

6.10 Seychelles Trading Company Ltd. (STCL)



6.10.1 Strategic Overview

6.10.1.1 *Mandate*

The overarching goal of STC is to ensure the consistent availability of essential commodities defined as Category 1 products – rice, flour, sugar, salt, milk, potatoes, onions, oranges, apples, infant milk, Sunflower Oil, Sunflower Margarine, Toilet Paper and lentils. STC exist to anchor prices to ensure the cost of living in the country always remain at an affordable level based on current economic situation. In addition, STC has also extended its products portfolio to provide the Seychellois people with affordable choices in commodities.

6.10.1.2 *Vision*

Meeting and Exceeding consumer expectations within our core mandate by trend setting industry standards.

6.10.1.3 *Mission*

Ensure the constant availability of basic commodities and value for money for all commodities and services.

6.10.1.4 *Strategic Priorities for 2024-2026*

- Value Chain – Improve Chain management in accordance with international best practices and norms
- Core Infrastructure – Operating with the best core infrastructure
- Organisational Culture – Adopt a result-oriented culture, characterized by high performance and meeting targets
- Food Security – Complement the food security agenda of the country
- Talent Development – Elevate leadership and functional capabilities

6.10.1.5 *Key Challenges*

- Volatility in Foreign Exchange Rate that impact the cost of commodity
- Volatility in International commodity prices
- Non availability of competent professional work force in procurement, logistic, administration, finance and IT
- Non availability of proper infrastructure to meet current and future challenges

6.10.2 Outlook of Financial Strategy

6.10.2.1 Projected Financial Position of Seychelles Trading Company Ltd.

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Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Non Current Assets	88,478	139,362	179,302	231,661	276,044	303,447	290,456
PPE & Capital W.I.P	79,145	76,168	123,228	175,587	219,970	247,373	234,382
Leasehold Assets -Rou	9,308	10,097	7,586	7,586	7,586	7,586	7,586
Investment	25	53,097	48,488	48,488	48,488	48,488	48,488
Current Assets	329,385	312,851	359,301	340,194	353,200	385,444	469,985
Inventory	214,699	215,807	242,033	253,735	246,489	261,052	275,004
Inventory In Transit	21,980	32,031	20,495	5,061	-	-	-
Debtors (Net Provision)	14,273	11,542	10,341	31,764	31,551	36,778	44,004
Return Cheque	577	660	567	633	633	633	633
Salary Advance/Loan	1,298	810	1,344	(23)	(23)	(23)	(23)
Advance & Prepayment	194	2,405	3,425	3,446	3,446	3,446	3,446
Cash At Bank	75,404	48,763	80,314	45,286	71,104	83,559	146,922
Cash In Hand	29	6	12	-	-	-	-
Petty Cash/Float	931	828	769	293	-	-	-
Total Assets	417,863	452,213	538,603	571,855	629,243	688,891	760,441
Equity & Liabilities							
Capital And Reserves	287,940	343,462	404,917	486,008	510,634	566,133	632,573
Share Capital	10	10	10	10	10	10	10
Govt Investment	92,210	145,282	140,672	166,241	140,672	140,672	140,672
Retained Profit B/F	206,319	195,721	198,170	264,332	319,757	369,952	425,450
Profit For The Year	(10,598)	2,449	66,064	55,424	50,195	55,498	66,441
Liabilities							
Non Current Liabilities	31,251	41,728	43,712	43,655	43,655	43,655	43,655
Differed Tax	1,442	5,463	5,561	5,463	5,463	5,463	5,463
Compensation & Gratuity	23,127	25,971	29,813	29,855	29,855	29,855	29,855
Lease Liability -Rou	6,683	10,294	8,337	8,337	8,337	8,337	8,337
Loan & Advances	-	-	-	-	-	-	-
Current Liabilities	98,671	67,022	89,974	67,757	74,954	79,103	84,212
Local Creditors	39,156	40,239	25,800	31,048	37,762	41,290	45,747
Oversea Creditors	51,960	20,632	31,406	11,942	12,421	13,042	13,694
Net Vat Liability	(1,137)	(4,672)	98	(3,573)	(3,573)	(3,573)	(3,573)
Tax Liabilities	(4,356)	(720)	17,140	14,486	14,486	14,486	14,486
Net Wages /Salaries	1,104	1,026	7,876	1,457	1,457	1,457	1,457
Short Term Borrowings	5,000	5,000	5,000	-	-	-	-
Accruals	977	838	418	4,270	4,270	4,270	4,270
Other Payables	5,968	4,680	2,237	8,128	8,131	8,131	8,131
Total Equity & Liabilities	417,863	452,213	538,603	597,420	629,243	688,891	760,441

