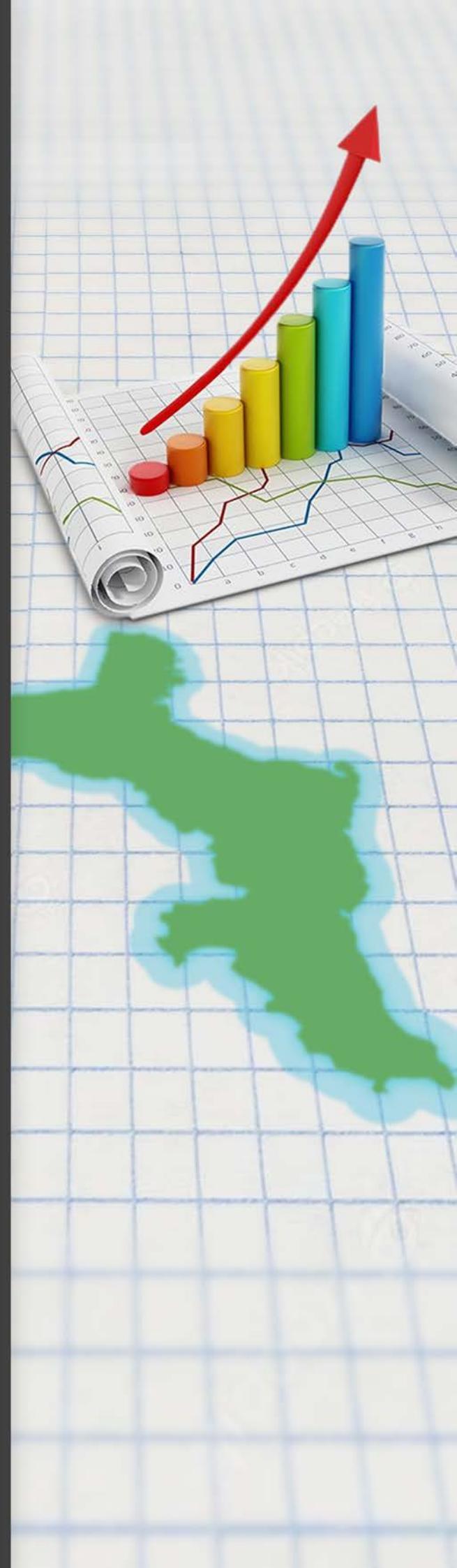


Investing to BETTER SERVE Seychelles

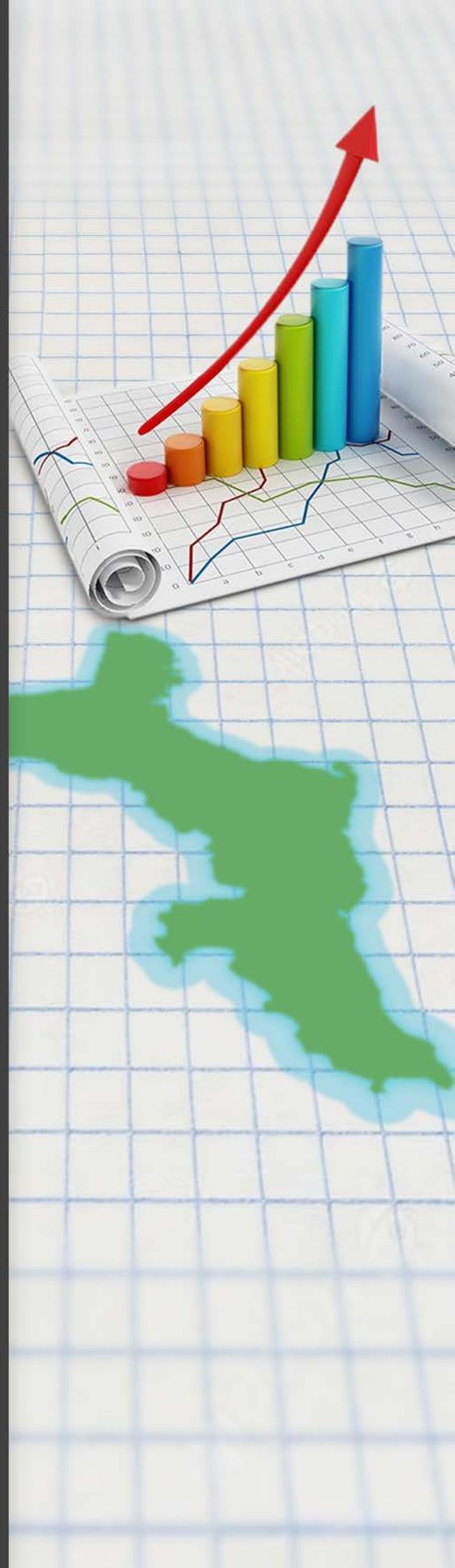


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BOARD OF DIRECTORS





IMTIAZ UMARJI - CHAIRMAN



SIANA BISTOQUET - CHIEF EXECUTIVE OFFICER



GERARD ADAM - DIRECTOR



JAMSHED PARDIWALLA - DIRECTOR



ASTRIDE TAMATAVE - DIRECTOR



ASHIK HASSAN - DIRECTOR



MICHELLE MARGUERITE - DIRECTOR

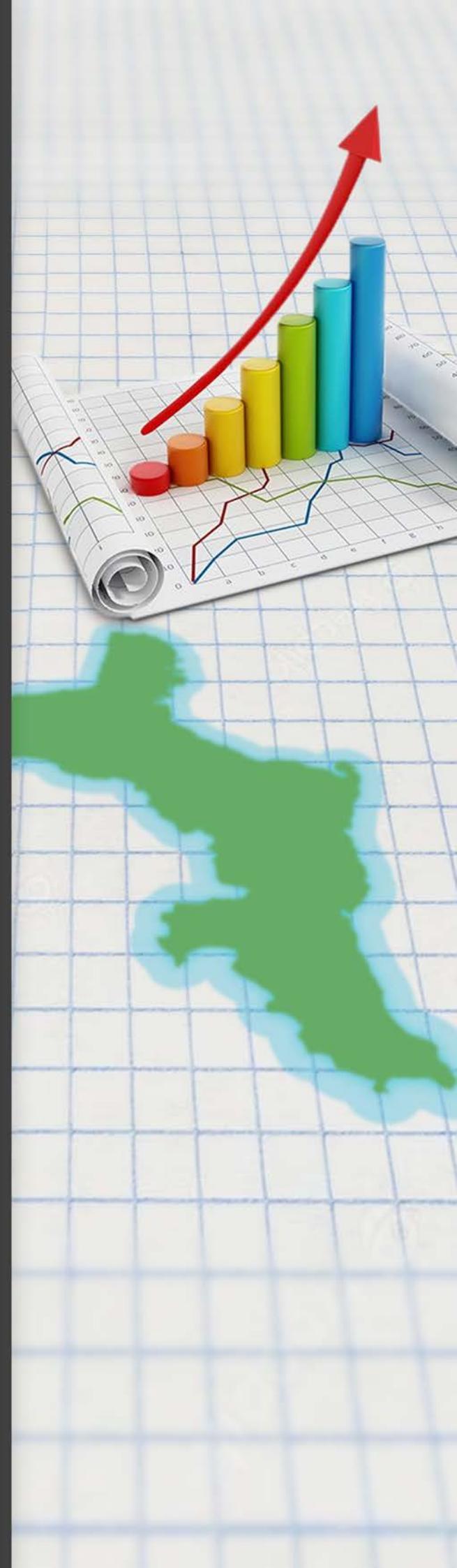


FRANCIS LEBON - DIRECTOR

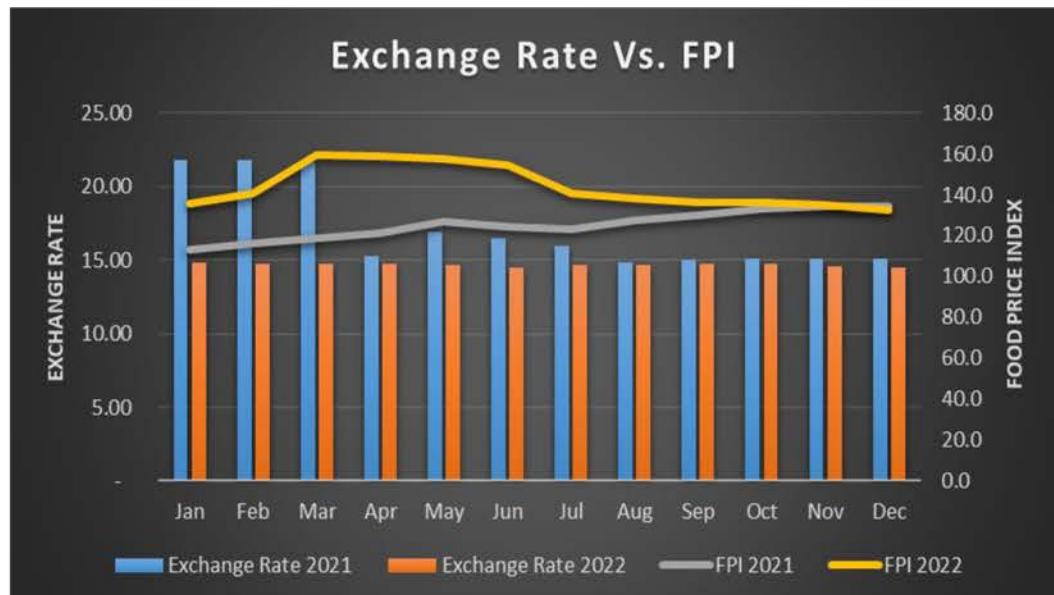
REGISTERED OFFICE	:	P.O BOX 634, LATANIER ROAD, LATANIER HOUSE, VICTORIA, MAHÉ, SEYCHELLES
PRINCIPAL PLACE OF BUSINESS	:	LATANIER ROAD, LATANIER HOUSE, SEYCHELLES
AUDITORS	:	POOL & PATEL CHARTERED ACCOUNTANTS SEYCHELLES
BANKERS	:	1. THE MAURITIUS COMMERCIAL BANK (SEYCHELLES) LIMITED 2. BANK OF BARODA LIMITED 3. SEYCHELLES INTERNATIONAL MERCANTILE BANKING CORPORATION LIMITED 4. ABSA BANK (SEYCHELLES) LIMITED 5. SEYCHELLES COMMERCIAL BANK LIMITED 6. BANK OF CEYLON



CHAIRPERSON'S STATEMENT



In my capacity as the Chairperson of the Seychelles Trading Company, I am honored to present the annual report for this fiscal year. The trading landscape has been fraught with challenges, many of which were beyond our control, such as the significant increase in global food prices and disruptions in the supply chain. Notably, the Global Food Price Index reached an



unprecedented high of 159.3 in March 2022. This remarkable surge in global food prices eroded the advantages gained from the improved local exchange rates against foreign currencies.

Seychelles' Gross Domestic Product (GDP) exhibited remarkable growth, recording an 8.4% increase in 2022, in stark contrast to the 2.4% growth observed in 2021. This robust growth signals positive developments in the domestic economic landscape throughout the year.

Occasionally, a company reaches a pivotal moment—a juncture where its portfolio, business strategies, corporate culture, and mission align precisely as planned. I firmly believe that Seychelles Trading Company reached such a juncture in 2022. The achievement of a net profit of SCR 66.07 million, compared to a modest net profit of SCR 2.45 million in 2021, serves as a clear testament to the Board of Directors' effective engagement and guidance of the management. Despite numerous challenges, STC successfully maintained substantial stock levels, ensured the affordability of essential commodities, and delivered the highest profit in a single financial year since its inception.

