

1. Seychelles Trading Company Ltd. (STCL)

1.1.Strategic Overview

1.1.1.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.

1.1.2.Vision

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

1.1.3.Mission

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

1.1.4.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
- Organizational 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

1.1.5.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
- Logistic issues in relating to supply chain due to conflicts and other political unrest in the world resulted regular diversion/delays occurs to shipments.

1.2. Outlook of Financial Strategy

1.2.1. Projected Financial Position of Seychelles Trading Company Ltd.

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	Actual figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
ASSETS							
Non-Current Assets							
Property ,plant and equipment	76,168	123,228	182,397	215,332	265,447	249,131	234,532
Intangible assets							
Right-of-use assets	10,097	7,586	7,335	7,335	7,335	7,335	7,335
Investment	53,097	48,488	74,056	74,056	74,056	74,056	20,984
Total Non-Current Assets	139,362	179,302	263,788	296,723	346,838	330,521	262,851
Current Assets							
Inventories	215,807	242,033	205,422	227,508	231,180	243,610	256,821
Inventory in Transit	32,031	20,495	36,019	-	-	-	-
Debtors (Net Provision)	11,542	10,341	16,820	19,625	27,216	33,644	43,513
Return Cheque	660	567	705	668	668	668	668
Salary Advance/Loan	810	1,344	(1,564)	(1,656)	(1,656)	(1,656)	(1,656)
Advance & Prepayment	2,405	3,426	1,826	2,849	2,849	2,849	2,849
Cash at Bank	48,763	80,314	75,658	84,461	43,699	81,940	126,159
Cash In Hand	6	12	12	-	-	-	-
Petty Cash/Float	828	769	743	-	-	-	-
Total Current Assets	312,851	359,301	335,641	333,455	303,955	361,055	428,353
TOTAL ASSETS	452,213	538,604	599,429	630,178	650,793	691,576	691,204
EQUITY & LIABILITIES							
Lease liability	10,294	8,337	8,579	8,579	8,579	8,579	8,579
Deferred tax liabilities	5,463	5,561	5,587	5,587	5,587	5,587	5,587
Employee benefit obligations	25,971	29,813	32,597	32,904	32,904	32,904	32,904
Total Non-current liabilities	41,728	43,712	46,762	47,070	47,070	47,070	47,070
Local creditors	40,239	25,800	30,333	31,507	36,342	40,698	46,454
Overseas Creditors	20,632	31,406	32,956	28,373	16,120	16,926	17,773
Net VAT liability	(4,672)	98	(3,174)	(4,360)	(4,360)	(4,360)	(4,360)
Tax Liabilities	(720)	17,140	(2,690)	-	-	-	-
Net wages/salaries	1,026	7,876	1,515	1,560	1,556	1,556	1,556
Borrowings	5,000	5,000	-	-	-	-	-
Accruals	838	418	613	3,225	3,225	3,225	3,225
Other payables	4,680	2,237	2,945	3,863	3,863	3,863	3,863
Total Current liability	67,022	89,974	62,496	64,168	56,746	61,909	68,511
TOTAL LIABILITIES	108,751	133,686	109,259	111,238	103,816	108,978	115,581
Share capital	10	10	10	10	10	10	10
Contributed Capital	145,282	140,672	166,241	166,241	166,241	166,241	113,169
Retained Profit B/F	195,721	198,170	264,234	323,919	352,026	380,726	416,347
Profit for the year	2,449	66,064	59,685	28,770	28,700	35,620	46,098
Total Equity	343,462	404,917	490,170	518,940	546,977	582,598	575,623
Total Equity & Liabilities	452,213	538,603	599,429	630,178	650,793	691,576	691,204

