data in the impairment model by reconciling the data used in the impairment model to the debtor's source.
- We agreed the source data used in the modelling to supporting documentation on a sample basis to assess accuracy and validity.
- We tested the assumptions and calculations used in the Expected Credit Loss ('ECL'), this included, but not limited to performing the following:
  - An assessment of the modelling code against the developed methodology to confirm the methodology is appropriately applied in calculating the ECL allowance.
  - An assessment of the reasonableness of the overlays that management calculated to determine the potential impact of legislation on the allowance.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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; and
- 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.

Other Information

Directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the preparation of Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Seychelles Companies Act, 1972 and Public Enterprises Act, 2023, and for such internal control as Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Other matter

The consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 was audited by another auditor who expressed an unmodified opinion on May 31, 2023.

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 and comply with the provisions of the Seychelles Companies Act, 1972.

Public Enterprises Act, 2023

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.

In our opinion, the information given by the Directors in the financial statements in relation to the financial year under reference is consistent with the accounts kept by the Group and the Company.

BAKER TILLY
Chartered Accountants

BAKER TILLY
P.O. Box 285
Seychelles
CHARTERED ACCOUNTANTS

Dated: May 24, 2024
Mahé, Seychelles

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		USD	USD	**USD**	USD
ASSETS					
Non-current assets:					
Property, plant and equipment	5	**167,412,539**	176,186,517	**130,359,016**	136,089,839
Right-of-use assets	6 (a)	**2,174,379**	2,217,060	**2,174,379**	2,217,060
Intangible assets	7	**1,271,927**	1,526,402	**1,271,927**	1,526,402
Investment in subsidiaries	8	**-**	-	**56,418,397**	60,491,623
Investment in financial assets	9 (a)	**-**	-	**-**	-
		170,858,845	179,929,979	**190,223,719**	200,324,924
Current assets:					
Inventories	10	**15,272,752**	34,412,868	**15,272,752**	34,412,868
Tax recoverable	19	**378,322**	55,434	**378,322**	55,434
Trade and other receivables	11	**34,278,057**	34,289,840	**34,276,188**	34,289,840
Cash and cash equivalents	12	**89,354,257**	81,900,518	**89,354,257**	81,900,518
		139,283,388	150,658,660	**139,281,519**	150,658,660
Non-current asset held for sale	13	**-**	-	**-**	-
		139,283,388	150,658,660	**139,281,519**	150,658,660
Total assets		**310,142,233**	330,588,639	**329,505,238**	350,983,584
EQUITY AND LIABILITIES					
Capital and reserves:					
Share capital	14	**3,299,219**	3,299,219	**3,299,219**	3,299,219
Other reserves	15	**223,396,479**	223,312,160	**223,789,687**	223,789,687
Retained earnings		**31,856,450**	19,296,722	**50,836,429**	39,227,869
Total equity		**258,552,148**	245,908,101	**277,925,335**	266,316,775
Non-current liabilities:					
Lease liabilities	6 (b)	**2,370,081**	2,370,786	**2,370,081**	2,370,786
Deferred tax liabilities	16	**3,471,428**	5,182,488	**3,471,428**	5,182,488
Employee benefit obligations	17	**2,399,743**	2,140,058	**2,399,743**	2,140,058
		8,241,252	9,693,332	**8,241,252**	9,693,332
Current liabilities:					
Lease liabilities	6 (b)	**620**	3,199	**620**	3,199
Trade and other payables	18	**43,348,213**	74,984,007	**43,338,031**	74,970,278
		43,348,833	74,987,206	**43,338,651**	74,973,477
Total liabilities		**51,590,085**	84,680,538	**51,579,903**	84,666,809
Total equity and liabilities		**310,142,233**	330,588,639	**329,505,238**	350,983,584

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

These financial statements were approved for issue by the Board of Directors on May 24, 2024

Jennifer Morel
Director

Brian Commettant
Director

Patrick Joseph
Director

Tony P. Imaduwa
Director

Marie-May Jeremie
Director

Marc D. Hoareau
Director

Ricky Barbe
Director

Jan Robinson
Director

Sarah Romain
Ex-officio

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		USD	USD	**USD**	USD
Revenue	20	**469,010,245**	485,282,121	**469,010,245**	485,282,121
Cost of sales	21	**(430,757,301)**	(461,864,988)	**(432,279,155)**	(463,517,874)
Gross profit		**38,252,944**	23,417,133	**36,731,090**	21,764,247
Selling & marketing expenses	21	**(34,296)**	(30,556)	**(34,296)**	(30,556)
Administrative expenses	21	**(13,434,749)**	(13,008,743)	**(13,407,316)**	(12,967,672)
Other income	22	**6,966,863**	11,753,056	**6,916,206**	11,607,870
(Charge)/Reversal of credit impairment	11 (d)	**(176,490)**	318,439	**(176,490)**	318,439
Foreign exchange gains - Net	23	**3,390,263**	2,732,689	**3,390,263**	2,732,689
		34,964,535	25,182,018	**33,419,457**	23,425,017
Finance costs	24	**(207,553)**	(221,841)	**(207,553)**	(221,841)
Finance income	24	**9,486**	9,430	**9,486**	9,430
Profit before tax		**34,766,468**	24,969,607	**33,221,390**	23,212,606
Tax charge	19 (b)	**(4,462,830)**	(2,572,964)	**(4,462,830)**	(2,572,964)
Profit for the year	25	**30,303,638**	22,396,643	**28,758,560**	20,639,642

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		USD	USD	**USD**	USD
Profit for the year		**30,303,638**	22,396,643	**28,758,560**	20,639,642
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences					
- Other reserves	15	**84,319**	(23,378,516)	**-**	(21,935,718)
- Retained earnings		**-**	-	**-**	-
Items that will not be reclassified to profit or loss:					
Equity instruments at fair value through other comprehensive income reserve	9 & 15	**-**	(4,172)	**-**	(4,172)
Other reserves - Loss on revaluation of immovables	15	**-**	(7,834,309)	**-**	(7,834,309)
Other comprehensive income/(expense) for the year, net of tax		**84,319**	(31,216,997)	**-**	(29,774,199)
Total comprehensive income/(expense) for the year		**30,387,957**	(8,820,354)	**28,758,560**	(9,134,557)
Profit attributable to:					
Owners of the parent		**30,303,638**	22,396,643	**28,758,560**	20,639,642
Non-controlling interest		**-**	-	**-**	-
		30,303,638	22,396,643	**28,758,560**	20,639,642
Total comprehensive income/(expense) for the year					
Owners of the parent		**30,387,957**	(8,820,354)	**28,758,560**	(9,134,557)
Non-controlling interest		**-**	-	**-**	-
		30,387,957	(8,820,354)	**28,758,560**	(9,134,557)

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

THE GROUP

	Notes	Share capital	Other reserves	Retained earnings	Total
		Attributable to owners of the parent			
		USD	USD	USD	USD
At January 1, 2023		**3,299,219**	**223,312,160**	**19,296,722**	**245,908,101**
Profit for the year		**-**		**30,303,638**	**30,303,638**
Exchange differences	15		**84,319**	**(593,911)**	**(509,592)**
Dividends	29	**-**	**-**	**(17,150,000)**	**(17,150,000)**
At December 31, 2023		**3,299,219**	**223,396,479**	**31,856,449**	**258,552,147**
At January 1, 2022		8,595,053	254,529,157	99,760,357	362,884,567
Profit for the year		-	-	22,396,643	22,396,643
Effect of change in functional currency	14 & 15	(5,295,834)	(31,216,997)	(85,685,278)	(122,198,109)
Dividends	29	-	-	(17,175,000)	(17,175,000)
At December 31, 2022		3,299,219	223,312,160	19,296,722	245,908,101