The company's financial standing improved significantly, with net assets increasing by an impressive 18%, rising from SCR 452.9 million in 2021 to SCR 538.6 million in 2022. This notable enhancement is primarily attributed to an expanded asset base, driven by investments in property, plant, and essential goods inventory. It is worth highlighting that the company's

liquidity position also improved, with a net cash inflow of SCR 31.5 million, compared to a net outflow of SCR 51.4 million in 2021.

One of the Board's strategic visions was to revitalize the deteriorating asset base to enhance operational efficiency, particularly at our Fruit & Vegetable, Meat wholesale, and retail outlets. The year 2022 will be etched in STC's history as the year when the company made substantial investments in infrastructure development, with an already disbursed sum of SCR 54.5 million and plans to invest over SCR 50 million in 2023. This includes the establishment of a state-of-the-art cold storage facility at a cost of USD 5.5 million.

We remained committed to laying the foundation for future success by emphasizing the need for a robust governance and compliance culture. In 2022, our governance priorities included reinforcing and overseeing improvements in our compliance and control environment. Consequently, we anticipate significant enhancements in our operational efficiencies and a reduction in operating costs in the near term.

On behalf of the STC Board of Directors, I extend my heartfelt gratitude to all our employees, customers, suppliers, and stakeholders for their unwavering support and invaluable contributions, which were instrumental in achieving this outstanding set of results.

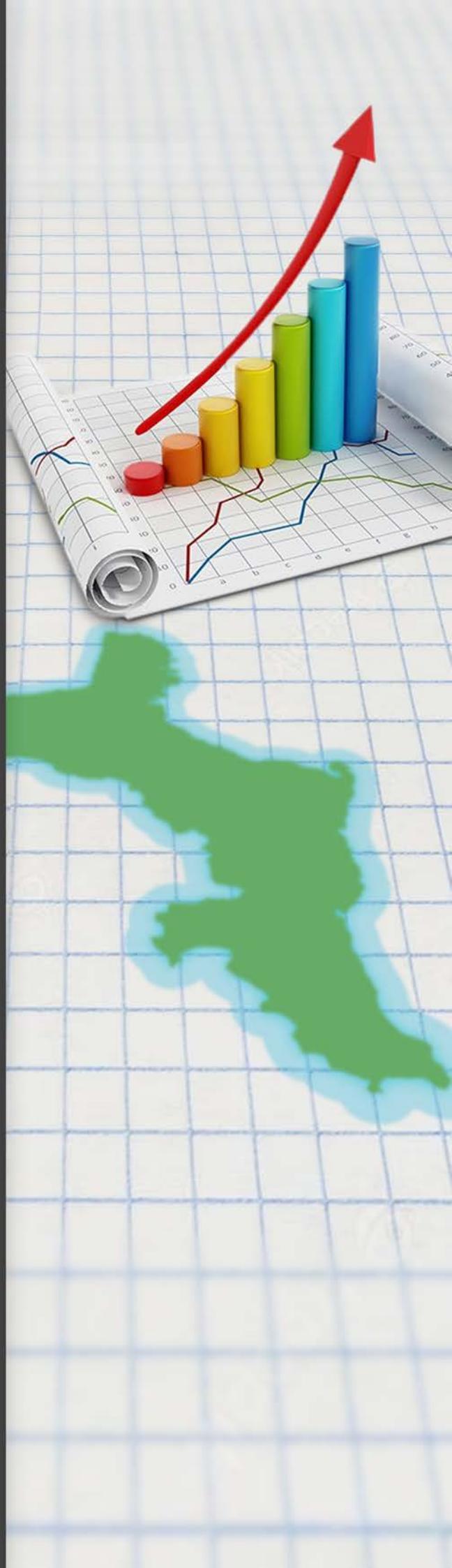
IMTIAZ UMARJI - CHAIRMAN



STC COLD STORE FACILITY



C.E.O'S STATEMENT



CEO'S REPORT

The year 2022 was an exciting year for STC for many reasons, but perhaps biggest is what this year's accomplishments mean for the future. Where, our achievements set an unparallel performance indicators for future. We achieved revenue of above SCR 1 billion and recorded highest ever profit before tax of SCR 88.08Mn. The strategies that we set in place during 2021 has



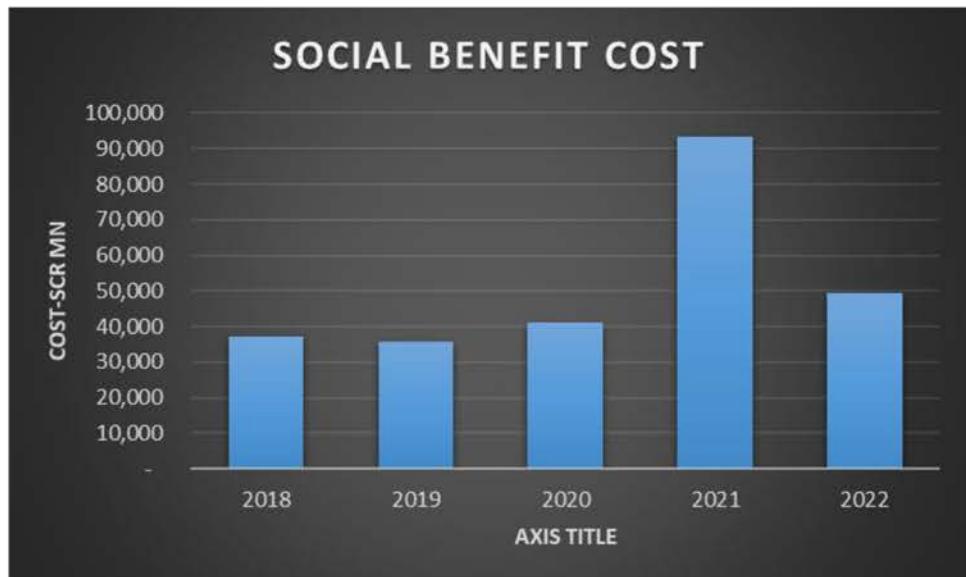
paved the foundation for us achieve such unparallel performance throughout the year 2022.