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

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	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
Revenue	990,786	1,087,084	1,030,714	1,016,840	1,054,771	1,107,509	1,162,885
Cost of sale	785,209	771,768	723,876	711,850	730,135	766,641	804,973
Commission.Credit.Card	4,255	5,178	5,115	5,162	5,359	5,627	5,909
Stock take - Shortage/(Excess)	2,598	1,831	6,585	-	-	-	-
Demurrages	2,662	3,935	2,628	2,597	1,640	1,536	1,503
Damages/Destructions	10,997	13,423	9,936	8,101	6,595	6,516	6,464
Damages/Destructions - Claims Received	(4,470)	(1,767)	(1,656)	(1,203)	(809)	(567)	(398)
Depreciation Plant & Machinery	3,337	2,770	2,785	2,136	5,605	5,421	4,903
Total Cost of Sales	804,589	797,139	749,269	728,643	748,525	785,174	823,355
GROSS PROFIT	186,197	289,945	281,445	288,197	306,246	322,335	339,530
Rental Income	2,303	2,248	1,999	2,019	2,019	2,019	2,019
Other income	3,828	2,518	6,235	5,488	5,488	5,488	5,488
Total income	192,329	294,711	289,679	295,704	313,753	329,842	347,037
Selling & Distribution Expenses							
Publicity & Promotion	826	1,859	1,454	1,876	2,001	2,175	2,364
Transport Charges	3,837	5,766	5,719	5,938	6,360	6,911	7,511
Vehicles Fuel	2,174	2,969	2,551	2,498	2,380	2,328	2,277
Vehicles Expenses	3,995	3,787	3,638	3,176	3,047	2,980	2,914
Parking expenses	3,327	4,052	1,904	1,964	2,078	2,258	2,454
Travel & entertainment	463	929	1,595	1,670	1,788	1,943	2,111
Donation, gifts, Disc allowed	16	55	80	56	59	64	69
Depreciation Motor Vehicles	190	1	826	2,318	3,278	2,678	2,080
Total Selling & Distribution Expenses	14,829	19,418	17,768	19,497	20,989	21,336	21,780
Administration Expenses							
Salaries & Wages	98,929	99,825	108,486	116,764	129,099	129,099	129,099
13th Month Salary	-	6,706	6,875	8,324	8,324	8,324	8,324
Pension Fund	2,878	4,252	5,208	5,437	5,437	5,437	5,437
Overtime	204	1,997	1,398	1,540	1,540	1,540	1,540
Gratuity & compensation	5,966	6,291	6,989	6,942	6,942	6,942	6,942
Employee Benefits	1,847	2,637	3,421	3,207	3,271	3,386	3,505
Bonus & Incentives	1,345	1,440	3,160	5,660	5,660	5,660	5,660
Staff Training	170	209	335	424	433	448	463
Director fee	133	284	379	531	531	531	531
Consultancy fee	453	1,366	1,183	600	600	600	600
Licenses & insurance	1,874	1,897	1,629	1,902	1,940	2,008	2,078
Audit fees	560	666	625	8	-	-	-
Rental expenses	11,069	12,775	18,164	18,464	18,957	19,667	20,413
Depreciation - ROU Assets	5,986	848	996	-	-	-	-
Utilities	27,541	30,271	32,819	34,623	35,315	36,551	37,831
Printing and stationery	1,071	1,597	1,949	1,850	1,887	1,953	2,021
Computer expenses	1,412	999	1,972	2,162	2,205	2,282	2,362
Telephone & fax	1,873	1,480	1,741	1,774	1,809	1,873	1,938
Postage	2	5	3	2	2	2	2
Cleaning expenses	2,348	1,756	2,190	2,191	2,234	2,313	2,394
Repairs and maintenance	5,391	5,789	4,135	4,598	4,690	4,854	5,024
Security	1,992	1,973	4,712	4,891	4,989	5,163	5,344
Donation, gifts, Disc allowed	103	1,457	4,045	3,623	3,696	3,825	3,959
Depreciation	5,830	6,003	5,639	3,860	7,953	11,217	10,615
VAT disallowed	4,179	7,482	(1,399)	4,250	3,000	3,105	3,214
Miscellaneous	3,732	1,668	5,139	5,738	5,672	5,870	6,076
Total Administration Expenses	186,887	201,673	221,794	239,364	256,186	262,651	265,372
Financial expenses							

Interest Charge	83	87	28	28	2	0	0
Lease interest - ROU Assets	1,112	(757)	884	-	-	-	-
Bank Charges	2,212	1,769	1,518	1,745	1,628	1,618	1,617
Financial income	(300)	(36)	(185)	(43)	(5)	(2)	(2)
Exchange (Gain) or loss	(24,694)	(15,828)	(14,034)	(4,346)	(4,346)	(4,346)	(4,346)
Total Financial expenses	(21,587)	(14,765)	(11,788)	(2,616)	(2,721)	(2,729)	(2,730)
Total Operating Expenses	180,129	206,325	227,774	256,246	274,454	281,258	284,422
Net profit before tax and provision	12,200	88,385	61,904	39,458	39,298	48,584	62,615
Provision							
Provision for credit impairment	616	511	1,002	-	-	-	-
Provision for unrealized profit	943	(209)	(51)	1,232	1,165	1,223	1,285
Profit before tax	10,641	88,083	60,953	38,226	38,133	47,360	61,330
Corporate Social responsibility tax	533						
Tax expense	7,658	(22,019)	(1,268)	9,457	9,433	11,740	15,233
PROFIT FOR THE YEAR	2,449	66,064	59,685	28,770	28,700	35,620	46,098