6.10.2.2 Projected Statement of Comprehensive Income of Seychelles Trading Company Ltd.

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Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Gross Sales	2,084,429	1,983,403	2,166,548	2,069,391	2,172,860	2,281,503	2,395,578
Inter Division Transfers	1,072,647	992,617	1,079,464	975,633	1,024,320	1,075,536	1,129,313
Net Sales	1,011,782	990,786	1,087,084	1,093,758	1,148,540	1,205,967	1,266,265
Cost of Sales	779,615	785,209	771,768	776,246	807,470	853,369	896,038
Commission. Credit. Card	3,745	4,255	5,178	5,197	5,457	5,730	6,016
Loyalty Points Redeemed	-	-	-	-	-	-	-
Stock Take - Shortage/(Excess)	2,790	2,598	1,831	100	134	174	226
Demurrages	1,943	2,662	3,935	2,377	2,079	1,882	1,739
Damages/Destructions*	15,385	10,997	13,423	8,433	6,738	5,605	5,731
Damages/Destructions -Claims Received	(3,804)	(4,470)	(1,767)	(1,558)	(1,837)	(1,586)	(1,465)
Depreciation Plant & Machinery	3,318	3,337	2,770	2,124	6,334	8,101	7,342
Total Cost of Sales	802,993	804,589	797,139	792,919	826,375	873,275	915,627
Gross Profit	208,789	186,197	289,945	300,839	322,164	332,692	350,639
Gross Profit %	21%	19%	27%	28%	28%	28%	28%
Rental Income	2,246	2,303	2,248	2,139	2,139	2,139	2,139
Other Income	33,090	3,828	2,518	4,763	4,763	4,763	4,763
Total Income	244,125	192,329	294,711	307,740	329,066	339,593	357,540
Total Selling & Distribution Expense	15,146	14,829	19,418	16,309	18,169	19,108	19,356
Publicity & Promotion	542	826	1,859	1,643	1,760	1,885	2,018
Transport Charges	4,373	3,837	5,766	5,598	5,995	6,421	6,877
Vehicle Fuel	2,213	2,174	2,969	3,004	2,896	2,791	2,690
Vehicle Expenses	3,004	3,995	3,787	3,052	2,942	2,836	2,733
Packing Expenses	3,694	3,327	4,052	1,889	2,024	2,167	2,321
Travel & Entertainment	707	463	929	1,024	1,096	1,174	1,257
Donation, Gifts, Disc.Allowed	69	16	55	99	106	113	121
Depreciation Motor Vehicle	544	190	1	1	1,351	1,721	1,337
Total Administration Expenses	215,354	186,887	201,673	222,650	233,010	235,538	238,590
Salaries & Wages	104,830	98,929	99,825	109,904	115,399	115,399	115,399
13th Month Salary	-	-	6,706	8,078	8,570	8,570	8,570
Pension Fund	3,003	2,878	4,252	4,884	5,129	5,129	5,129
Overtime	1,988	204	1,997	1,632	1,632	1,632	1,632
Gratuity & Compensation	6,345	5,966	6,291	6,604	6,934	6,934	6,934
Employee Benefits	2,324	1,847	2,637	3,405	3,473	3,542	3,613
Bonus & Incentives	3,040	1,345	1,440	-	-	-	-
Staff Training	47	170	209	267	273	278	284
Directors Fee	474	133	284	379	379	379	379
Consultancy Fee	563	453	1,366	780	780	780	780
Insurance	2,362	1,874	1,897	1,756	1,792	1,827	1,864
Audit Fees	500	560	666	646	646	646	646
Rent	1,704	11,069	12,775	17,576	18,048	18,719	19,423
Depreciation -Rou Assets	18,869	5,986	848	-	-	-	-
Utilities	26,592	27,541	30,271	32,171	33,780	34,456	35,145
Printing & Stationery	1,217	1,071	1,597	1,976	2,016	2,056	2,097
Computer Expenses	1,549	1,412	999	1,964	2,003	2,043	2,084
Telephone & Fax	1,741	1,873	1,480	1,607	1,639	1,672	1,705
Postage	0	2	5	3	3	3	3
Cleaning/Common Cost HM	5,780	2,348	1,756	1,908	1,946	1,985	2,025
Repairs & Maintenance	4,438	5,391	5,789	4,928	5,027	5,127	5,230
Security	3,526	1,992	1,973	3,632	3,705	3,779	3,854
Donation, Gifts, Disc.Allowed	2,660	103	1,457	3,286	3,352	3,419	3,487
Depreciation	7,621	5,830	6,003	4,580	5,701	6,274	7,312
Vat Disallowed	5,390	4,179	7,482	5,571	5,571	5,571	5,571
Miscellaneous	8,791	3,732	1,668	5,112	5,214	5,319	5,425
Total Financial Expense	22,690	(21,587)	(14,765)	(5,775)	9,877	9,806	9,800
Interest Charges	(359)	83	87	56	56	5	-