THE COMPANY

	Notes	Share capital	Other reserves	Retained earnings	Total
		USD	USD	USD	USD
At January 1, 2023		**3,299,219**	**223,789,687**	**39,227,869**	**266,316,775**
Profit for the year		**-**	**-**	**28,758,560**	**28,758,560**
Total comprehensive income for the year	14 & 15	**-**	**-**	**-**	**-**
Dividends	29	**-**	**-**	**(17,150,000)**	**(17,150,000)**
At December 31, 2023		**3,299,219**	**223,789,687**	**50,836,429**	**277,925,335**
At January 1, 2022		8,595,053	253,563,886	124,325,220	386,484,159
Profit for the year		-	-	20,639,642	20,639,642
Total comprehensive income for the year		(5,295,834)	(29,774,199)	(88,561,993)	(123,632,026)
Dividends	29	-	-	(17,175,000)	(17,175,000)
At December 31, 2022		3,299,219	223,789,687	39,227,869	266,316,775

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
		USD	USD	USD	USD
OPERATING ACTIVITIES					
Profit before tax		**34,766,468**	24,969,607	**33,221,390**	23,212,606
Adjustments for:					
Depreciation of property, plant and equipment	5	**12,450,754**	23,675,890	**7,910,647**	19,273,276
Depreciation of right-of-use assets	6 (a)	**42,681**	42,218	**42,681**	42,218
Amortisation on intangible assets	7	**254,475**	-	**254,475**	-
Increase in employee benefit obligations provision	17 (a)	**788,875**	992,905	**788,875**	992,905
Finance income	24	**(9,486)**	(9,430)	**(9,486)**	(9,430)
Finance costs	24	**207,553**	221,841	**207,553**	221,841
Loss/(profit) on disposal of asset		**82,937**	(3,460,481)	**82,937**	(3,460,481)
Reclassification to expenditure	5	**598,621**	-	**598,621**	-
Provision for/(Reversal of) credit impairment	11 (d)	**176,490**	(318,439)	**176,490**	(318,439)
Operating profit before working capital changes		**49,359,368**	46,114,111	**43,274,183**	39,954,496
Changes in working capital:					
Inventories	10	**19,140,116**	(15,041,830)	**19,140,116**	(15,041,830)
Trade and other receivables	11	**(165,369)**	593,271	**(163,500)**	593,271
Trade and other payables	18	**(31,635,793)**	29,823,906	**(31,632,247)**	29,823,643
Net cash generated from operations		**36,698,322**	61,489,458	**30,618,552**	55,329,580
Employee benefit obligations paid	17 (a)	**(529,190)**	(543,508)	**(529,190)**	(543,508)
Tax refund received	19 (a)	**467,700**	-	**467,700**	-
Tax paid	19 (a)	**(6,964,478)**	(4,471,926)	**(6,964,478)**	(4,471,926)
Net cash inflow from operating activities		**29,672,354**	56,474,024	**23,592,584**	50,314,146
INVESTING ACTIVITIES					
Additions to property, plant and equipment	5	**(2,861,382)**	(2,596,478)	**(2,861,382)**	(2,596,478)
Proceeds from disposal of equipment		**-**	5,894,353	**-**	5,894,353
Repayment of lease liability	6 (b)	**(3,284)**	(1,009)	**(3,284)**	(1,009)
Finance costs net	24	**(198,067)**	(212,411)	**(198,067)**	(212,411)
Net cash (outflow)/inflow from investing activities		**(3,062,733)**	3,084,455	**(3,062,733)**	3,084,455
FINANCING ACTIVITIES					
Dividends paid		**(17,150,000)**	(17,175,000)	(17,150,000)	(17,175,000)
Net cash inflow from financing activities		**(17,150,000)**	(17,175,000)	**(17,150,000)**	(17,175,000)
Net change in cash and cash equivalents		**9,459,621**	42,383,479	**3,379,851**	36,223,601
Movements in cash and cash equivalents:					
At January 1,		**81,900,518**	35,384,870	**81,900,518**	35,384,870
Increase		**9,459,621**	42,383,479	**3,379,851**	36,223,601
Foreign exchange differences		**(2,005,882)**	4,132,169	**4,073,888**	10,292,047
At December 31,	12	**89,354,257**	81,900,518	**89,354,257**	81,900,518

The notes on pages 110 to 153 form an integral part of these financial statements.
Independent Auditor's Report on pages 99 to 103.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Seychelles Petroleum Company Limited is a limited liability company, incorporated and domiciled in the Republic of Seychelles. The registered office of the Company is located at the New Port, Victoria, Mahé, Seychelles.

The Company is principally engaged in the supply of petroleum products, marine bunkering, aviation refueling and transshipment 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. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

A summary of the significant accounting policies, which have been applied consistently in all previous periods (subject to para 2.1 (c)), are set out below:

2.1 **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Standards Interpretations Committee (the “Committee”), and comply with the Seychelles Companies Act, 1972 and Public Enterprises Act, 2023.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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.

(a) **Reporting and functional currency**

The reporting and functional currency of the Company was changed to United States Dollar (“USD”) effective the year 2022 since the Company operates, generates and expends cash mainly in USD.

(b) **Accounting estimates**

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 (Critical accounting estimates and judgements). Estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which it affects and also future periods if it affects both current and future periods.

(c) **Changes in accounting policies**

The accounting policies adopted are consistent with those used in the previous financial year, except for the following new standards and amendments to IFRS that are mandatorily effective for accounting periods beginning on or after January 1, 2023:

(i) **New standards, improvements, interpretations and amendments issued**

- IFRS 17 : Insurance Contracts (January 1, 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 : Disclosure of Accounting Policies (January 1, 2023).
- IAS 8 : Definition of Accounting Estimates (January 1, 2023).
- Amendments to IAS 12 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction (January 1, 2023).
  International Tax Reform - Pillar Two Models

- ***IFRS 17 - Insurance Contracts***

IFRS 17 supersedes IFRS 4 Insurance Contracts to create an internationally consistent approach for the principles of recognition, measurement, presentation, and disclosure of insurance contracts. IFRS 17 applies to all types of insurance contracts irrespective of the type of issuing entity as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions apply. IFRS outlines a general model, supplemented by:

- Modifications for insurance contracts with direct participation features (the variable fee approach).
- A simplified approach (premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group’s financial statements.

- ***Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies***

The amendments to IAS 1 aim to assist entities in providing more useful accounting policy disclosure by replacing the disclosure requirements from 'significant accounting policies' to 'material accounting policy information’. The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples on the application of the concept of materiality in determining the accounting policy disclosures.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

- ***IAS 8 - Definition of Accounting Estimates***

The amendments to IAS 8 introduce a new definition of accounting estimates replacing the previous definition of a change in accounting estimate. The amendments clarify that the effects on an accounting estimate of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

The amendments had no impact on the Group’s financial statements.

- ***Amendments to IAS 12 -***
  Deferred Tax related to Assets and Liabilities arising from a Single Transaction

  The amendments to IAS 12 narrow the scope of the initial recognition exception to exclude transactions that give rise to equal taxable and deductible temporary differences.

  The amendments had no impact on the Group's financial statements.

  International Tax Reform - Pillar Two Model Rules

  Amendments to IAS 12 have been issued in response to the OECD's BEPS Pillar Two rules. The amendments introduce a temporary exception to the requirements of recognition and disclosure of deferred tax assets and liabilities related to Pillar Two model rules. The group is required to disclose application of the exception and the entity's exposure to Pillar Two income taxes arising from that legislation.

  The amendments had no impact on the Group's financial statements as the Group is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Group.

(ii) **New standards, improvements, interpretations and amendments issued but not yet effective**

The following new accounting standards, improvements, interpretations and amendments have been issued, but are not mandatory until the dates shown, and hence have not been early adopted by the Group in preparing the financial statements for the year ended December 31, 2023.