1.2.3. Projected Cash flows Statement of Seychelles Trading Company Ltd.

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	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
Cashflows from operating activities							
Profit before income tax	10,641	88,083	60,953	38,226	38,133	47,360	61,330
Adjustments for:							
Depreciation of property,plant and equipment	9,686	8,626	9,250	8,314	16,835	19,317	17,598
Depreciation of right-of-use assets	6,370	848	996	-	-	-	-
Provision for employee benefit obligations	5,966	6,291	6,989	6,942	6,942	6,942	6,942
Interest Receivable	(218)	49	185	43	-	-	-
Interest Payable	83	87	28	28	5	2	2
Lease interest - ROU Assets	1,022	(1,636)	884	-	2	0	0
	33,550	102,348	79,285	53,553	61,918	73,620	85,872
Changes in working capital							
(increase)/Decrease in inventories	(11,158)	(14,691)	21,088	13,933	(3,672)	(12,429)	(13,211)
(increase)/Decrease in trade and other receivables	924	261	4,132	(3,698)	(7,590)	(6,428)	(9,869)
(increase)/Decrease in trade and other payables	(33,506)	9,812	(160)	(3,408)	(7,418)	5,162	6,602
(increase)/Decrease in other payables	3,740	(1,506)	(8,705)	2,389	(666)	0	0
Cash (used in) generated from operations	(6,450)	96,223	95,640	62,769	42,570	59,925	69,394
Interest Paid	(83)	(87)	(28)	(28)	(2)	(0)	(0)
Tax paid	(533)	(8,781)	(21,197)	(6,766)	(9,433)	(11,740)	(15,233)
Employee benefit obligations paid	(3,122)	(2,448)	(4,206)	(6,942)	(6,942)	(6,942)	(6,942)
Net cash(used in)/generated from operating activities	(10,188)	84,907	70,209	49,033	26,193	41,243	47,220
Cashflows from investing activities							
Purchase of property,plant and machinery	(15,065)	(57,408)	(68,227)	(41,005)	(66,951)	(3,000)	(3,000)
Disposal of Property,plant and machinery	5,887	2,848	-	63	-	-	-
Additions to property ,plant and equipment							
Additions to intangible assets							
Payments made for work in progress							
Interest received	218	(49)	(185)	(43)	(5)	(2)	(2)
Net cash(used in)/generated from investing activities	(8,960)	(54,609)	(68,412)	(40,984)	(66,955)	(3,002)	(3,002)
Cashflow from financing activities							
Loan repaid	-	-	(5,093)	-	-	-	-
Lease payments	(7,619)	1,200	(1,387)	-	-	-	-
Inter Divisional Transfer in	199,535	305,981	232,251	70,690	-	-	-
Inter Divisional Transfer out	(199,535)	(305,981)	(232,251)	(70,690)	-	-	-
Interest paid		-	-				
Net cash generated from /(used in) financing activities	(7,619)	1,200	(6,480)	-	-	-	-
Net change in cash and cashequivalents	(26,768)	31,498	(4,682)	8,048	(40,762)	38,241	44,219
Movement in cash and cashequivalents							
As at January 1	76,365	49,597	81,095	76,413	84,461	43,699	81,940
Net change in cash and cash equivalents	(26,768)	31,498	(4,682)	8,048	(40,762)	38,241	44,219
Net foreign exchnage difference							
As at December 31	49,597	81,095	76,413	84,461	43,699	81,940	126,159