Lease Interest - Rou Assets	3,029	1,112	(757)	-	-	-	-
Bank Charges	2,373	2,212	1,769	1,651	1,887	1,748	1,737
Financial Income	(1,928)	(300)	(36)	(130)	(132)	(13)	(3)
Exchange (Gain) Or Loss	19,575	(24,694)	(15,828)	(7,352)	8,066	8,066	8,066
Total Operating Expenses	253,190	180,129	206,325	233,184	261,057	264,452	267,745
Net Profit Before Tax & Provisions	(9,065)	12,200	88,385	74,556	68,009	75,141	89,795
Provisions	(872)	1,559	302	786	1,216	1,277	1,341
Provision For Bad Debts	515	616	511	-	-	-	-
Provision For Unrealized Profit	(1,387)	943	(209)	786	1,216	1,277	1,341
Net Profit Before Tax	(8,193)	10,641	88,083	73,770	66,793	73,864	88,454
Taxation	2,405	8,192	22,019	18,343	16,598	18,366	22,014
Corporate Social Responsibility Tax	2,539	533	-	-	-	-	-
Tax Expense	(134)	7,658	22,019	18,343	16,598	18,366	22,014
Total Tax Exp & Provisions	1,533	9,751	22,321	19,128	17,814	19,643	23,354
Net Profit After Tax & Provisions	(10,598)	2,449	66,064	55,428	50,195	55,498	66,441