Standards and amendments mandatorily effective from January 1, 2024:

- Amendments to IAS 7 and IFRS 7 : Supplier Finance Arrangements
- Amendment to IFRS 16 : Lease liability in a Sale and Leaseback
- Amendments to IAS 1 : Classification of Liabilities as Current or Non-Current
  Non-current liabilities with Covenants

Standards and amendments mandatorily effective from January 1, 2025:

- Amendment to IAS 21 : Lack of Exchangeability

The Group is currently assessing the impact of these new accounting standards and amendments and anticipates that the same will be adopted by the Group to the extent applicable from their effective dates. The adoption of these standards, improvements, interpretations, amendments and any other standards issued by the IASB, but not yet to be effective, is not expected to have a material impact on the financial statements of the Group in the year of their initial application.

2.2 **Property, plant and equipment and depreciation**

Buildings, tanks, pumps and petrol stations are carried at revalued amounts based on periodic valuations by external independent valuers, less subsequent depreciation. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

All other property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value recognised at the date of acquisition. Cost includes initial outflow to acquire or construct an item of equipment and those incurred subsequently to add to, replace part of, or service it, or for major maintenance, if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be reliably measured. If a replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised. All other maintenance costs incurred for servicing and upkeep are included in the Statement of Profit or Loss in the period in which they occur.

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 for qualifying assets and borrowing costs capitalised only if the project is viable and the Group would pursue it further. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation of property, plant and equipment of the Company is provided for on a straight line basis to write off the cost or revalued amount of each asset to the residual values over the expected useful lives as follows:

Leasehold land and buildings	5 to 20 years
Double hull tankers	25 years
Furniture and fittings	3 to 10 years
Plant and equipment	3 to 50 years
Tanks, pumps and petrol stations	2.5 to 10 years
Vehicles and refuellers	4 to 7 years

Estimated useful lives of the double hull tankers owned by subsidiaries were initially assessed at 15 years and subsequently reassessed at 25 years, extending their useful lives to years between 2030 and 2033. Upon reassessment, depreciation was also re-adjusted to charge the carrying value evenly over their remaining useful lives.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses arising on their derecognition is charged to the Statement of Profit or Loss.

Residual values, useful lives and method of depreciation are reviewed periodically and adjusted prospectively, if appropriate. Their carrying values are also reviewed for impairment, if changes in circumstances require their readjustment. If any such indication exist and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount or amortised over a period determined by the management.

2.3 **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.

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

2.4 **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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the Statement of Profit or Loss. Any investment retained is recognised at fair value.

(a) **Business combinations**

Business combinations are accounted for using the acquisition method by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) **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.

(c) **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.

2.5 **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, which is generally on trade date. Financial assets and financial liabilities of the Group are initially measured at fair value and subsequently at amortised cost.

(a) **Financial assets**

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

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

(i) **Amortised cost**

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

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

Impairment of financial assets

The Group assesses, on a forward looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach to measurer ECL which uses lifetime expected losses to be recognised from initial recognition of its trade receivables. The ECL for other financial assets is applied using the general model.

No impairment was recognised for cash and cash equivalents since the Directors are of the opinion that the amount is negligible.

(ii) **Fair value through Other Comprehensive Income**

The Group and Company had investments in listed entities which were not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group and Company had made an irrevocable election to classify the investments at Fair Value through Other Comprehensive (FVOCI) rather than through the Statement of Profit and Loss as the Group and Company considered this measurement to be the most representative of the business model for these assets. They had 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 were 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 doubtful of recovery, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards 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 it is extinguished, discharged, 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 of financial assets and liabilities**

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.

2.6 **Current and deferred tax**

Current income tax

Income tax expense comprises current tax. Current tax is recognised in the Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. Provisions are measured at the best estimate of amount expected to become payable. Assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is provided in full and is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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 taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.7 **Inventories**

Inventories comprise petroleum products, lubricants, spares and consumables. Inventories are stated at the lower of cost and net realisable value. In general cost is determined on FIFO basis. Net realisable value is based on estimated selling price in ordinary course of business less any further variable costs expected to be incurred.

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.

2.8 **Employee benefits obligations**

Provision is made for employee benefits obligations arising on account of gratuity based on the regulations applicable to parastatal oganisations; leave salary and end of service benefits due to employees in accordance with current applicable Labour Laws for their periods of service up to the reporting date. Provision for employee benefits obligations are calculated annually based on their current basic remuneration at the reporting date.

The Company proposes to meet these liabilities as and when they fall due, out of its working capital.

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.

With respect to fixed term employees, the Company's policy is to use average grades of past years to compute the estimated end of contract bonus.

Defined contribution plans

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

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

Length of service

The amendments to the Seychelles Employment Act in the year 1999 entitled 5/6 of one day's wage for each completed month of service provided the employee has completed five years continuous service. The Group accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

2.9 Foreign currencies

Functional and presentation currency

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

The financial statements of subsidiaries are measured in Euro and presented in the Group financial statements in the United States Dollar.

Transactions and balances

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

All foreign exchange gains and losses are presented in the Statement of Profit or Loss within 'other (losses)/gains - net'.

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

Translation differences on non-monetary items, such as equities held at fair value through the Statement of 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 reporting period date.

(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 the US Dollar were as follows:

Currencies	Exchange rates		Changes in % ge	
	2023	2022	**2023**	2022
Seychelles Rupee	**0.0686**	0.0687	**0.19%**	-4.14%
Euro	**1.1066**	1.0643	**-3.97%**	5.95%

2.10 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).

2.11 Revenue recognition

Revenue from contract with customers is recognised as and when performance obligations are satisfied by transferring control of goods or services 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 income is recognized on the accrual basis.

2.12 **Leases**

Leases and right-of-use assets

Leases liabilities:

The Group assesses whether a contract is or contains a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for the short-term leases and leases with low-value assets that are recognised as an expense on a straight-line basis over the lease terms.

Lease liabilities are initially measured at the present value of the lease payments to be made over the remaining lease term and that are not paid at the commencement date, discounted by using the incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

The lease liability is presented as a separate line in the Statements of Financial Position. After the initial measurement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value-assets:

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets:

The Group recognises lease liabilities to make lease payments and right-of-use assets at the commencement date of the date representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leased land parcels	50 to 99 years

If a lease transfers ownership of the underlying asset or the cost of the right-of--use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the Statements of Financial Position.

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

2.13 **Intangible assets - Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of intangible asset from the date that they are available for use. The estimated useful life is 10 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized net within "other income" in the Statement of Profit or Loss.

2.14 **Provisions**

Provisions are recognised when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.15 **Current versus non-current classification**

The Group presents assets and liabilities in the Statement of Financial Position based on current and non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or available to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

2.16 **Related parties**

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IFRS. Related parties comprise companies and entities under joint or common management or control, their partners and key management personnel, subsidiaries, joint ventures, parent, associates and other related parties.

2.17 **Trade receivables**

Trade receivables are stated at original invoice amount less provision as per the expected credit loss model. Bad debts are written off when there is no possibility of recovery.

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due (refer to note 11 for a detailed analysis of how the impairment requirements of IFRS 9 are applied).

2.18 **Other current assets**

Other current assets include prepaid expenses, other deposits and advances which are carried at amounts recoverable through collection of monies or receipt of goods or services. Prepaid expenses pertain mainly to charter and bunkering fee. Other deposits pertain to security deposits and advances pertain to staff loans.

2.19 **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, at banks and demand deposits. 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, against which the bank overdrafts, if any, are deducted. Overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

2.20 **Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

Monies received in advance for goods or services to be provided subsequent to the year end are recognised as advances from customers in current liabilities.

The carrying amounts of trade and other payables approximate their amortised cost.

2.21 **Accruals**

Accruals are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

2.22 **Equity**

Ordinary shares are classified as equity.

2.23 **Contingent liabilities**

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group; or when the Group has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.24 **Expenses**

Cost of sales include all costs directly attributable to the generation of revenue and includes cost of materials. All other expenses are classified as either employee costs, administrative expenses, or finance costs, as appropriate.