Soon after end of 1st Quarter, we were able to put a stop to our biggest drawback in terms of profitability by introducing flexible pricing of

Category#1 items rather than selling at anchored prices. We are very much happy announce that the year 2022 shown significant improvement of Gross Profit margin from essential items but we made sure that we provided essential commodities at affordable prices, in fact we enhanced the list of items that **should** be treated as essential in order better serve our Trusted customers.

The enhanced supply chain has given us advantage of sourcing goods at highly competitive prices and **enable** us to improve our profitability while securing affordability to Seychellois at large. This dynamic created a market environment our competitors to follow us and lower the prices on commodities in order for them to maintain their market shares. Which definitely resulted in much lower Inflation Rate in Seychelles for 2022.

The hostile Macro-Economic conditions that existed during 2021 shown eased off during 2022, which assisted our strategy of sourcing cost effective products around the globe. As a result, our



Social Benefit cost shown a drastic drop in the year 2022 and we incurred only SCR 49.4Mn as Social Benefit cost compared to SCR 93.4 Mn in 2021. Further we are confident that we would be able to

reduce Social Benefit Cost in years to come and this would assist us to offer reductions in essential goods prices in near future.

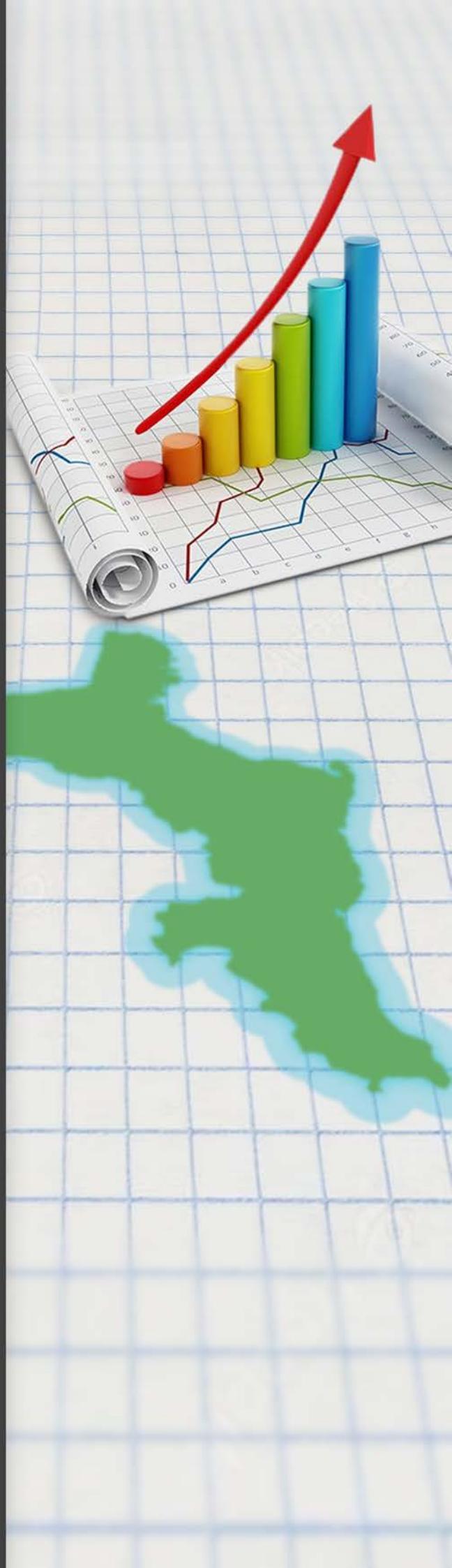
STC inherited highly depleted assets base and management has recognized the need to invest to improve its asset base to face modern requirements of business environment. During the year 2022 we are delighted to note that we have already taken necessary actions to build a modern cold storage facility sooner, in fact at the end of the year we have seen most of the structural work been completed. Furthermore, during the year 2022 we have invested a total sum of SCR 47.8 in fixed assets, and this is the highest ever investment on assets carried out by STC during a single financial year.

With much improved level of operational expenses and broaden supplier base to source at most cost-effective manner and highly improved profitability STC is expected to continue to provide the assurance of availability of goods at much more affordable prices in near future to Seychellois and maintain financial sustainability while ensuring economic prosperity to its stakeholders in an environmentally friendly and healthy Seychelles.

SIANA BISTOQUET - CHIEF EXECUTIVE OFFICER



DIRECTOR'S REPORT



Directors' Report

The directors present herewith their report and audited financial statements of Seychelles Trading Company Limited ("the company") for the year ended 31 December 2022.

Principal activities

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

Results	2022	2021
Profit before tax	88,083,200	10,641,144
Tax expense	(22,018,723)	(8,191,875)
Profit for the year	66,064,477	2,449,269
Retained earnings brought forward	198,169,930	195,720,661
Retained earnings carried forward	264,234,407	198,169,930

The directors did not propose payment of a dividend for the current year (2021: Nil)

Consolidated accounts

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

% HOLDING

Bois De Rose Investment Limited	100%
---------------------------------	------

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

Property, plant and equipment

Major changes to fixed assets during the year relates to the construction of the new cold store project totalling to R 46,178,446 and additions to plant and machinery totalling R 3,262,961.

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

Directors and their interests in the company

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

	SHARES HELD	
	1 January	31 December
Imtiaz Umariji	-	-
Gerard Adam	-	-
Ashnik Hassan	-	-
Jamshed Pardiwalla	-	-
Astride Tamatave	-	-

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

SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2022

Directors' Report

Statement of board of directors responsibilities

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

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

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

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

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

Going concern

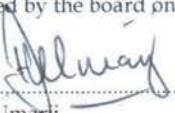
The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position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

Auditors

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

Directors

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

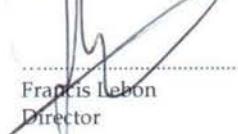

.....
Imtiaz Umarji
Director


.....
Gerard Adam
Director


.....
Jamshed Pardiwalla
Director


.....
Astride Tamatave
Director

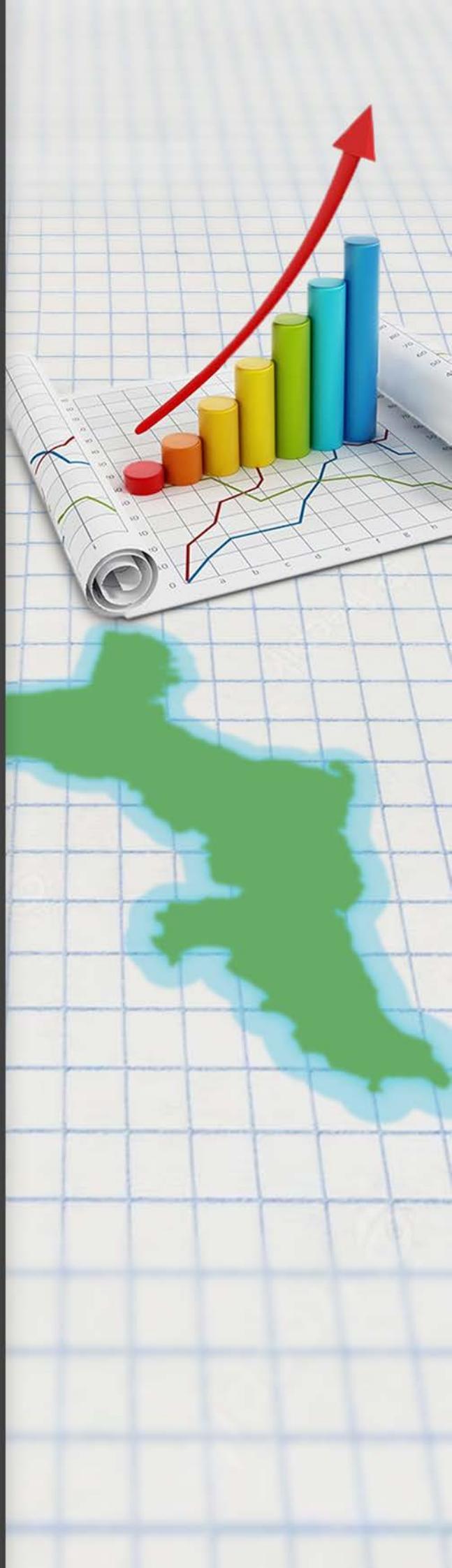

.....
Ashik Hassan
Director


.....
Francis Lebon
Director


.....
Michelle Marguerite
Director



INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Seychelles Trading Company Limited "the Company" set out on pages 7 to 30, which comprise the statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and a five-year financial summary.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with the, financial reporting provisions of International Financial Reporting Standards "IFRS's"; Seychelles companies Act 1972.