6.10.2.3 *Projected Cash flows Statement of Seychelles Trading Company Ltd.*

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Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Net Profit Before Taxation	(8,193)	10,641	88,083	73,770	66,793	73,864	88,454
Depreciation	11,521	9,686	8,626	6,705	13,387	16,097	15,991
Retirement Benefit Obligations	6,345	5,966	6,291	6,604	6,934	6,934	6,934
Interest Receivable	1,918	(218)	49	130	132	13	3
Interest Payable	(368)	83	87	56	56	5	0
Lease Interest -ROU Assets	3,029	1,022	(1,636)	-	-	-	-
	31,093	33,550	102,348	87,265	87,303	96,913	111,383
(Increase)/decrease in Inventory	(65,312)	(11,158)	(14,691)	4,954	12,307	(14,563)	(13,952)
(Increase)/decrease in Accounts Receivable	866	924	261	11,289	10,463	(1,065)	(1,118)
Increase/(Decrease) in Accounts Payable	29,563	(33,506)	9,812	(19,379)	7,194	4,149	5,109
Increase/(Decrease) in Other Payable	(4,961)	3,740	(1,506)	(26,908)	-	-	-
Cash Generated from Operations	(8,752)	(6,450)	96,223	57,035	117,266	85,434	101,421
Interest Paid	368	(83)	(87)	(56)	(56)	(5)	(0)
Taxation Paid	(8,206)	(533)	(8,781)	(22,182)	(16,598)	(18,366)	(22,014)
Gratuity & Compensation paid	(2,621)	(3,122)	(2,448)	(6,562)	(6,934)	(6,934)	(6,934)
NET CASH GENERATED FROM OPERATIONS	(19,210)	(10,188)	84,907	28,235	93,678	60,129	72,474
Cash Generated from Investing							
Purchase of Property Plant & Machinery	(13,881)	(15,065)	(57,408)	(58,714)	(127,770)	(43,500)	(3,000)
Disposal of Property, Plant & Machinery	4,095	5,887	2,848	-	70,000	-	-
Interest Received	(1,918)	218	(49)	(130)	(132)	(13)	(3)
NET CASHFLOW FROM INVESTING ACTIVITIES	(11,705)	(8,960)	(54,609)	(58,844)	(57,902)	(43,513)	(3,003)
Funds Generated From Financing Activities							
Repayment of Borrowings	(5,000)	-	-	(5,093)	-	-	-
Lease Payments- ROU Assets	(24,752)	(7,619)	1,200	-	-	-	-
Inter Divisional Transfers in	303,143	199,535	305,981	118,849	-	-	-
Inter Divisional Transfers Out	(303,143)	(199,535)	(305,981)	(118,849)	-	-	-
NET CASHFLOW FROM FINANCING ACTIVITIES	(29,752)	(7,619)	1,200	(5,093)	-	-	-
NET DECREASE/(INCREASE) IN CASH & CASH	(60,667)	(26,768)	31,498	(35,702)	35,776	16,616	69,470
Cash and Cash Equivalent at Beginning	137,032	76,365	49,597	81,095	45,579	81,354	97,971
Cash and Cash Equivalent at End	76,365	49,597	81,095	45,579	81,354	97,971	167,441