3. FINANCIAL RISK MANAGEMENT

3.1 **Financial risk management objectives and policies**

The activities of the Group expose it to different financial risks, market risks (including currency and fair value interest risk), credit and liquidity risk. The Directors have the overall responsibility for the establishment, overseeing and monitoring of the Group’s risk management framework and are assisted by the senior management. Senior management is responsible for designing, developing and monitoring the Group’s risk management policies, which are approved by the Directors.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, focusing on the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities and its role in the Republic of Seychelles. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The following are the Group's exposures to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these financial statements.

(a) **Foreign currency risk**

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The currencies in which these transactions are primarily denominated are Seychelles Rupee ("SR") and Euro ("EUR"). The Group aims to aggregate a net position for each currency. If the US Dollar had weakened/strengthened against the above currencies by 5% with all other variables remaining constant, the impact (increase/(decrease)) on the results for the year would have been as depicted in the table hereunder mainly as a result of foreign exchange gains/(losses).

THE GROUP

	Seychelles Rupee		Euro	
	2023	2022	**2023**	2022
	USD'000 +/-	USD'000 +/-	**USD'000 +/-**	USD'000 +/-
Impact on results:				
- Bank balances	**2,150**	1,538	**212**	568
- Trade receivables	**672**	583	**-**	-
- Trade payables	**23**	27	**169**	166

THE COMPANY

	Seychelles Rupee		Euro	
	2023	2022	**2023**	2022
	USD'000 +/-	USD'000 +/-	**USD'000 +/-**	USD'000 +/-
Impact on results:				
- Bank balances	**2,150**	1,538	**212**	568
- Trade receivables	**672**	583	**-**	-
- Trade payables	**23**	27	**169**	165

(b) **Interest rate risk**

At December 31, 2023, the Company and Group had no borrowings hence no exposure to interest rates on floating rate. There were no borrowings as at December 31, 2022.

(c) **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.

(d) **Credit risk**

The Group's and Company's credit risk arises mainly from cash and cash equivalents, financial assets at fair value through profit and loss, financial assets at amortised cost including credit exposures to customers and outstanding receivables.

Credit risk is managed at both Group and Company level. For banks and financial institutions, only independently rated parties are accepted.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company have no concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Group and Company trade only with recognised, creditworthy third parties. The Group and Company have policies in place to ensure that sales of services are made to customers with an appropriate credit history. Advance payments are requested where necessary.

With respect to credit risk arising from the other financial assets of the Group and Company, which comprise cash and cash equivalents, financial assets at fair value through profit and loss and financial assets at amortised cost, the Group's and Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as presented in the Statements of Financial Position or notes to the financial statements.

The following table shows the maximum exposure to credit risk for the components of the Statements of Financial Position.

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Trade and other receivables (note 11)	**29,602,270**	29,814,764
Cash and cash equivalents (note 12)	**89,354,257**	81,900,518
	118,956,527	111,715,282

(e) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities. The Group, through its regular budgets and forecasts, manages liquidity to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

THE GROUP

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Total
	USD'000	USD'000	USD'000	USD'000
At December 31, 2023				
Gross lease liabilities	**1**	**2**	**2,368**	**2,371**
Trade and other payables	**43,348**	**-**	**-**	**43,348**
At December 31, 2022				
Gross lease liabilities	3	6	2,364	2,374
Trade and other payables	74,984	-	-	74,984

THE COMPANY

	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Total
	USD'000	USD'000	USD'000	USD'000
At December 31, 2023				
Gross lease liabilities	**1**	**2**	**2,368**	**2,371**
Trade and other payables	**43,338**	**-**	**-**	**43,338**
At December 31, 2022				
Gross lease liabilities	3	6	2,364	2,374
Trade and other payables	74,970	-	-	74,970

Capital disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. Share capital, Non-controlling interest, Retained earnings, and Revaluation and Other reserves).

The Group's objectives when managing capital are:

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

(f) **Fair value estimation**

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments, which have the most significant effect on the amounts recognised in the financial statements:

4.1 *Buildings, tanks, pumps and petrol stations*

Buildings, tanks, pumps and petrol stations are carried at fair their value, representing their net replacement value determined by external valuers. For more detailed information in relation to the fair value measurement of the refer to the applicable notes and note 4.7.

4.2 *Provision for expected credit losses of trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default rates in the future.

4.3 *Leases*

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the leases, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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 IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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.

4.4 *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.

4.5 *Estimated useful lives of property, plant and equipment*

Estimated useful lives and residual values of property, plant and equipment are assigned based on the intended use of the respective assets and their economic lives. Subsequently, if there are changes in circumstances, such as technological advances or prospective utilisation of the assets concerned that could result in the actual useful lives or residual values differing from initial estimates, the estimated useful lives and residual values need to be adjusted in line with the current circumstances.

The Directors review the residual values and useful lives of major items of property, plant and equipment and determine necessary adjustments.

4.6 *Depreciation policies*

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

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

4.7 *Fair value estimation*

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

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

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

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

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

4.8 ***Employee benefit obligations***

Employee benefit obligations (other than defined monthly contributions to the Seychelles Pension Fund with no further obligations) comprise compensation for length of service determined which starts upon employees completing minimum 5 years of continuous service as per the provisions of the Seychelles Employment Act, 1999 (as amended). The present value of these obligations depends on a number of factors and assumptions that are required to be estimated for the purpose of determining the liability. The assumptions used in determining the net cost include the discount rate and any changes in these assumptions will impact the carrying amount of the total obligation.

The present value of the obligation is normally determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Employment benefit liability has been determined using the method prescribed by the Seychelles Employment Act. The Directors have estimated that the amount of liability provided will not be materially different had it been computed by an external actuary.

4.9 ***Functional currency***

The Board of Directors have determined the United States Dollar to be the functional and recording currency of the Company.

4.10 ***Limitation of sensitivity analysis***

Sensitivity analysis 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. However, these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from the results derived.

Sensitivity analysis does not necessarily 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 changes in the market in the near future that cannot be predicted with any certainty.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	
	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION								
At January 1, 2022	10,071,590	201,314,279	1,714,760	36,724,157	279,615,879	6,648,295	2,630,522	538,719,482
Reclassification	-	-	-	576,849	-	-	(576,849)	-
Additions	-	-	204,571	2,041,539	-	350,368	-	2,596,478
Disposals	-	-	(12,926)	(71,942)	-	(87,493)	-	(172,361)
Profit/(loss) on revaluation (notes 15(a) & 15(b))	3,415,987	-	-	-	(11,250,296)	-	-	(7,834,309)
Effect of change in functional currency	(2,909,629)	(19,707,174)	(346,961)	(18,673,968)	(89,373,085)	(1,729,549)	(449,436)	(133,189,802)
At December 31, 2022	**10,577,948**	**181,607,105**	**1,559,444**	**20,596,635**	**178,992,498**	**5,181,621**	**1,604,237**	**400,119,488**
Reclassification	-	-	-	**743,468**	**169,171**	-	**(912,639)**	-
Reclassification to expenditure	-	-	-	-	-	-	**(598,621)**	**(598,621)**
Reclassification to intangible assets	-	-	**(42,621)**	**(9,705)**	-	-	-	**(52,326)**
Additions	-	-	**141,150**	**1,267,776**	-	**295,327**	**1,157,129**	**2,861,382**
Disposals	-	-	**(97,079)**	**(165,035)**	-	**(90,247)**	-	**(352,361)**
Exchange differences	-	**6,614,457**	-	-	-	-	-	**6,614,457**
At December 31, 2023	**10,577,948**	**188,221,562**	**1,560,894**	**22,433,139**	**179,161,669**	**5,386,701**	**1,250,106**	**408,592,019**
ACCUMULATED DEPRECIATION								
At January 1, 2022	2,674,185	134,554,519	1,228,320	13,579,021	59,891,439	5,270,411	-	217,197,895
Charge for the year	361,463	5,006,358	79,422	1,511,247	16,280,453	436,947	-	23,675,890
Disposals	-	-	(12,926)	(71,830)	-	(87,493)	-	(172,249)
Effect of change in functional currency	(477,205)	(5,299,918)	(289,289)	(8,240,687)	(957,443)	(1,504,023)	-	(16,768,565)
At December 31, 2022	**2,558,443**	**134,260,959**	**1,005,527**	**6,777,751**	**75,214,449**	**4,115,842**	-	**223,932,971**
Charge for the year	**201,936**	**5,143,851**	**161,181**	**888,144**	**5,540,483**	**515,159**	-	**12,450,754**
Reclassification to intangible assets	-	-	**(42,621)**	**(9,705)**	-	-	-	**(52,326)**
Disposals	-	-	**(19,965)**	**(159,212)**	-	**(90,247)**	-	**(269,424)**
Exchange differences	-	**5,117,505**	-	-	-	-	-	**5,117,505**
At December 31, 2023	**2,760,379**	**144,522,315**	**1,104,122**	**7,496,978**	**80,754,932**	**4,540,754**	-	**241,179,480**
NET BOOK VALUE								
At December 31, 2023	**7,817,569**	**43,699,247**	**456,772**	**14,936,161**	**98,406,737**	**845,947**	**1,250,106**	**167,412,539**
At December 31, 2022	8,019,505	47,346,146	553,917	13,818,884	103,778,049	1,065,779	1,604,237	176,186,517