Basis for opinion

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

Emphasis of matter

We draw your attention to Note 6 of the financial statement which includes an amount of R 48,462,744 (2021: R 53,072,471) being investment in subsidiary acquired in the financial year under review. The Company sought permission from the Company Registrar as per section 143 (2) of the Companies Ordinance, 1972, not to consolidate the financial statements as the directors consider that these would not materially affect the financial position of Seychelles Trading Company Limited and would cause additional expenses and unnecessary delays in the production of the consolidated accounts. In that regard the financial statements have not been prepared in accordance to the requirements of the IFRS.

Our opinion is not modified in respect of this matter.

Key audit matters

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

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

Maison La Rosiere, Po Box 117, Victoria, Mahe, Seychelles

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

Key audit matters (cont...)

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

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

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of IFRS's and Seychelles Companies Act, 1972, and for such internal control as the management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal regulatory requirements

Seychelles Companies Act, 1972

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

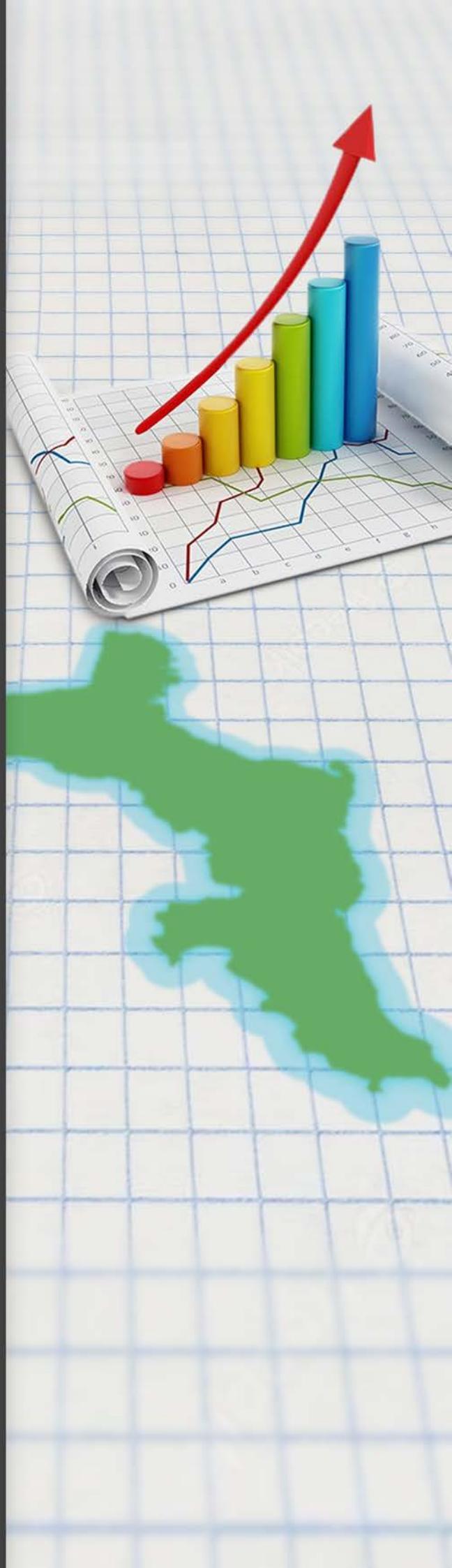
(i) proper books of accounting have been kept by the Company based on our examination of those records; and
(ii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.

Public Enterprise Monitoring Commission Act, 2013

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

Pool & Patel
POOL & PATEL
CHARTERED ACCOUNTANTS
Date:

STATEMENT OF FINANCIAL POSITION



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

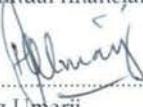
Statement of financial position

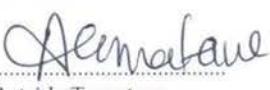
Financial statements are prepared in Seychelles Rupees

	Note	As at 31 December	
		2022	2021
Assets			
Property, plant and equipment	3	123,157,166	76,065,633
Intangible assets	4	71,093	102,602
Right-of-use assets	5	7,586,359	10,096,519
Investment in subsidiary - BDRIL	6	48,462,744	53,072,471
Investments - others	7	25,000	25,000
Non-current assets		179,302,362	139,362,226
Inventories	8	262,528,574	247,837,094
Trade and other receivables	9	15,677,158	15,416,658
Current tax asset	10	-	719,695
Cash and cash equivalent	11	81,095,021	49,596,837
Current assets		359,300,753	313,570,284
Total assets		538,603,115	452,932,510
Equity & Liabilities			
Lease liability	13	7,974,596	9,779,284
Deferred tax liabilities	10	5,561,377	5,463,456
Employee benefit obligations	14	29,813,235	25,970,585
Non-current liabilities		43,349,208	41,213,325
Borrowings	12	5,000,000	5,000,000
Lease liability	13	362,738	515,033
Trade and other payables	15	72,553,704	62,742,014
Current tax liability	10	12,420,577	-
Current liabilities		90,337,019	68,257,047
Share capital	16	10,000	10,000
Contributed Capital	17	140,672,481	145,282,208
Retained earnings		264,234,407	198,169,930
Equity		404,916,887	343,462,138
Total liabilities and equity		538,603,115	452,932,510

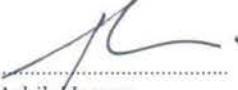
The notes on pages 12 to 30 are an integral part of these financial statements.

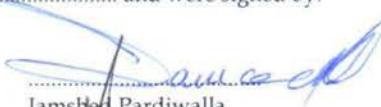
The annual financial statements have been approved by the board on the and were signed by:


.....
Imtiaz Umarji
Director

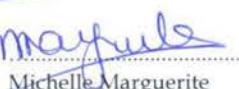

.....
Astride Tamatave
Director


.....
Gerard Adam
Director

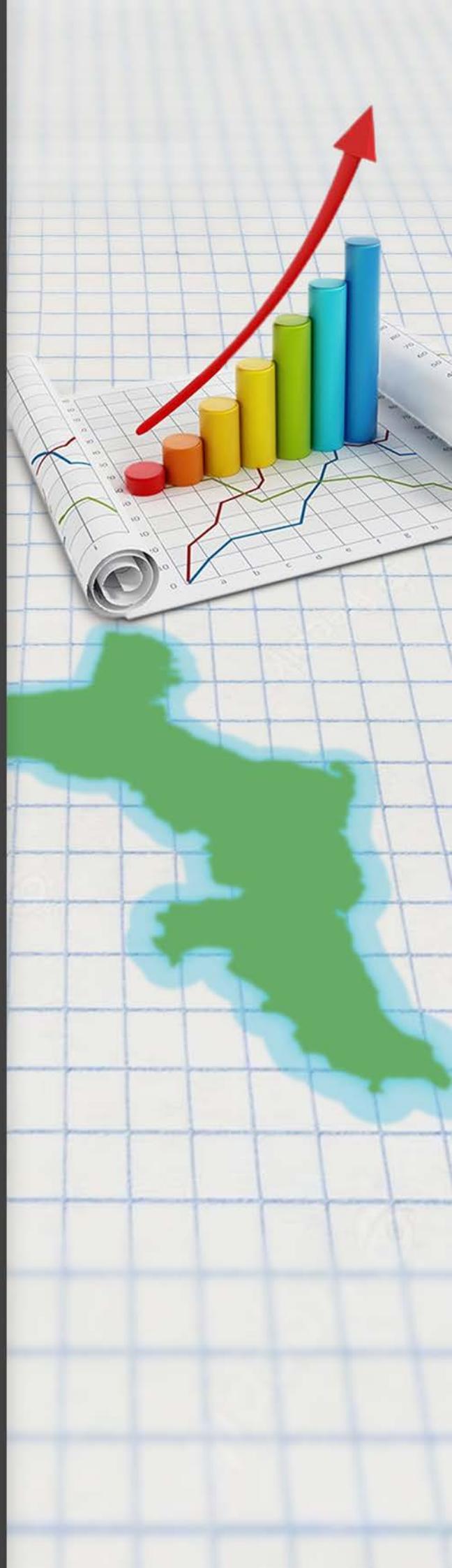

.....
Ashik Hassan
Director


.....
Jamsheed Pardiwalla
Director


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Francis Lebon
Director


.....
Michelle Marguerite
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

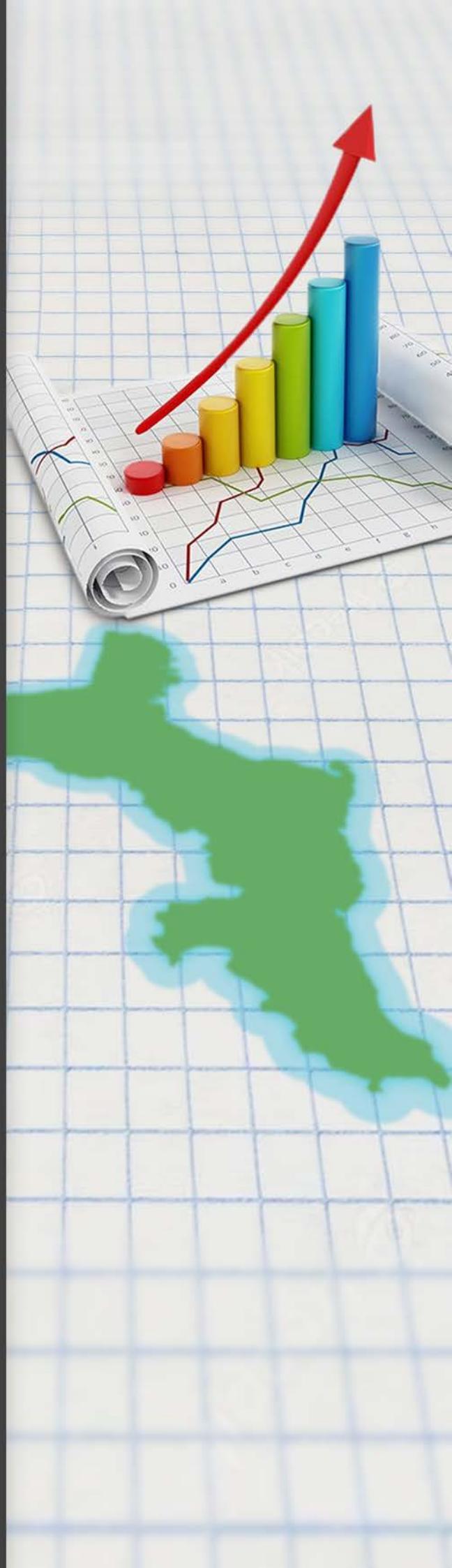
Statement of Profit or Loss and Other Comprehensive Income

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 December	
		2022	2021
Revenue	18	1,087,083,622	990,786,228
Cost of sales	19	(800,723,622)	(804,502,479)
Gross profit		286,360,000	186,283,749
Other income	20	4,765,900	2,590,188
Provision for credit impairment		(511,282)	(615,604)
Bank charges & commissions		(6,947,331)	(6,467,858)
Cleaning expenses		(1,756,089)	(2,347,905)
Communication, printing & stationery		(4,081,343)	(4,357,261)
Depreciation & amortisation		(9,622,823)	(15,343,960)
Licenses & insurance		(1,896,850)	(1,873,758)
Other administrative expenses	21	(8,833,823)	(5,083,505)
Rental expenses		(12,775,455)	(11,069,312)
Repairs and maintenance		(9,575,149)	(9,385,342)
Staff costs	22	(123,641,725)	(111,471,850)
Transport, travelling & fuel expenses		(9,663,957)	(6,474,466)
Utilities		(30,270,936)	(27,541,467)
Operating profit/(loss)		71,549,138	(13,158,351)
Net finance income	23	16,534,062	23,799,495
Profit before tax		88,083,200	10,641,144
Tax expense	10	(22,018,723)	(8,191,875)
Profit for the year		66,064,477	2,449,269

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

STATEMENT OF CHANGES IN EQUITY



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

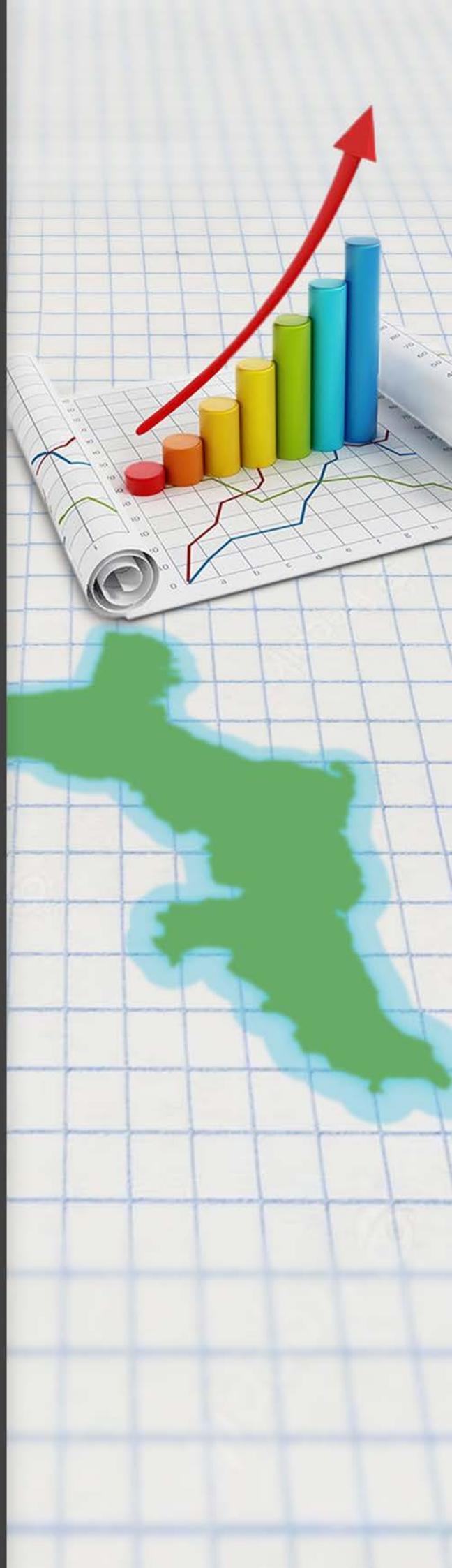
Statement of changes in equity

Financial statements are prepared in Seychelles Rupees

	Share capital	Contributed Capital	Retained earnings	Total
At 1 January 2021	10,000	92,209,737	195,720,661	287,940,398
Profit for the year	-	-	2,449,269	2,449,269
Addition for the year	-	53,072,471	-	53,072,471
Dividends paid during the year	-	-	-	-
At 31 December 2021	10,000	145,282,208	198,169,930	343,462,138
Profit for the year	-	-	66,064,477	66,064,477
Fair value adjustments	-	(4,609,727)	-	(4,609,727)
Dividends paid during the year	-	-	-	-
At 31 December 2022	10,000	140,672,481	264,234,407	404,916,888

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

STATEMENT OF CASH FLOWS



SEYCHELLES TRADING COMPANY LIMITED
 Annual Financial Statements for the year ended 31 December 2022