6.10.2.4 Projected Capital Investment Plan of Seychelles Trading Company Ltd.

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Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimate d Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2020	2021	2022	2023	2024	2025	2026	
Major Capital Investments														
Acquisition of Passenger Bus	Vehicle Fleet Enhancement	Reduced OPEX	1,176	Own	2020	2020	1,176	-	-	-	-	-	-	
Eve island warehousing	Own premises to better serve	Reduced rent cost	17,227	Own	2020	2021	6,667	10,560	-	-	-	-	-	
Enterprise Resource Planning software	Improve overall monitoring, controls and reporting	Overall improved operational efficiencies	8,926	Own	2021	2026	-	1,490	1,812	1,200	1,106	1,106	-	Cost and Time overrun
Turn Key Cold Storage	Improved sales of Perishables and reduced opex on handling perishables	Increased sales and reduced opex	97,000	Own	2022	2024	-	-	43,200	33,800	20,000	-	-	Cost and Time overrun
Acquisition of 5 Ton chiller Truck	Vehicle Fleet Enhancement	Reduced OPEX	1,941		2022	2022	-	-	1,941	-	-	-	-	
Acquisition of Passenger cars	Vehicle Fleet Enhancement	Reduced OPEX	1,180		2022	2022	-	-	1,180	-	-	-	-	
Eve island super market	Increase volumes	Increased profitability	1,100		2022	2022	-	-	1,100	-	-	-	-	
Building of Bakery and Floor Stores	Improved efficiencies	Increased sales and reduced opex	24,000		2024	2025	-	-	-	-	12,000	12,000		Delay in start
Refurbishment of Dry Goods Stores	Improved efficiencies	Increased sales and reduced opex	28,950		2024	2024	-	-	-	-	15,950	13,000		Delay in start
Acquisition of 02 long vehicles	Vehicle Fleet Enhancement	Reduced OPEX	2,600		2023	2023	-	-	-	2,600	-	-	-	
Acquisition of 04 passenger cars	Vehicle Fleet Enhancement	Reduced OPEX	5,000		2024	2024	-	-	-	-	5,000	-	-	
Acquisition of 2 trucks and train truck	Vehicle Fleet Enhancement	Reduced OPEX	1,400		2023	2023	-	-	-	1,400	-	-	-	
Updating of Total IT infrastructure	Improved efficiencies	Overall improved operational efficiencies	9,163		2023	2024	-	-	-	9,163	-	-	-	Delay in start
Relocation of Building Material	Strategic relocation	Improved Sales	5,000		2025	2025	-	-	-	-		5,000		Delay in start
Total Renovation of Hyper Market	Improved efficiencies	Overall improved operational efficiencies	10,500		2024	2025	-	-	-	-	2,500	8,000		Delay in start
Renovation of Head Office Premises	Improved efficiencies	Overall improved operational efficiencies	3,000		2026	2026	-	-	-	-	-	-	3,000	Delay in start
TOTAL INVESTMENTS ON MAJOR PROJECTS			218,163				7,843	12,050	49,233	48,163	56,556	39,106	3,000	
REPLACEMENT AND UP KEEP OF ASSETS (PPE)			28,657				1,943	3,015	7,609	10,551	1,144	4,394	-	

6.10.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.10.3.1 Tax Implications by the Operations of Seychelles Trading Company Ltd.

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Type of Tax	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Business Tax	2,405	8,192	22,019	18,343	16,598	18,366	22,014
PIT	5,019	4,751	5,114	6,976	7,325	7,325	7,325
VAT	58,363	53,295	43,582	43,668	45,424	48,006	50,407
TOTAL	65,787	66,237	70,715	68,987	69,348	73,698	79,745

6.10.3.2 Anticipated Dividend Declarations by Seychelles Trading Company Ltd.

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Type of Tax	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Social Benefit Cost-Dividends in lieu of cash	41,104	93,348	49,352	30,825	33,809	31,667	33,795

6.10.3.3 Debt Payments Forecasts by Seychelles Trading Company Ltd.

STC does not intend to borrow funds in medium term as well as of date company has zero borrowings.

6.10.3.4 Anticipated Subventions and Grants by Seychelles Trading Company Ltd.

STC does not anticipate and subvention or grants during medium term.

6.10.3.5 Contingencies of Seychelles Trading Company Ltd.

STC does not anticipate any contingent liabilities

6.10.3.6 Assumptions used for the Financial Projections of STCL

Assumption used for the Financial Projections

- 2023 Forecasted sales were taken as the base and projected as a 5% growth in sales
- Budget is prepared based on the current level of average forex rates of 14.40 in August, 2023.
- 5% increment of salaries envisaged in line with approved salary structure 2024 and head count remains at July, 2023 levels
- Provision of 1 Months for 13th Month salary for all employees were provided and no bonus envisaged
- Stock write off and demurrage costs to be minimized by better operational control and inventory levels to be reduced
- Sales and Distribution expenses to be in proportion to in sales level expected
- It is assumed a Gross Profit margin to be remained current level
- More concentrated effort on reducing inventory holding at wholesale specially at Duty Free/Bonded warehouse and Building Material and obtaining maximum credit period from suppliers without procurement cost being affected
- Increase in sales to be supported by better and competitive pricing of products at below market level in congruence with government policy for keeping price level of essential foods at reasonable price level
- Enhance productivity of employees through higher training and development with defined milestones
- ERP Project and Major Capex approved & Planned and Essential Capex that held up in 2023 were taken as Capex for 2024 along with few new major projects are added to Budget 2024
- All the major capex projects to be financed through existing liquidity.
- it is assumed that all the elements of Working Capital Cycle to remain as it is at 2023 levels.