(b) THE COMPANY

	Leasehold land & buildings Valuation USD	Double hull tankers Cost USD	Furniture & fittings Cost USD	Plant & equipment Cost USD	Tanks, pumps & petrol stations Valuation USD	Vehicles & refuellers Cost USD	Work in progress Cost USD	Total USD
COST OR VALUATION								
At January 1, 2022	10,071,590	24,271,828	1,714,760	36,724,157	279,615,879	6,648,295	2,630,522	361,677,031
Reclassification	-	-	-	576,849	-	-	(576,849)	-
Additions	-	-	204,571	2,041,539	-	350,368	-	2,596,478
Disposals	-	-	(12,926)	(71,942)	-	(87,493)	-	(172,361)
Profit/(loss) on revaluation (notes 15(a) & 15(b))	3,415,987	-	-	-	(11,250,296)	-	-	(7,834,309)
Effect of change in functional currency	(2,909,629)	(9,177,979)	(346,961)	(18,673,968)	(89,373,085)	(1,729,549)	(449,436)	(122,660,607)
At December 31, 2022	**10,577,948**	**15,093,849**	**1,559,444**	**20,596,635**	**178,992,498**	**5,181,621**	**1,604,237**	**233,606,232**
Reclassification	-	-	-	**743,468**	**169,171**	-	**(912,639)**	-
Reclassification to expenditure	-	-	-	-	-	-	**(598,621)**	**(598,621)**
Reclassification to intangible assets	-	-	**(42,621)**	**(9,705)**	-	-	-	**(52,326)**
Additions	-	-	**141,150**	**1,267,776**	-	**295,327**	**1,157,129**	**2,861,382**
Disposals	-	-	**(97,079)**	**(165,035)**	-	**(90,247)**	-	**(352,361)**
At December 31, 2023	**10,577,948**	**15,093,849**	**1,560,894**	**22,433,139**	**179,161,669**	**5,386,701**	**1,250,106**	**235,464,306**
ACCUMULATED DEPRECIATION								
At January 1, 2022	2,674,185	4,878,367	1,228,320	13,579,021	59,891,439	5,270,411	-	87,521,743
Charge for the year	361,463	603,744	79,422	1,511,247	16,280,453	436,947	-	19,273,276
Disposals	-	-	(12,926)	(71,830)	-	(87,493)	-	(172,249)
Effect of change in functional currency	(477,205)	2,362,270	(289,289)	(8,240,687)	(957,443)	(1,504,023)	-	(9,106,377)
At December 31, 2022	**2,558,443**	**7,844,381**	**1,005,527**	**6,777,751**	**75,214,449**	**4,115,842**	-	**97,516,393**
Charge for the year	**201,936**	**603,744**	**161,181**	**888,144**	**5,540,483**	**515,159**	-	**7,910,647**
Reclassification to intangible assets	-	-	**(42,621)**	**(9,705)**	-	-	-	**(52,326)**
Disposals	-	-	**(19,965)**	**(159,212)**	-	**(90,247)**	-	**(269,424)**
At December 31, 2023	**2,760,379**	**8,448,125**	**1,104,122**	**7,496,978**	**80,754,932**	**4,540,754**	-	**105,105,290**
NET BOOK VALUE								
At December 31, 2023	**7,817,569**	**6,645,724**	**456,772**	**14,936,161**	**98,406,737**	**845,947**	**1,250,106**	**130,359,016**
At December 31, 2022	8,019,505	7,249,468	553,917	13,818,884	103,778,049	1,065,779	1,604,237	136,089,839

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 21):

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Cost of sales	**11,848,112**	23,159,521	**7,308,005**	18,756,907
Administrative expenses	**602,642**	516,369	**602,642**	516,369
	12,450,754	23,675,890	**7,910,647**	19,273,276

(d) The Group's buildings, tanks, pumps and petrol stations were revalued in the year 2022 by Ramboll Deutschland GMB, independent valuers, on a net replacement cost basis. The revaluation loss, was debited to revaluation reserve (in Other reserves) in shareholders equity. The company conducts revaluation of its immovable assets every four years, next revaluation exercise will be due end of December 2026. 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, 2023.

(e) The fair value of property, plant and equipment falls within Category 3 of the fair value hierarchy.

(f) Significant unobservable valuation input

The valuation was based on net replacement cost. A site visit was conducted to determine the fair value. This was based on a qualitative approach and later transferred in a quantitative approach by de-rating the cost, considering wear and tear in the process.

For sensitivity analysis, a Monte Carlo simulation was used with 10.000 iterations.

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

	THE GROUP AND THE COMPANY			
	Tanks, pumps & petrol stations		Buildings	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Cost	**45,389,613**	44,922,980	**11,155,369**	11,171,206
Accumulated depreciation	**(26,924,355)**	(24,713,048)	**(8,812,700)**	(8,505,734)
Net book value	**18,465,258**	20,209,932	**2,342,669**	2,665,472

6. LEASES

(a) Right-of-use assets

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
At January 1,	**2,217,060**	2,315,958
Amortisation charge	**(42,681)**	(42,218)
Effect of change in functional currency	**-**	(56,680)
At December 31,	**2,174,379**	2,217,060

(b) Lease liabilities

	THE GROUP AND THE COMPANY	
	2023	2022
Movements during the year:	**USD**	USD
At January 1,	**2,373,985**	2,374,994
Finance cost (note 24)	**207,553**	221,841
Payments	**(210,837)**	(222,850)
Balance as at December 31,	**2,370,701**	2,373,985
Analysed as:		
Non-current portion	**2,370,081**	2,370,786
Current portion	**620**	3,199
	2,370,701	2,373,985

(c) The leases of the Group comprise land from the Government of Seychelles with remaining rental periods ranging up to 81 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 10.4k** (2022: USD 11.1k) higher/ (lower).

7. INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
COST		
At January 1,	**2,621,054**	2,255,388
Effect of change in functional currency	**-**	(9,531)
Reclassification from property, plant and equipment	**52,326**	-
Additions	**-**	375,197
Disposals	**(71,301)**	-
At December 31,	**2,602,079**	2,621,054

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
AMORTISATION		
At January 1,	**1,094,652**	883,664
Effect of change in functional currency	**-**	(12,231)
Reclassification from property, plant and equipment	**52,326**	
Charge for the year	**254,475**	223,219
Disposals	**(71,301)**	-
At December 31,	**1,330,152**	1,094,652
NET BOOK VALUE		
At December 31,	**1,271,927**	1,526,402

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2023	2022
	USD	USD
Cost - Unquoted (note 8(a))	**4,944**	14,856
Loans receivable (notes 8(b) and 8(c))	**56,413,453**	60,486,679
Effect of change in functional currency (note 8(a))	**-**	(9,912)
	56,418,397	60,491,623

(a) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	Shareholding 2023 & 2022 %	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 denominated in Euro are unsecured, non interest bearing with no fixed repayment terms. The Directors are of the opinion that these should be classified as non-current assets.

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

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

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

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	**USD'000**	**USD'000**	**USD'000**
December 31, 2023				
Non-current assets	**5,804**	**6,121**	**12,776**	**12,352**
Non-current liabilities	**7,260**	**8,610**	**21,751**	**18,793**
Current assets	**0.5**	**0.5**	**0.5**	**0.5**
Current liabilities	**3**	**3**	**3**	**3**
Revenue	**1,366**	**1,417**	**1,665**	**1,665**
Profit for the year and total comprehensive income	**476**	**491**	**277**	**301**
December 31, 2022				
	Seychelles	Seychelles	Seychelles	Seychelles
Non-current assets	6,451	6,791	13,643	13,212
Non-current liabilities	8,316	9,665	22,547	19,702
Current liabilities	5	3	3	3
Revenue	1,365	1,365	1,663	1,663
Profit for the year and total comprehensive income	534	497	354	373

Summarised cash flow information:

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	**USD'000**	**USD'000**	**USD'000**
December 31, 2023				
Operating activities	**1,358**	**1,409**	**1,656**	**1,656**
Financing activities	**(1,358)**	**(1,409)**	**(1,656)**	**(1,656)**
Net change in cash and cash equivalents	**-**	**-**	**-**	**-**
December 31, 2022				
	Seychelles	Seychelles	Seychelles	Seychelles
Operating activities	1,392	1,390	1,688	1,690
Financing activities	(1,392)	(1,390)	(1,688)	(1,690)
Net change in cash and cash equivalents	-	-	-	-

(e) Impairment

Taking into account the environment in which the subsidiaries operate, the Directors of the Group considered that the investments are not impaired and therefore impairment has been estimated as nil (2022 : USD nil).

9. INVESTMENT IN FINANCIAL ASSETS

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Equity Instruments at fair value through other comprehensive income:		
At January 1,	**-**	4,172
Decrease in fair value (note 15)	**-**	(4,172)
At December 31,	**-**	-

(i) The above quoted equity instruments at fair value through other comprehensive income comprised shares listed on the Australian Stock exchange denominated in Australian Dollars. This investment was written down to nil value in the year 2022.

(ii) Equity instrument at fair value through other comprehensive income for the Group are classified within Level 1 of the Fair Value Hierarchy.

10. INVENTORIES

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Petroleum products	**12,190,638**	31,712,323
Lubricants	**684,926**	681,226
Others	**2,397,188**	2,019,319
	15,272,752	34,412,868

The cost of inventories recognised as an expense and included in cost of sales amounted to USD **330,967,266** (2022: USD 348,265,153) for the Group and USD **337,029,228** (2022: 354,320,653) for the Company (note 21).

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Trade receivables	**32,732,349**	32,748,188	**32,732,349**	32,748,188
Less: provision for impairment (note (f))	**(4,424,213)**	(4,247,061)	**(4,424,213)**	(4,247,061)
Net trade receivables	**28,308,136**	28,501,127	**28,308,136**	28,501,127
Prepayments	**4,675,787**	4,475,076	**4,673,918**	4,475,076
Deposits	**22,053**	22,053	**22,053**	22,053
Staff loans	**525,804**	553,174	**525,804**	553,174
Others	**746,277**	738,410	**746,277**	738,410
	34,278,057	34,289,840	**34,276,188**	34,289,840

(a) The carrying amounts of 'trade and other receivables' approximate their their amortised costs.

(b) The other classes within trade and other receivables do not contain impaired assets.

(c) Credit Loss Allowances

The average credit period on trade receivables is 14 - 30 days. No interest is charged on outstanding trade receivables.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. No forward looking information has been incorporated in the model since Management is of the opinion that historic economic factors are not significantly different to recoverability period which is within a year.

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

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

The table on page 42 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, 2023

	Trade Receivables - days past due				
	0-30 days	**31-60 days**	**61-90 days**	**> 90 days**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**
Gross carrying amount - International	**14,862,331**	**210,351**	**18,966**	**1,153,340**	**16,244,988**
Gross carrying amount - Local	**13,225,223**	**132,886**	**-**	**3,129,252**	**16,487,361**
Total gross carrying amount	**28,087,554**	**343,237**	**18,966**	**4,282,592**	**32,732,349**
Expected credit loss rate (%)	**2.23%**	**7.29%**	**37.73%**	**87.93%**	
Total lifetime ECL (note 11(d))	**626,352**	**25,022**	**7,156**	**3,765,683**	**4,424,213**

THE GROUP AND THE COMPANY

At December 31, 2022

	Trade Receivables - days past due				
	0-30 days	31-60 days	61-90 days	> 90 days	Total
	USD	USD	USD	USD	USD
Gross carrying amount - International	16,970,098	51,232	277,814	807,373	18,106,517
Gross carrying amount - Local	11,907,829	8,571	-	2,725,271	14,641,671
Total gross carrying amount	28,877,927	59,803	277,814	3,532,644	32,748,188
Expected credit loss rate (%)	2.18%	6.47%	31.83%	99.79%	
Total lifetime ECL (note 11(d))	629,539	3,869	88,428	3,525,225	4,247,061

(d) Movement in allowance for credit loss

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
At January 1,	**4,247,061**	4,573,663
Charge/(Credit) for the year	**176,490**	(318,439)
Exchange differences	**662**	(8,163)
At December 31, (note 11(c))	**4,424,213**	4,247,061

Sensitivity analysis

If the ECL rates on trade receivables above 90 days past due had been 5% higher/(lower) as of December 2023, the loss allowance would have been **USD 188.3k** (2022: USD 176.3k).

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

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

12. CASH AND CASH EQUIVALENTS

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Cash on hand	**3,066**	2,592
Balances with banks	**89,351,191**	81,897,926
	89,354,257	81,900,518
Denominated in the following currencies:		
US Dollar	**42,106,249**	39,779,120
Euro	**4,249,164**	11,364,568
Seychelles Rupee	**42,998,844**	30,756,830
	89,354,257	81,900,518

(a) At reporting date, balances held with the banks in foreign currencies (other than the reporting currency of the Company) are retranslated at the rates prevailing at that date.

(b) There were no contractual restrictions affecting use of bank balances at the reporting date.

13. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
At January 1,	**-**	4,610,484
Effect of change in functional currency	**-**	(2,176,724)
Disposal adjustment	**-**	(2,433,760)
At December 31,	**-**	-

(a) At the Board Meeting of December 9, 2021, the Directors resolved to sell the Company's Tanker, Seychelles Pride for **USD 5.9 m** to Northern Tankers DMCC. Since the criteria required by IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" were met, the tanker was therefore reclassified as a "Non current asset held for sale" on the face of the Statement of Financial Position as at December 31, 2021. The Tanker was subsequently sold during the year 2022.

14. SHARE CAPITAL

	2023	2022
	SR	SR
Authorised shares		
2,000 shares of SR. 25,000 each	**50,000,000**	50,000,000

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Ordinary shares issued and fully paid		
At January 1,	**3,299,219**	8,595,053
Exchange differences	**-**	(5,295,834)
At December 31,	**3,299,219**	3,299,219

The total authorised number of ordinary shares is **2,000 shares** (2022: 2,000 shares) with a par value of SR. 25,000 per share. All issued shares are fully paid.