1.2.4. Projected Capital Investment Plan of Seychelles Trading Company Ltd.

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Seychelles Trading Company Ltd.														
Projected Capital Investment Plan														
							Actual Figures			Provisional	Forecast			Anticipated Risks
Project Name	Project Purpose	Expected Outcome of the project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	2021	2022	2023	2024	2025	2026	2027	
Eve island warehousing	Own premises to better serve	Reduced rent cost	17,227,413	Own	2020	2021	10,560,000							
Enterprise Resource Planning software	Improve overall monitoring, controls and reporting	Overall improved operational efficiencies	4,468,446	Own	2021	2026	1,490,000	2,978,446			-	-		Cost and Time overrun
Turn Key Cold Storage	Improved sales of Perishables and reduced opex on handling perishables	Increased sales and reduced opex	115,882,182	Own	2022	2024	43,200,000	52,701,934	19,980,248					Cost and Time overrun
Acquisition of 5 Ton chiller Truck	Vehicle Fleet Enhancement	Reduced OPEX	1,941,000		2022	2022	1,941,000							
Acquisition of Passenger cars	Vehicle Fleet Enhancement	Reduced OPEX	1,026,528		2022	2022	1,026,528							
Eve island super market	Increase volumes	Increased profitability	2,308,117		2022	2022	2,308,117							
	Renovation of Duty Free Arrival shop	Increased no. of Customers	5,225,826		2023	2023			5,225,826					
Building of Bakery and Floor Stores	Improved efficiencies	Increased sales and reduced opex	2,000,000		2024	2024				2,000,000				Delay in start
Refurbishment of Dry Goods Stores	Improved efficiencies	Increased sales and reduced opex	35,000,000		2024	2024				7,000,000	28,000,000			Delay in start
Acquisition of long vehicles	Vehicle Fleet Enhancement	Reduced OPEX	6,300,000		2023	2023			1,300,000	5,000,000				
Acquisition of 04 chillers trucks	Vehicle Fleet Enhancement	Reduced OPEX	3,274,819						3,274,819					Cost variations
Acquisition of passenger cars and bus	Vehicle Fleet Enhancement	Reduced OPEX	3,000,000		2024	2024			700,000	600,000	1,700,000			Cost variations
Acquisition of trucks, reffer containers and train truck	Vehicle Fleet Enhancement	Reduced OPEX	3,500,000		2023	2023				1,400,000	2,100,000			Cost variations
Acquisition of Fork lift-10 tons	Enhance logistics	Improved operational efficiencies	1,200,000		2025	2025					1,200,000			Cost variations
Updating of Total IT infrastructure	Improved efficiencies	Overall improved operational efficiencies	16,191,179		2023	2023			1,045,679		15,145,500			Delay in start
CCTV on New Cold Storage	Improved monitoring	Improved operational efficiencies	2,505,000		2025	2025					2,505,000			Delay in start
Total Renovation of Hyper Market	Improved efficiencies	Overall improved operational efficiencies	10,500,000		2024	2025				2,500,000	8,000,000			Delay in start
Building of Mini Market for Building Material-Praslin	Improved customer inter face	Increase in sales and profitability	800,000		2025	2025					800,000			Cost and Time overrun
Renovation of Head Office Premises	Improved efficiencies	Overall improved operational efficiencies	3,500,000		2025	2025					3,500,000			Delay in start
TOTAL INVESTMENT ON MAJOR PROJECTS			235,850,510				12,050,000	51,454,091	64,248,258	38,480,248	62,950,500	-		
REPLACEMENT AND UP KEEP OF ASSETS (PPE)			19,471,918				3,015,030	5,953,928	3,978,652	2,524,308	4,000,000			

1.3. Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

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

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TAX IMPLICATION							
Type of Tax	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
Business Tax (N/A)	8,192	22,019	15,198	9,457	9,433	11,740	15,233
PIT	4,859	5,158	6,900	7,427	8,211	8,211	8,211
VAT	53,295	43,582	43,499	46,125	47,846	50,238	52,750
Total	66,346	70,759	65,596	63,009	65,490	70,190	76,194

6.11.3.1 Anticipated Dividend Declarations by Seychelles Trading Company Ltd.

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DIVIDEND							
Nature of Dividend	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Social Benefits Cost-Dividends in lieu of cash	93,348	49,352	51,352	59,940	64,369	67,851	71,696

1.3.2. Debt Payments Forecasts by Seychelles Trading Company Ltd.

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

1.3.3. Anticipated Subventions and Grants by Seychelles Trading Company Ltd.

The Company does not anticipate and subvention or grants during medium term.