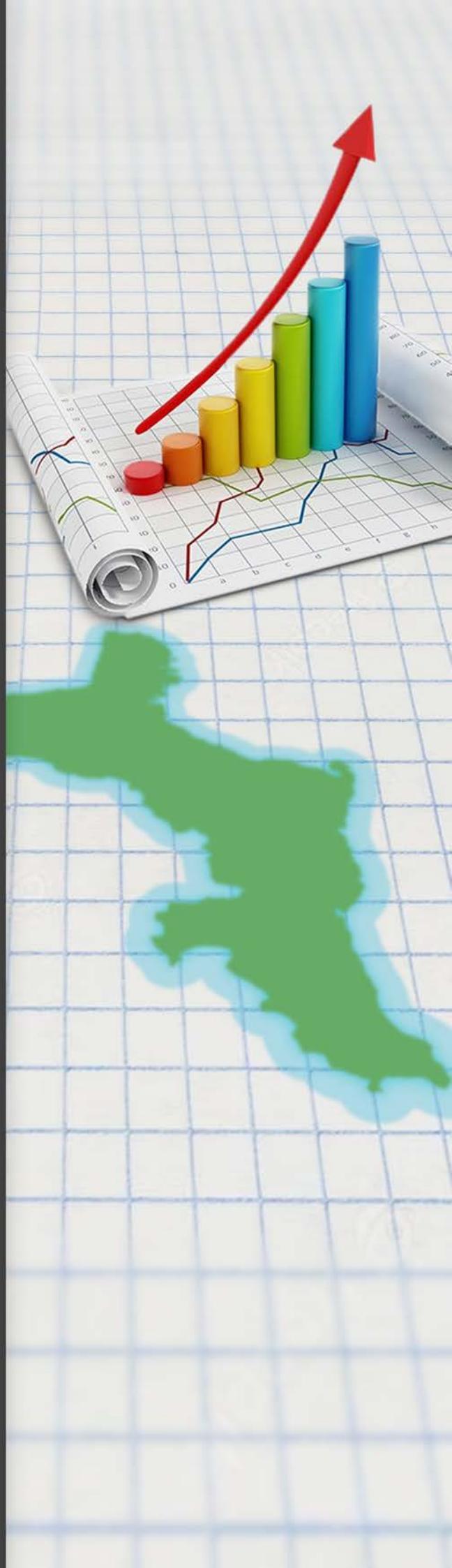
Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	Year ended 31 December 2022	2021
Cash flows from operating activities			
Profit before income tax		88,083,200	10,641,144
Adjustments for:			
Depreciation of property, plant and equipment	3	8,579,229	9,614,054
Amortisation of intangible assets	4	46,290	71,865
Depreciation of right-of-use assets	5	848,400	6,040,645
Provision for employee benefit obligations	14	6,290,695	5,966,395
Net finance costs	23	(16,534,062)	(23,799,495)
Provision for credit impairment	9	511,282	615,604
Re-measurement of leases	13	(1,636,869)	3,289,654
Loss on disposal of property, plant and equipment	20	-	1,584,328
		86,188,165	14,024,194
Changes in working capital			
(Increase)/Decrease in inventories		(14,691,480)	(11,773,709)
(Increase)/Decrease in work in progress		(45,020,532)	-
(Increase)/Decrease in trade and other receivables		(260,500)	924,318
Increase/(Decrease) in trade and other payables		9,811,690	(35,285,626)
Cash (used in)/ generated from operations		36,027,344	(32,110,824)
Tax paid	10	(8,780,530)	(533,472)
Employee benefit obligations paid	14	(2,448,045)	(3,122,397)
Net cash (used in)/ generated from operating activities		24,798,769	(35,766,692)
Cash flows from investing activities			
Additions to property, plant and equipment	3	(9,524,641)	(9,102,150)
Additions to intangible assets	4	(14,781)	(75,775)
Proceeds from disposal of property, plant and equipment		-	884,920
Interest received	23	(49,221)	217,691
Net cash (used in)/ generated from investing activities		(9,588,643)	(8,075,314)
Cash flow from financing activities			
Interest paid	23	-	(489)
Lease payments	13	(1,200,000)	(7,619,126)
Net cash generated from/(used in) financing activities		(1,200,000)	(7,619,615)
Net change in cash and cash equivalents		14,010,126	(51,461,621)
Movement in cash and cash equivalents			
As at January 1,		49,596,837	76,364,661
Net change in cash and cash equivalents		14,010,126	(51,461,621)
Net foreign exchange difference	23	17,488,059	24,693,797
As at December 31	11	81,095,022	49,596,837

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

FIVE YEAR FINANCIAL SUMMARY



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

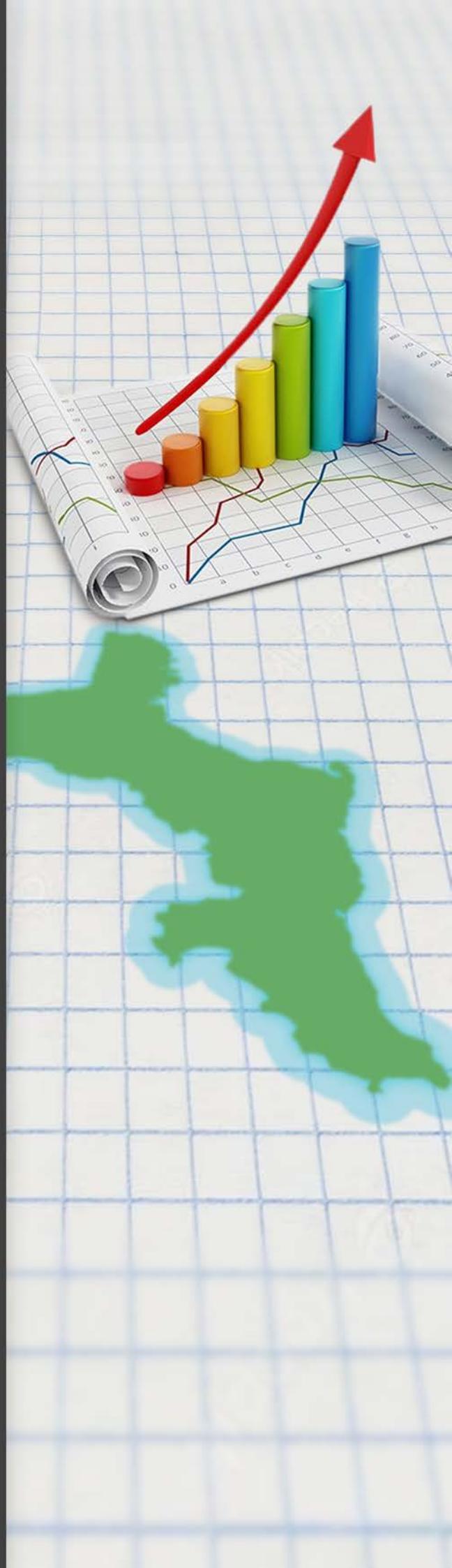
Five year financial summary

Financial statements are prepared in Seychelles Rupees '000

	2022	2021	2020	2019	2018
Statement of financial position					
Share capital					
Authorised	10	10	10	10	10
Issued and Fully paid	10	10	10	10	10
Contributed capital	140,673	145,282	92,210	92,210	92,210
Retained earnings	264,235	198,170	195,721	206,319	182,661
Net assets employed	404,918	343,462	287,941	298,539	274,881
Statement of income					
Turnover	1,087,084	990,786	1,011,782	1,137,622	1,089,287
Profit/(loss) before taxation	88,083	10,641	(8,193)	37,948	31,844
Exceptional items	-	-	-	-	(4,574)
Taxation	(22,019)	(8,192)	(2,405)	(14,290)	(12,805)
	66,064	2,449	(10,598)	23,658	14,465
Retained earnings - 1 January	198,170	195,721	206,319	182,661	168,196
Retained earnings - 31 December	264,235	198,170	195,721	206,319	182,661

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

NOTES TO THE ANNUAL FINANCIAL STATEMENT



SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

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

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

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

2 Summary of significant accounting policies

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

2.1 Basis of presentation

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

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

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

New standards, amendments and interpretation adopted by the company

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

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

New standards and amendments issued but not yet effective

- IAS 1 amendments on classification of liabilities as current or non-current.
- IFRS 17 - Insurance contracts and amendments to insurance contracts.
- Amendments to IAS 16 - Proceeds before intended use.
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 37- Onerous contracts.
- Amendment to IFRS 3 updating a reference to the Conceptual Framework.
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.2 *Impairment of non financial assets*

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

2.3 *Financial instruments*

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

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

Financial assets

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

Fair value through profit or loss (FVTPL)

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

Fair value through other comprehensive income (FVOCI)

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

Amortised cost

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

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

Trade and other receivables

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

Equity instruments

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

Cash and cash equivalents

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.3 Financial instruments (cont.)

Financial liabilities

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

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

Trade and other payables

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

Loans and borrowings

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

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

2.4 Financial risk management

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

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

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

Credit risk

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

Impairment and uncollectability of financial assets

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

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

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.4 Financial risk management (cont.)