15. OTHER RESERVES

(a) THE GROUP

	Currency translation reserve	Revaluation reserve	Quoted equity Instruments	Total
	USD	USD	USD	USD
At January 1, 2022	(52,288,153)	306,817,885	(575)	254,529,157
Effect of change in functional currency	51,810,626	(75,189,717)	575	(23,378,516)
Loss on revaluation (notes 5(a) & 5(b))	-	(7,834,309)	-	(7,834,309)
Decrease in fair value and reversal of reserve (note 9)	-	-	(4,172)	(4,172)
At December 31, 2022	**(477,527)**	**223,793,859**	**(4,172)**	**223,312,160**
Currency translation difference	**84,319**	**-**	**-**	**84,319**
At December 31, 2023	**(393,208)**	**223,793,859**	**(4,172)**	**223,396,479**

(b) THE COMPANY

	Currency translation reserve	Revaluation reserve	Quoted equity Instruments	Total
	USD	USD	USD	USD
At January 1, 2022	(53,253,424)	306,817,885	(575)	253,563,886
Effect of change in functional currency	53,253,424	(75,189,717)	575	(21,935,718)
Loss on revaluation (notes 5(a) & 5(b))	-	(7,834,309)	-	(7,834,309)
Decrease in fair value and reversal of reserve (note 9)	-	-	(4,172)	(4,172)
At December 31, 2022	**-**	**223,793,859**	**(4,172)**	**223,789,687**
Exchange differences	**-**	**-**	**-**	**-**
At December 31, 2023	**-**	**223,793,859**	**(4,172)**	**223,789,687**

16. DEFERRED TAX LIABILITY

(a) Deferred taxes are calculated on all temporary differences under the liability method at **25%** (2022: 25%) for the Group and **25%** (2022: 25%) for the Company at December 31, 2023.

(b) 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 amounts shown in the statement of financial position are as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Deferred tax assets (note (d)(ii))	**(1,755,070)**	(1,634,412)
Deferred tax liabilities (note (d)(i))	**5,226,498**	6,816,900
Net deferred tax liability	**3,471,428**	5,182,488

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

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
At January 1,	**5,182,488**	7,669,013
Credit for the year to the statement of profit or loss (note 19 (b))	**(1,711,060)**	(2,486,525)
At December 31,	**3,471,428**	5,182,488

(d) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) **Deferred tax assets**

THE GROUP AND THE COMPANY

	All provisions	**Unrealised exchange losses**	**Lease liabilities**	**Total**
	USD	**USD**	**USD**	**USD**
At January 1, 2022	(1,566,081)	(10,637,800)	(974)	(12,204,855)
(Credit)/charge for the year	(30,699)	10,637,800	(36,658)	10,570,443
At December 31, 2022	**(1,596,780)**	**-**	**(37,632)**	**(1,634,412)**
Credit for the year	**(109,209)**	**-**	**(11,449)**	**(120,658)**
At December 31, 2023	**(1,705,989)**	**-**	**(49,081)**	**(1,755,070)**

(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, 2022	9,169,399	-	10,704,469	19,873,868
(Charge)/credit for the year	(3,602,364)	1,249,865	(10,704,469)	(13,056,968)
At December 31, 2022	**5,567,035**	**1,249,865**	**-**	**6,816,900**
(Charge)/credit for the year	**(2,711,101)**	**1,120,699**	**-**	**(1,590,402)**
At December 31, 2023	**2,855,934**	**2,370,564**	**-**	**5,226,498**

17. EMPLOYEE BENEFIT OBLIGATIONS

(a) **Statement of financial position**

Length of service compensation	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Movement during the year:		
At January 1,	**2,140,058**	1,690,661
Provision made for the year (note 21 (a))	**788,875**	992,905
Paid during the year	**(529,190)**	(543,508)
At December 31,	**2,399,743**	2,140,058

(b) The Management is of the opinion that the provision for employee benefit obligations calculated at the reporting date based on the applicable regulations of Seychelles Employment Act, 1999 (as amended) would not materially differ from the amount that would have been computed based on an actuarial valuation as mandated by IAS 19.

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Trade payables	**32,563,577**	65,959,312	**32,563,577**	65,959,312
Accrued expenses	**8,807,339**	8,182,842	**8,797,157**	8,182,842
Other payables	**1,977,297**	841,853	**1,977,297**	828,124
	43,348,213	74,984,007	**43,338,031**	74,970,278

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

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
US Dollar	**34,012,992**	61,727,739	**34,001,091**	61,727,739
Euro	**3,378,712**	3,318,208	**3,380,431**	3,304,742
Seychelles Rupee	**5,487,119**	9,449,632	**5,487,119**	9,449,632
Other currencies	**469,390**	488,428	**469,390**	488,165
	43,348,213	74,984,007	**43,338,031**	74,970,278

19. CURRENT TAX ASSET

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
(a) **Statement of financial position**		
At January 1,	**(55,434)**	(642,997)
Prior year taxes paid	**(1,331,418)**	-
Refund received during the year	**467,700**	-
Current tax expense (note (b))	**6,173,890**	5,059,489
Advance tax paid	**(5,633,060)**	(4,471,926)
At December 31,	**(378,322)**	(55,434)
(b) **Tax charge**		
Tax charge for the year (note (c))	**6,173,890**	5,059,489
Deferred Tax (note 16 (c))	**(1,711,060)**	(2,486,525)
Total tax charge for the year	**4,462,830**	2,572,964

(c) **Reconciliation between tax expense and accounting profit is as follows:**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Profit before tax	**34,766,468**	24,969,607	**33,221,390**	23,212,606
Current tax at applicable tax rates (note 19 (d))	**8,684,758**	12,483,943	**8,298,489**	13,024,152
Items not allowable and/or not subject to tax	**(5,779,656)**	(11,489,534)	**(5,393,387)**	(12,029,743)
Accelerated capital allowances	**3,268,788**	4,065,080	**3,268,788**	4,065,080
Business tax charge for the year	**6,173,890**	5,059,489	**6,173,890**	5,059,489

(d) **Applicable tax rates:**

	2023	2022
On the first SR. 1 million of taxable income	**15%**	15%
On the excess of SR. 1 million of taxable income	**25%**	25%

Income of subsidiaries is taxed at 0% as per the provisions of the Isle of Man Income Tax Act, 1970 (2022: 0%).

20. REVENUE

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Sales of products	**428,055,611**	431,068,696
Sales of services	**40,954,634**	54,213,425
	469,010,245	485,282,121

21. OPERATING AND OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Cost of inventories (note 10 (a))	**330,967,266**	348,265,153	**337,029,228**	354,320,653
Depreciation of property, plant and equipment	**12,450,754**	23,675,890	**7,910,647**	19,273,276
Amortisation of right-to-use assets (note 6 (a))	**42,681**	42,218	**42,681**	42,218
Amortisation of software (note 7)	**254,475**	223,219	**254,475**	223,219
Donations	**457,800**	7,736	**457,800**	7,736
Duties and taxes	**51,649,579**	49,469,632	**51,649,579**	49,469,632
Bareboat charter fees	**6,046,152**	6,046,152	**6,046,152**	6,046,152
Bunkering costs	**6,864,871**	10,296,433	**6,864,871**	10,296,433
Ship running expenses	**15,988,304**	17,199,222	**15,988,304**	17,199,222
Port agency costs	**4,355,000**	4,547,786	**4,355,000**	4,547,786
Brokers commission	**2,138,218**	2,838,871	**2,138,218**	2,838,871
Electricity and water charges	**383,273**	370,417	**383,273**	370,417
Employee benefit expenses (note (a))	**6,297,752**	5,497,560	**6,297,752**	5,497,560
Fuel and lubricants	**825,758**	637,695	**825,758**	637,695
Insurance	**509,228**	469,892	**509,228**	469,892
Rental expenses	**15,762**	22,969	**15,762**	22,969
Repairs and maintenance	**2,015,685**	1,851,306	**2,015,685**	1,851,306
Other expenses	**2,963,788**	3,442,136	**2,936,354**	3,401,065
	444,226,346	474,904,287	**445,720,767**	476,516,102
Summarised as follows:				
- Cost of sales	**430,757,301**	461,864,988	**432,279,155**	463,517,874
- Selling and marketing expenses	**34,296**	30,556	**34,296**	30,556
- Administrative expenses	**13,434,749**	13,008,743	**13,407,316**	12,967,672
	444,226,346	474,904,287	**445,720,767**	476,516,102