1.3.4. Contingencies of Seychelles Trading Company Ltd.

*STC does not anticipate any contingencies from government guarantees or legal proceedings

1.3.5. Assumptions used for the Financial Projections of STCL

SEYCHELLES TRADING COMPANY LIMITED
BUDGETARY ASSUMPTIONS
Taken Actual Sales up to April 2024 and adjusted for current trend with Growth rate of Average 2%
Budget is prepared based on the current level of average forex rates of 14.95 in June, 2024.
Increment of salaries envisaged in line with approved salary structure from October 2024, 75% to 85% of market values.
Provision of 1 Month for 13th Month salary for all employees were provided and one month 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 and 0.25% of sales provided in terms of planned Retailer Rebate as well as Sales Team commission
It is assumed a Gross Profit margin to be remained current level of 27.1%
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 2024 levels.

1.4. KPIs, Risk Management Strategy and Reporting Obligations

1.4.1. Key Performance Indicators of the Seychelles Trading Company Ltd.

Seychelles Trading Company Ltd.							
KEY PERFORMANCE INDICATORS							
	Actual	Actual	Actual	Forecast	Budgeted	Budgeted	Budgeted
	2021	2022	2023	2024	2025	2026	2027
MANAGEMENT CONTROL							
Gross Profit Ratio	19%	26%	27%	28%	29%	29%	31%
Inventory Losses/Cost of sales - Cumulative	1.15%	1.67%	2%	1%	1%	0.8%	0.8%
Demurrage/Cost of Sales - Cumulative	0.35%	0.53%	0.36%	0.36%	0.22%	0.2%	0.2%
Payroll Cost/ Sales	10%	9%	11%	11%	15%	14.5%	13.8%
Selling & Distribution cost/Sales	1%	2%	2%	2%	2%	1.9%	2.6%
Admin Cost/Sales	9%	10%	11%	12%	9%	8.8%	8.6%
Donations,Gifts/Sales	0.01%	0.13%	0.39%	0.00%	0.35%	0.3%	0.3%
WORKING CAPITAL MANGEMENT							
Inventory-Mn	247.84	262.53	241.44	227.51	231.18	243.61	256.82
Inventory Holding Period	113.46	121.99	120.07	116.65	113.99	114.39	114.86
Debtors Collection Period	9.89	5.68	6.12	7.28	9.52	11.15	13.68
Supplier Credit Period	32.76	29.48	31.47	30.70	25.87	18.73	19.88
Working Capital Cycle in Days	90.60	98.19	94.72	93.24	97.64	106.82	108.65
Working Capital Cycle in Months	3.02	3.27	3.16	3.11	3.25	3.56	3.62
Working Capital-Mn	245.83	269.33	273.14	268.62	206.60	220.30	236.77
PROFITABILITY							
ROA (Annualized)	2.5%	15%	10%	7%	6%	7%	9%
ROE (Annualized)	0.8%	15%	12%	6%	5%	7%	8%
LIQUIDITY							
Current Ratio	3.98	3.80	5.37	9.81	5.36	5.83	6.25
Quick Assets Ratio	0.12	0.11	0.11	6.26	1.28	1.90	2.50
Accounts Payable/Inventory	25%	22%	26%	26%	0.23	23.7%	25%
FINANCIAL STABILITY							
Debt Ratio	0.29	0.25	0.18	0.00	0.34	3.46	2.93
Financial Gearing	0.00	-	0.00	0.00	0.00	0.00	0.00

1.4.2. *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.

1.4.3. *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

1.5. Stakeholder Engagement

1.5.1. Statement by DCEO

Every day, I recognize that we are living in an era of uncertainty where the future is increasingly difficult to predict. In these uncertain times, we must actively shape the future by providing the value that society demands. To achieve this, we must strengthen our core capabilities while ensuring a strong return on the opportunities presented. I am fortunate to have a highly dedicated team of professionals supporting me in this process.

Our top priority is establishing clear objectives for the medium term, specifically the period from 2025 to 2027. By thoroughly understanding the expectations of the Board of Directors of Seychelles Trading Company regarding strategic directives and performance benchmarks, we are confident in our ability to meet all the targets set for the coming years.

We have already laid out plans to invest in PPE (say what it means) to meet current and future challenges. These investments have been strategically evaluated by our esteemed professionals under the guidance of the Board of Directors. As a result, we are confident that we will meet all the key performance targets established for the 2025–2027 period.

In line with the Board of Directors' policy of zero borrowing for investments, we are committed to achieving our KPIs with zero financial gearing. While this approach may put some pressure on our working capital management, I am confident that we will maintain optimal levels of working capital while meeting our gearing targets.