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

On that basis, the loss allowance for 31 December 2022 and 2021 for trade and other receivables was determined as follows,

Trade & other receivables	<30 days	30-60 days	60-90 days	90-180 days	180-360 days	>360 days	Total
31 December 2022	8,687,643	5,523,548	249,910	1,238,505	344,469	10,582,223	26,626,298
31 December 2021	8,367,393	1,663,848	274,820	244,677	174,874	7,568,402	18,294,014
Loss allowance							
31 December 2022	83,952	111,424	19,015	294,020	127,111	5,195,593	5,831,115
31 December 2021	76,404	32,464	11,405	51,170	49,270	5,216,398	5,437,111
Expected loss rate							
31 December 2022	1.0%	2.0%	7.6%	23.7%	36.9%	49.1%	21.9%
31 December 2021	0.9%	2.0%	4.1%	20.9%	28.2%	68.9%	29.7%

Market risks

Foreign currency risk

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

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

At 31 December 2021	In SCR '000				
	SCR	USD	Euro	ZAR	Others
Assets					
Property, plant and equipment	123,157	-	-	-	-
Intangible assets	71	-	-	-	-
Right-of-use assets	7,586	-	-	-	-
Investments	48,488	-	-	-	-
Inventories	262,529	-	-	-	-
Trade and other receivables	15,677	-	-	-	-
Current tax asset	12,421	-	-	-	-
Cash and cash equivalents	58,574	20,917	1,495	-	109
	528,503	20,917	1,495	-	109
					551,024
Liabilities					
Borrowings	5,000	-	-	-	-
Lease liability	8,337	-	-	-	-
Deferred tax liabilities	5,561	-	-	-	-
Employee benefit obligations	29,813	-	-	-	-
Trade and other payables	39,989	14,317	5,694	1,888	855
	88,701	14,317	5,694	1,888	855
					111,455
Net balance sheet position	439,802	6,600	(4,199)	(1,888)	(746)
					439,569

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.4 Financial risk management (cont.)

Cash flow and fair value interest rate risk

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

Other price risk

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

Liquidity risk

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

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

	In SCR '000			
	Less than 12 months	1 - 5 years	After 5 years	Total
At 31 December 2022				
Borrowings	5,000	-	-	5,000
Lease liabilities	361	2,851	5,125	8,337
Trade and other payables	71,085	-	-	71,085
	76,446	2,851	5,125	84,422
At 31 December 2021				
Borrowings	5,000	-	-	5,000
Lease liabilities	1,596	3,481	5,218	10,295
Trade and other payables	62,742	-	-	62,742
	69,338	3,481	5,218	78,037

2.5 Capital risk management

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

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

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

The company manages gearing on the basis of gearing ratio,

	2022	2021
Borrowings	5,000,000	5,000,000
Net debt	5,000,000	5,000,000
Total equity	404,916,887	343,462,138
Gearing ratio	1.23%	1.46%

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.6 Foreign currency

Functional and presentation currency

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

Foreign currency translation

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

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

The Bank mid-rates for the period were:

Currency	Exchange rates at 31 December			Changes in percent (SCR)	
	2022	2021	2020	2022-2021	2021-2020
SCR/USS	14.01	14.69	17.58	5%	16%
SCR/Euro	14.93	16.51	20.21	10%	18%

2.7 Property, plant and equipment

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

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

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

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

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

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

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

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.8 *Intangible assets*

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

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

2.9 *Right-of-use assets and lease liability*

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

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

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

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

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

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

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

Short term leases

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

2.10 *Provisions*

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.11 Employee Benefits

Defined contribution plans

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

Defined benefit plans

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

2.12 Dividends

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

2.13 Contingent liability

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

2.14 Revenue recognition

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

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

Sale of goods

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

Rendering of services

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

Interest income

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

Rental income

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

Government grants

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

Other income

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

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.15 *Taxation*

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

Current business tax

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

Deferred tax

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

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

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

2.16 *Inventories*

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

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

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

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

2.17 *Significant accounting judgements and estimates*

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

Impairment of financial assets

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

Impairment of other assets

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

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2.17 Significant accounting judgements and estimates (cont.)

Useful lives and residual values of depreciable assets

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

Employment benefit obligations

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

Deferred taxes

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

2.18 Investment in subsidiary

Subsidiaries are entities controlled by the company. The company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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3 Property, plant and equipment

	Land	Freehold Buildings	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Motor Vehicle	Work in progress	Total
Cost									
At 1 January 2021	3,076,323	55,988,845	40,840,629	15,134,342	12,733,271	26,658,136	28,302,086	7,658,122	190,391,755
Additions	-	9,168,798	3,262,961	720,056	534,885	301,527	-	1,076,801	15,065,030
Disposals	-	(272,368)	(3,418,428)	(826,126)	(1,821,543)	(3,238,765)	(249,200)	(5,963,147)	(15,789,576)
At 31 December 2021	3,076,323	64,885,275	40,685,162	15,028,273	11,446,614	23,720,898	28,052,886	2,771,776	189,667,209
Additions	-	1,726,180	3,051,440	940,956	995,669	981,935	2,967,527	46,178,446	56,842,153
Disposals	-	-	-	-	(23,133)	-	-	(1,157,914)	(1,181,047)
At 31 December 2022	3,076,323	66,611,455	43,736,603	15,969,051	12,419,149	24,702,834	31,020,413	47,792,308	245,328,135
Accumulated depreciation and impairment									
At 1 January 2021	-	15,766,032	23,754,707	14,914,636	10,396,499	19,626,125	26,886,970	-	111,344,970
Annual depreciation	-	2,220,444	3,610,925	890,943	563,394	1,626,615	701,733	-	9,614,054
Disposals	-	(54,473)	(1,844,632)	(1,403,551)	(1,097,638)	(2,707,953)	(249,200)	-	(7,357,448)
At 31 December 2021	-	17,932,001	25,521,003	14,402,061	9,862,220	18,544,788	27,339,504	-	113,601,575
Annual depreciation	-	2,477,002	2,890,180	554,244	507,505	1,399,874	750,424	-	8,579,229
Disposals	-	-	-	-	(9,397)	-	-	-	(9,397)
At 31 December 2022	-	20,409,004	28,411,182	14,955,669	10,360,376	19,944,810	28,089,927	-	122,170,968
Carrying amount									
At 1 January 2022	3,076,323	46,953,274	15,164,159	626,212	1,584,394	5,176,110	713,382	2,771,776	76,065,633
At 31 December 2022	3,076,323	46,202,451	15,325,421	1,013,382	2,058,773	4,758,023	2,930,486	47,792,308	123,157,166

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4 Intangible assets

	2022	2021
Cost		
As at January 1,	2,097,320	2,021,545
Additions	14,781	75,775
As at December 31,	2,112,101	2,097,320
Accumulated amortisation		
As at January 1,	1,994,718	1,922,853
Amortisation for the year	46,290	71,865
As at December 31,	2,041,008	1,994,718
Net book value as at December 31,	71,093	102,602

(a) Intangible assets comprise of computer software.

(b) Cash outflow for the purchase of intangible assets was SCR 14,781 for the current year (2021: 75,775).

5 Right-of-use assets

	2022	2021
Cost		
As at January 1,	50,590,807	43,761,349
Additions	-	6,829,458
Disposals	(1,787,246)	-
Remeasurement	(1,661,759)	-
As at December 31,	47,141,802	50,590,807
Accumulated amortisation		
As at January 1,	40,494,288	34,453,643
Depreciation	848,400	6,040,645
Disposal	(1,787,246)	-
As at December 31,	39,555,442	40,494,288
Net book value as at December 31,	7,586,359	10,096,519

6 Investments in subsidiary

6.1 Fair value of BDRIL

	2022	2021
Percentage ownership	100%	100%
Balance as at 1 January	53,072,471	-
Addition at nominal value	-	53,072,471
Fair value adjustments	(4,609,727)	-
Balance as at 31 December	48,462,744	53,072,471

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

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

Taking control over BDRIL enables the company to reduce cost through reduction in rental charges incurred by the Company.

6.2 Settlement of pre-existing relationship

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

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6 Investments in subsidiary (cont.)

6.3 Acquisition-related costs

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

6.4 Identifiable assets acquired and liabilities assumed

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

Property, plant & equipment	14,479,891
Investment properties	100,594,017
Work in progress	12,159,417
Deposit on leasehold land	46,188,756
deferred tax	24,782,035
Inventories	417,431
Trade & other receivable	1,443,223
Cash and cash equivalents	13,155,906
loans and borrowings	(117,701,817)
Trade & other payables	(5,287,079)
Total identifiable net assets acquired	90,231,780

7 Investments - others

2022 2021

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

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

8 Inventories

2022 2021

Finished goods	228,689,283	203,524,098
Raw materials	13,443,122	12,336,227
Goods in transit	20,449,947	32,030,546
Inventories-Provisions	(53,777)	(53,777)
Total	262,528,574	247,837,094

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

In 2022, inventories of SCR 771,767,933 (2021: SCR 785,209,049) were recognised as an expense during the year and included in 'cost of sales' (note 19).

9 Trade and other receivables

2022 2021

Trade receivables (note 9.1)	15,846,163	10,811,201
Other receivables (note 9.2)	4,829,697	2,045,701
Related party receivable	(7,041,057)	607,785
Deposits and prepayments	2,042,354	1,951,970
Total	15,677,158	15,416,658

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9 Trade and other receivables (cont.)