6.10.4 KPIs, Risk Management Strategy and Reporting Obligations

6.10.4.1 Key Performance Indicators of the Seychelles Trading Company Ltd.

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
MANAGEMENT CONTROL								
Gross Profit Ratio	-	20%	19%	26%	28%	28%	28%	28%
Inventory Losses/Cost of sales - Cumulative	-	1.89%	1.15%	1.67%	0.90%	0.62%	0.49%	0.50%
Demurrage/Cost of Sales - Cumulative	-	0.25%	0.35%	0.53%	0.31%	0.26%	0.22%	0.19%
Payroll Cost/ Sales	-	10%	10%	9%	10%	10%	10%	9%
Selling & Distribution cost/Sales	-	1%	1%	2%	1%	2%	2%	2%
Admin Cost/Sales	-	11%	9%	10%	10%	10%	10%	10%
Donations, Gifts/Sales	-	0.26%	0.01%	0.13%	0.30%	0.29%	0.28%	0.28%
WORKING CAPITAL MANGEMENT								
Inventory-SCRMn	-	236.68	247.84	262.53	258.8	246.49	261.05	275
Inventory Holding Period	-	108.91	113.46	121.99	121.69	111.42	111.66	112.02
Debtors Collection Period	-	9.82	9.89	5.68	10.81	6.97	6.96	6.95
Supplier Credit Period	-	48.34	32.76	29.48	20.21	22.68	23.24	24.21
Working Capital Cycle in Days	-	70.38	90.6	98.19	112.29	95.71	95.38	94.76
Working Capital Cycle in Months	-	2.35	3.02	3.27	3.74	3.19	3.18	3.16
Working Capital-SCRMn	-	230.69	245.83	269.33	272.43	278.25	306.34	385.77
PROFITABILITY								
ROA (Annualized)	-	-1.9%	2.5%	1.5%	12%	12%	12%	13%
ROE (Annualized)	-	-3.4%	0.8%	15%	12%	10%	10%	11%
LIQUIDITY								
Current Ratio	-	2.97	3.98	3.8	5.02	4.71	4.87	5.58
Quick Assets Ratio	-	0.14	0.12	0.11	1.2	1.42	1.57	2.32
Accounts Payable/Inventory	-	38%	25%	22%	17%	20%	21%	22%
FINANCIAL STABILITY								
Debt Ratio	-	0.32	0.29	0.25	0.19	0.19	0.18	0.17
Financial Gearing	-	-	-	-	-	-	-	-
Debt Equity Ratio	-	-	-	-	-	-	-	-
Interest cover	-	26.27	149.66	-	-	-	-	-

6.10.4.2 Risks and Resilience Plan of the Seychelles Trading Company Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Below the par operational efficiencies bench mark with industry due to outdated and deleted asset base	Strategic investment on PPE
Financial Risks	Volatility in Foreign Exchange Rate that impact the cost of commodity	Source part of foreign currency requirement in house through duty free operation and interaction with banking and economic sources and moderate and maintain short/long term positions accordingly
	Volatility in market interest rate that impact funding of operation	Maximize utilization of internally generated funds
Operational Risks	Volatility in International commodity prices	Regular interaction with suppliers and other sources to gather intelligence and based on the intelligence gained to decide on procurement policy to be maintained at short or long positions.
Compliance and Regulatory Risks	Non availability of competent professional work force in procurement, logistic, administration, finance and IT	Obtain foreign/Local expertise and train in house staff on laddering to take up key positions.