It is also worth noting that the trend of unparalleled performance we set in 2022 and 2023 will serve as our benchmark for years to come. We have established plans to increase our Return on Assets (ROA) from -1.9% in 2020 to 9% by the end of 2027, while also increasing asset value by SCR 158 million over the next few years. Additionally, this will enable us to boost our Return on Equity (ROE) from 0.8% to 8.0% during the same period. We have also set a goal to achieve a Profit Before Tax (PBT) margin of at least 3.3% annually, which significantly exceeds the company's historical performance since its incorporation.

Finally, I am confident that through our dedicated efforts, we will continue to demonstrate the value of our existence for the future, striking a balance between social and economic value to realize our vision: "Meeting and exceeding consumer expectations within our core mandate by setting industry standards."

Ag. CEO

David Jean-Baptiste

1.5.2. *Foreword by Chairperson*

Quality, affordability, food security, innovation, consistent service, and convenience remain our guiding principles as we strive to deliver on our promise to "VALUE OUR CUSTOMERS' TRUST." We are dedicated to enhancing our wholesale distribution network to better support our communities by ensuring availability of affordable commodities through local retailers at district level on Mahe, Praslin and La Digue.

Since my appointment as Chairperson of Seychelles Trading Company Ltd in 2021, my fellow Board members and I recognized that the company's asset base had significantly declined was outdated and costly to maintain. To address this, we prioritized upgrading of our asset base to meet current and future challenges. During 2022 and 2023, we invested SCR 116.1 million. We have plans to further invest and maintain a relevant modern asset base which will drive in much needed efficiencies during the coming years. These investments include a modern cold storage facility, a state-of-the-art bakery and flour store, a contemporary dry goods store, a new fleet of modern delivery vehicles, and an advanced enterprise resource planning (ERP) system. We will continue to assess further necessary investments in the medium term and are prepared to act on them as needed. Importantly, we plan to fund these investments entirely from our own resources, thereby minimizing any adverse risks and impact on our operating expenses related to financing costs.

The company's value creation process relies on our dedicated senior management team and our committed staff of around 600 members. Our core values—innovation, integrity, excellence, caring, and trust—are deeply ingrained in our culture, driven by our employees. In recognition of our loyal staff, the Board of Directors provided essential guidance to implement a performance-based benefit scheme starting in late 2022, which will continue to be reviewed in the future.

On behalf of the Board of Directors, I would like to express our gratitude to the hon. minister for his invaluable guidance. I also want to acknowledge our management and employees for their dedication to achieving our KPIs and strategic objectives.

Mr. Imtiaz Umarji
Chairperson

1.5.3. *Statement by the Responsible Minister*

The Seychelles Trading Company (STC) remains a critical vehicle in our efforts to reduce the cost of living for all Seychellois. By ensuring the constant availability of essential commodities; such as rice, flour, milk, and oil. STC plays a central role in stabilizing prices and anchoring the affordability of everyday necessities. This is especially crucial as we navigate global challenges, including volatility in foreign exchange rates, fluctuating international commodity prices, and the ongoing impact of global conflicts on the supply chain.

STC's mandate goes beyond price stabilization; it is about ensuring food security and providing Seychellois with access to affordable choices in commodities. With a clear vision to meet and exceed consumer expectations, STC's 2025-2027 strategic priorities focus on improving value chain management, enhancing core infrastructure, and adopting a results-driven organizational culture. These priorities, along with investments in talent development and leadership, will support STC in overcoming its challenges and solidifying its position as a key player in the national economy.

To further enhance efficiency and reduce wastage, STC is investing in new, modern infrastructure, including state-of-the-art cold storage facilities and an advanced enterprise resource planning (ERP) system. These investments will streamline operations, reduce inefficiencies, and minimize losses, ensuring that the cost savings are passed on to the public. By operating with the best core infrastructure, STC will be better equipped to maintain affordability and improve the availability of essential goods, even in the face of global disruptions.

As part of our national strategy to tackle the rising cost of living, STC's ability to source and distribute essential goods at competitive prices is indispensable. By implementing international best practices in its value chain and continuously investing in infrastructure, STC will ensure that Seychellois households can access quality, affordable products despite global economic uncertainties and supply chain challenges brought about by international conflicts.

I am confident that under its current leadership, STC will continue to support Seychelles' economic stability and food security agenda. As Minister responsible for STC, I reaffirm the government's commitment to ensuring that the company remains an effective tool in delivering essential goods to the population, safeguarding affordability, and contributing to the well-being of all Seychellois.

Mr. Naadir Hassan

Minister for Finance National planning and Trade