9.1 Trade receivables

	2022	2021
Gross trade receivables	19,569,109	13,691,858
Less : Provision for impairment loss	(3,722,946)	(2,880,657)
Total	15,846,163	10,811,201

Movement in provision for impairment loss:

	2022	2021
As at 1 January	2,880,657	2,721,663
Provision made during the year	842,289	158,994
Total	3,722,946	2,880,657

9.2 Other receivables

	2022	2021
Gross other receivables	7,057,188	4,602,155
Less : Provision for impairment loss	(2,227,491)	(2,556,454)
Total	4,829,697	2,045,701

Movement in provision for impairment loss:

	2022	2021
As at 1 January	2,556,454	2,114,835
Provision made during the year	(328,963)	441,618
Total	2,227,491	2,556,454

10 Taxation

	Statement of financial position		Statement of income	
	2022	2021	2022	2021
10.1 Current tax				
Balance refundable/(payable) from prior year	719,695	4,356,430	-	-
Provision for the current year	(21,920,802)	(3,636,735)	21,920,802	3,636,735
Provisionally paid for the current year	8,780,530	-	-	-
Total	(12,420,577)	719,695	21,920,802	3,636,735
10.2 Deferred tax asset				
Employee compensation obligation	1,572,674	1,491,599	81,075	412,016
Other temporary deductible differences	127,821	153,901	(26,080)	888,024
Total	1,700,494	1,645,500	54,994	1,300,040
10.3 Deferred tax liability				
Deferred due to concessional tax depreciation	7,261,872	7,108,956	152,916	2,721,628
Total deferred tax liability/(credit)	5,561,377	5,463,456	(97,921)	4,021,668
10.4 Corporate social responsibility tax				533,472
Total income tax expense			22,018,723	8,191,875

11 Cash and cash equivalent

	2022	2021
Current and savings balances with banks	79,765,788	48,677,031
Cash in hand	1,329,234	919,807
Total	81,095,021	49,596,837

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12 Borrowings

	2022	2021
As at January 1,	-	5,000,000
Repayment of principal	-	-
As at December 31,	5,000,000	5,000,000
Sources of finance		
The Livestock Trust Fund	5,000,000	5,000,000
Maturity analysis		
Payable within 1 year	5,000,000	5,000,000

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

13 Lease liability

	2022	2021
As at January 1,	10,294,317	6,682,827
Additions	-	6,829,458
Remeasurement	(1,636,869)	3,289,654
Interest cost	879,886	1,111,504
Payments made	(1,200,000)	(7,619,126)
As at December 31,	8,337,334	10,294,317

Minimum lease payments payable on lease commitment is as follows

	Future minimum lease payments	Interest cost	Present value of minimum lease payments 31-12-2022	Present value of minimum lease payments 31-12-2021
Within 1 year	1,200,000	837,262	362,738	515,033
Later than 1 year	20,285,343	12,310,747	7,974,596	9,779,284
As at December 31,	21,485,343	13,148,009	8,337,334	10,294,317

Amounts recognised in the statement of profit or loss,

	2022	2021
Amortisation charge of right to use asset (note 5)	848,400	6,040,645
Interest cost	879,886	1,111,504
Variable lease payments included in administrative expenses	-	14,304,801
Re-measurement of leases	24,890	(3,289,654)
Total	1,753,176	18,167,296

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

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

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

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14 Employee benefit obligations

	2022	2021
Retirement benefit obligations	25,648,001	22,114,899
Long term employee benefit obligations	4,165,234	3,855,686
Total	29,813,235	25,970,585
As at January 1,	25,970,585	23,126,587
Provision made during the year	6,290,695	5,966,395
Benefits paid	(2,448,045)	(3,122,397)
As at December 31,	29,813,235	25,970,585

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

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

15 Trade and other payables

	2022	2021
Trade payables	52,419,604	54,010,212
Accruals and other payables	20,134,100	8,731,802
Total	72,553,704	62,742,014

16 Authorised & issued capital

	2022	2021
Authorised and issued and fully paid 100 shares of R 100 each	10,000	10,000

17 Contributed Capital

	2022	2021
Seychelles Marketing board	92,209,737	92,209,737
Bois De Rose Investment Limited (note 6)	48,462,744	53,072,471
Contributed Capital	140,672,481	145,282,208

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

Details of assets taken over from SMB were as follows:

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

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18 Revenue

Analysis by type of sales and service	2022	2021
Retail and wholesale sales	1,086,379,045	990,645,546
Event management service	704,577	140,682
Total	1,087,083,622	990,786,228

19 Cost of sales

	2022	2021
Cost of inventories	771,767,933	785,209,049
Packing expenses	4,051,506	3,327,376
Stock write-offs and related expenses	13,486,850	9,125,098
Import rental	3,935,352	2,662,324
VAT Expenses	7,481,981	4,178,632
Total	800,723,622	804,502,479

20 Other income

	2022	2021
Rental Income	2,121,858	2,176,988
Sundry income	2,644,042	1,997,528
Profit on disposal of property, plant and equipment	-	(1,584,328)
Total	4,765,900	2,590,188

21 Other administrative expenses

	2022	2021
Adverts, promotion & publicity	1,859,291	825,502
Donations and gifts	1,504,684	119,265
Audit fees	666,000	560,000
Professional fees	1,365,634	452,907
Security expenses	1,972,735	1,991,534
Bond fees	61,692	82,586
Entertainment expenses	5,885	-
Books and subscriptions	4,050	34,650
Administration expenses	186,621	117,106
Sundry expenses	1,207,231	899,955
Total	8,833,823	5,083,505

22 Staff costs

	2022	2021
Salaries and wages	105,699,712	98,301,715
Staff overtime	1,997,435	204,450
Staff bonus	1,440,442	1,505,000
Pension cost	4,252,036	2,882,566
Retirement and other long term benefits	6,290,695	5,966,395
Staff welfare	1,540,586	1,009,289
Staff benefits	918,850	655,956
Casual wages	830,829	462,314
Directors fees (note 22(a))	284,360	132,802
Staff training	208,936	169,914
Staff Travelling	177,844	181,449
Total	123,641,725	111,471,850

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22 Staff costs (cont.)

(a) Directors fees

		2022	2021
Imtiaz Umarji	(appointed effective February 1, 2021)	69,520	-
Guy Morel	(term ended on February 1, 2021)	-	9,358
Gerard Adam		46,347	8,250
Ashik Hassan		50,560	53,847
Jamshed Pardiwalla	(appointed effective February 1, 2021)	46,347	-
Astride Tamatave	(appointed effective February 1, 2021)	50,560	46,347
Farida Camille	(term ended on February 1, 2021)	-	7,500
Oliver Bastienne	(term ended on February 1, 2021)	-	7,500
Total		263,334	132,802

(b) Other key management fees

		2022	2021
Christine Joubert		-	818,223
Siana Bistoquet	(On October 1, 2021 was appointed as the CEO)	876,000	219,000
Total		876,000	1,037,223

Total directors and key management personnel benefits **1,139,334** **1,170,026**

The retirement benefit obligation has not been valued by an actuary since management have decided that it will not have a material impact if it was computed by an external actuary.

23 Net finance (income)/costs

		2022	2021
Interest expense		-	489
Interest income		49,221	(217,691)
Interest on lease liability		879,886	1,111,504
Loss on remeasurement of lease liability		24,890	-
Exchange (gain)/loss		(17,488,059)	(24,693,797)
Total		(16,534,062)	(23,799,495)

24 Related party balances

		2022	2021
<i>Balances with related parties</i>			
Government of Seychelles (note 17)		145,282,208	145,282,208
Loan payable to Livestock Trust Fund (note 12)		5,000,000	5,000,000
<i>Transactions</i>			
Sale of goods and services		6,985,958	9,041,941
<i>Directors and key management personnel benefits</i>			
Key management salary		876,000	1,037,223
Board fees		263,334	132,802

(a) Goods & services sold to related parties comprises of finished goods available for sale. The above balance represent amount due to the company as at year end. SCR 7,041,057 (2021: SCR 2,340,514) has been recognised in the current year and prior year for bad or doubtful debts in respect of amounts owned by related parties.

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

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25 Capital and operating commitment

	2022	2021
<i>Capital commitments</i>		
Approved and contracted for	26,900,000	80,795,000
Approved but not contracted for	28,633,967	31,960,000
<i>Operating commitments</i>		
Letters of credits	26,238,332	24,246,668

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

26 Contingent liabilities

	2022	2021
Bank guarantees for bonded warehouse	10,000,000	10,000,000
Corporate guarantees for employee loan	400,000	400,000
Total	10,400,000	10,400,000

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