6.10.4.3 *List of External Reporting's by the Seychelles Trading Company Ltd.*

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Audited Financial Statements	Ministry of Finance	Audited financials as per Statutory requirements	Annually
	Seychelles Revenue Commission		
	Registrar of Companies		
	PEMC		
Quarterly Financials	PEMC	Reporting of results in terms of performance, including Income Statement, Statement of Position and Cash flow Statement	Quarterly

6.10.5 Stakeholder Engagement

6.10.5.1 *Statement by CEO*

Every day I realize that we are living in an uncertain era in which the future is truly difficult to foresee. We must create the future by navigating through these uncertain times and providing highly demanded value that society expecting. To this end, enhancing our strengths while securing valued return on all the presented opportunities is an essential process, which I have a highly dedicated team of professionals to support me with.

First and foremost, my team and myself, we are fully dedicated to establishing clear objectives that needed to achieve during medium term, i.e. period from 2024 to 2026. Understanding exact expectations of Board of Directors of Seychelles Trading Company on strategic directives and bench marked performance, we are more than confident in achieving all set targets for coming years.

Already we have drawn plans to invest in PPE to meet today's and future challenges and requirements and all these investments have been strategically evaluated by our esteemed professional with the Guidance of the Board of Directors. As a result, we are very much confident in achieving all the Key Performance targets set out by Board of Directors for the period from 2024-2026.

In line with the policy of Board of Directors of Zero borrowing for investments, we would achieve all our set KPIs with Zero Financial Gearing. Even though this may have stress on our Working capital management, I am confident we will achieve our Gearing targets while securing optimum level of working capital.

It should be worth to note that the trend that we set in 2022 of achieving unparalleled performance would be our benchmark for years to come. We have set plans in place to increase Returns on Assets from -1.9% in 2020 to 13% by end 2026 while increasing asset value by SCR 276Mn within next couple of years. Further this would give us to increase our Return on Equity from -3.4% to 11% during the same comparative periods. Further we have set a target to achieve at least 6% of Profit Before Tax on annual basis, which is far above what the company obtained since its' incorporation.

Lastly I am confident that we would be dedicated through efforts, to demonstrate the value of our existence for the future while balancing social value and economic value to realize our vision of “Meeting and Exceeding consumer expectations within our core mandate by trend setting industry standards”.

6.10.5.2 *Foreword by Chairperson*

Quality, strong Brands, innovation, availability and convenience continues to be our operating mantra which propels our efforts to continuously deliver “VALUE OUR CUSTOMERS’ TRUST” on us. Our focused efforts to develop the distribution network and retailing to support the growth in trade will continue to future.

Since been appointed as the Chairperson of Seychelles Trading Company Limited in 2021, myself and fellow Board of Directors identified that the company’s asset base is been depleted over the years and is outdated badly. In line with this scenario, our first effort has been bringing our overall asset base to new standard level to meet today’s and future challenges that the company is facing. During 2022 & 2023 we have already invested SCR 116.1Mn and have plans to invest another One hundred million Seychelles Rupees in next couple of years. The investments include, Modern Cold Storage Facility, State of Art bakery & flour store, Modern Dry goods store, more than handy vehicle fleet and modern enterprise resource planning system (ERP). Further we will keep evaluating any other necessary investments during medium term and will not hesitate to take actions to invest in such necessities. It should be noted that we intend to invest all these out of our own funds which would mitigate any adverse risks on our operating expenses in terms of financing costs for years to come.

The value creation process of the company has been built on our loyal and committed senior management and around 600 staff members. The company’s core values of innovation, integrity, excellence, caring and trust are embedded in our culture which is driven by our employees and has become an intrinsic part of how we operate our business. In recognition of our well committed and loyal staff, Board of Directors provided necessary guidance to introduce and implement performance base benefit scheme since later part of 2022 and would continue this into future as well.

I take this opportunity to thank Hon. Minister for his valued guidance and on behalf of the Board of Directors I would like to acknowledge the management and employees for their commitment to delivering set KPIs and Strategic objectives.

6.10.5.3 *Statement by the Responsible Minister*

The MTFS has not yet been presented to and discussed with the responsible Minister.