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
(a) Employee benefit expenses is analysed as follows:		
Salaries and wages	**5,266,507**	4,317,386
Employee benefits and related expenses	**242,369**	187,269
Employee benefits obligations provision (note 17 (a))	**788,876**	992,905
	6,297,752	5,497,560

22. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Demurrage claims	**2,345,908**	1,625,921	**2,345,908**	1,625,921
Storage and throughput	**2,094,490**	2,724,284	**2,094,490**	2,724,284
Deviations and other recoveries	**2,122,034**	3,352,705	**2,122,034**	3,352,705
Rental income (note 25)	**314,393**	350,745	**314,393**	350,745
(Loss)/gain on disposal of equipment (note 25)	**(82,937)**	3,460,481	**(82,937)**	3,460,481
Sundry income	**172,975**	238,920	**122,318**	93,734
	6,966,863	11,753,056	**6,916,206**	11,607,870

23. FOREIGN EXCHANGE GAINS - NET

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Net foreign exchange gains/ (losses) on operations	**3,390,263**	2,732,689	**3,390,263**	2,732,689

The net foreign exchange mainly arose from the conversion of Euro denominated receivables from the four Subsidiaries to USD.

24. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Interest income	**9,486**	9,430	**9,486**	9,430
Finance costs on lease liabilities (note 6(b))	**(207,553)**	(221,841)	**(207,553)**	(221,841)
Net finance cost	**(198,067)**	(212,411)	**(198,067)**	(212,411)

25. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	USD	USD	**USD**	USD
Operating profit is arrived at,:				
After crediting:				
Rental income (note 22)	**314,393**	350,745	**314,393**	350,745
(Loss)/gain on disposal of equipment (note 22)	**(82,937)**	3,460,481	**(82,937)**	3,460,481
After charging:				
Depreciation of Property, plant and equipment	**12,450,754**	23,675,890	**7,910,647**	19,273,276
Amortisation of right-to-use assets (note 6 (a))	**42,681**	42,218	**42,681**	42,218
Amortisation of software (note 7)	**254,475**	223,219	**254,475**	223,219
Credit impairment charge/reversal (note 11 (d))	**176,490**	(318,439)	**176,490**	(318,439)
Auditor's remuneration	**31,820**	36,630	**21,850**	26,500
Directors' emoluments (note 25 (a))	**129,618**	119,754	**129,618**	119,754
Finance cost on lease liabilities (note 6(b))	**207,553**	221,841	**207,553**	221,841
Rent and leases	**15,762**	22,969	**15,762**	22,969

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

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
V Laporte	**-**	2,664
S Gendron	**-**	3,996
S Patel	**-**	1,067
S Romain	**91,651**	-
M Nalletamby	**-**	2,664
Y Vel	**3,548**	4,285
C Benoiton	**-**	91,300
J Morel	**6,387**	2,431
B Commettant	**4,258**	1,621
P Joseph	**4,258**	1,621
M Saley	**2,839**	1,621
T Imaduwa	**4,258**	1,621
N Elizabeth	**3,903**	1,621
MM Jeremie	**4,258**	1,621
M Hoareau	**4,258**	1,621
R Barbe	**-**	-
J Robinson	**-**	-
	129,618	119,754

26. RELATED PARTY BALANCES AND TRANSACTIONS

THE GROUP

	Other related corporations		Directors	
	2023	2022	**2023**	2022
	USD'000	USD'000	**USD'000**	USD'000
Amount due to	**16**	43	**-**	-
Amount due from	**10,515**	595	**-**	-
Remuneration	**-**	-	**445**	342
Purchases of products and services	**1,601**	1,349	**-**	-
Sales	**90,360**	76,896	**-**	-

THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2023	2022	**2023**	2022	**2023**	2022
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Amount due to	**-**	-	**16**	43	**-**	-
Amount due from	**56,413**	60,487	**10,515**	595	**-**	-
Investment in	**5**	15	**-**	-	**-**	-
Remuneration	**-**	-	**-**	-	**445**	342
Bareboat charter fees	**6,062**	6,046	**-**	-	**#REF!**	-
Purchases of goods and services	**-**	-	**1,601**	1,349	**-**	-
Sales	**-**	-	**90,360**	76,896	**-**	-

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

(b) Outstanding balances with related parties at the year-end are unsecured and interest free.

(c) This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the related party operates.

(e) **Key management personnel emoluments**

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	
	2023	2022
	USD	USD
Salaries and other benefits	**423,290**	287,476
Contract termination benefits	**-**	39,968
Pension costs	**21,442**	14,552
	444,732	341,996

27. DIVIDENDS

The Directors proposed and paid a dividend of **USD 8,575** per share amounting to **USD 17.15 m** during year under review (2022 : Dividends proposed and paid USD 17.18 m (USD 8,588 per share)).

(a) **PROPOSED AND PAID**

	THE GROUP AND THE COMPANY	
	2023	2022
	USD	USD
Dividend proposed	**17,150,000**	17,175,000
Paid during the year	**(17,150,000)**	(17,175,000)
At December 31,	**-**	-

28. 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	
	2023	2022
	USD'000	USD'000
Property, plant and equipment	**3,721**	1,681

29. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2023 (2022 : USD nil).

30. FIVE YEAR FINANCIAL SUMMARY

(a) **THE GROUP**

	2023	2022	2021	2020	2019
	USD'000	USD'000	USD'000	USD'000	USD'000
Profit/(loss) for the year	**30,304**	22,397	(11,792)	35,439	16,906
Effect of change in functional currency	**(594)**	(85,686)	(1,059)	(543)	477
Retained earnings brought forward	**19,296**	99,760	129,107	104,678	101,355
Profit available for distribution	**49,006**	36,471	116,256	139,574	118,738
Dividends	**(17,151)**	(17,175)	(16,496)	(10,467)	(14,060)
Retained earnings carried forward	**31,855**	19,296	99,760	129,107	104,678
EQUITY					
Share capital	**3,299**	3,299	8,595	8,595	8,595
Other reserves	**223,397**	223,313	254,529	216,599	268,304
Retained earnings	**31,855**	19,296	99,760	129,107	104,678
Owners' interest	**258,551**	245,908	362,884	354,301	381,577
Non-controlling interest	**-**	-	-	-	-
Total equity	**258,551**	245,908	362,884	354,301	381,577

(b) **THE COMPANY**

	2023	2022	2021	2020	2019
	USD'000	USD'000	USD'000	USD'000	USD'000
Profit/(loss) for the year	**28,759**	20,639	(12,825)	34,054	15,665
Effect of change in functional currency	**-**	(88,562)	-	-	-
Retained earnings brought forward	**39,228**	124,326	153,647	130,060	128,455
Profit available for distribution	**67,987**	56,403	140,822	164,114	144,120
Dividends	**(17,151)**	(17,175)	(16,496)	(10,467)	(14,060)
Retained earnings carried forward	**50,836**	39,228	124,326	153,647	130,060
EQUITY					
Share capital	**3,299**	3,299	8,595	8,595	8,595
Other reserves	**223,790**	223,790	253,563	218,460	268,118
Retained earnings	**50,836**	39,228	124,326	153,647	130,060
Total equity	**277,925**	266,317	386,484	380,702	406,773


NO SMOKING
SEYCHELLES PARADISE

SEYPEC

Seychelles Petroleum Company Limited