

SEYCHELLES PETROLEUM COMPANY LIMITED
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

SEYCHELLES PETROLEUM COMPANY LIMITED

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DIRECTORS : S Fanny (Chairperson)
C Benoiton (Chief Executive Officer)
B Jivan
F Joubert

SECRETARY : Corporate Registrars (Pty) Limited
P O Box 18, The Creole Spirit
Victoria, Mahé
Seychelles

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS : Newport,
Victoria, Mahé
Seychelles

AUDITORS : BDO Associates
Chartered Accountants

BANKERS : The Mauritius Commercial Bank (Seychelles) Limited
Barclays Bank (Seychelles) Limited
Barclays Bank PLC
Habib Bank (Seychelles)
Seychelles International Mercantile Banking Corporation Limited
Bank of Baroda (Seychelles)

The Directors are pleased to submit their report on Seychelles Petroleum Company Limited together with the audited financial statements of the Group and the Company for the year ended December 31, 2015.

PRINCIPAL ACTIVITIES

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

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

The activities of the subsidiaries are tanker rental and ship management.

FINANCIAL PERFORMANCE

Net Profit for the year amounted to USD 5.6M (2014: loss of USD 11.3M) for the Group and USD 9.4M (2014: loss of USD 4.4M) for the Company.

DIVIDENDS

The Directors has proposed a final dividend amounting to USD 4.9M for the year ended December 31, 2015 (2014: Nil).

PROPERTY AND EQUIPMENT

The Group and the Company acquired property and equipment amounting to USD 1.3M during the year (2014: USD 2.2M) comprising mainly construction-in-progress on buildings, plant and equipment and motor vehicles and furniture and fittings.

DIRECTORS

The Directors of Seychelles Petroleum Company Limited and of those of its subsidiaries from the date of the last report to-date are as follows:

Seychelles Petroleum Company Limited

S Fanny (Chairman)

C Benoiton (Chief Executive Officer)

B Jivan

F Joubert

Subsidiaries

(i) Seychelles Patriot Limited

S Fanny

B Jivan

F Joubert

(iii) Seychelles Progress Limited

S Fanny

B Jivan

F Joubert

(ii) Seychelles Pioneer Limited

S Fanny

B Jivan

F Joubert

(iv) Seychelles Prelude Limited

S Fanny

B Jivan

F Joubert

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

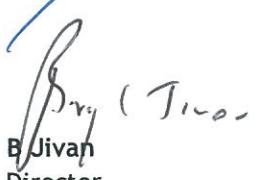
The Directors consider they have met their aforesaid responsibilities.

AUDITORS

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

BOARD APPROVAL

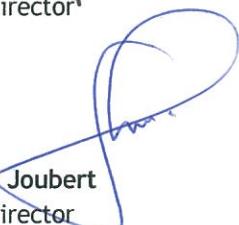
S. Fanny (Chairman)
Director



B. Jivan
Director



C Benoiton (Chief Executive Officer)
Director



R. Joubert
Director

Date: 16 JUN 2016
Victoria, Seychelles

SEYCHELLES PETROLEUM COMPANY LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of **Seychelles Petroleum Company Limited** ('the Company'), as a body, in accordance with the Companies Act, 1972. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **Seychelles Petroleum Company Limited** and its subsidiaries (the "Group") and the Company's separate financial statements set out on pages 4 to 46, which comprise the statements of financial position as at December 31, 2015, statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As stated on page 2(a) of the Directors' Report, the Board of Directors are responsible for the preparation of the financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



SEYCHELLES PETROLEUM COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

3(a)

Opinion

In our opinion, the financial statements on pages 4 to 46 give a true and fair view of the financial position of the Group and of the Company at December 31, 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 1972.

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

We have no relationship with, or interests in, the Company, other than in our capacity as auditors, tax and business advisers in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Public Enterprise Monitoring Commission Act, 2013

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

We have obtained all the information necessary for the purpose of our audit and are satisfied with the information received.

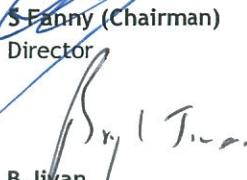
BDO Associates
BDO ASSOCIATES
Chartered Accountants

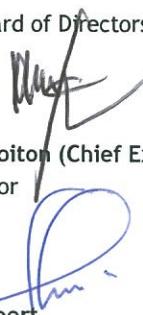
Dated: 16 JUN 2016
Victoria, Seychelles

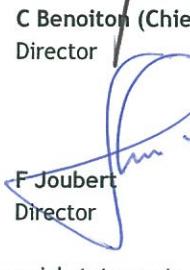
	Notes	THE GROUP		THE COMPANY		
		2015 USD	2014 USD	2015 USD	2014 USD	
ASSETS						
Non-current assets						
Property and equipment	5	378,804,871	408,378,445	305,748,267	321,964,591	
Intangible asset	6	-	7,277	-	-	
Investment in subsidiaries	7	-	-	54,623,745	60,744,342	
Investment in financial assets	8	4,747	2,847,834	4,747	2,847,834	
		378,809,618	411,233,556	360,376,759	385,556,767	
Current assets						
Inventories	9	11,778,143	22,760,850	11,778,143	22,760,850	
Trade and other receivables	10	27,832,078	42,180,314	27,832,078	42,150,974	
Cash and cash equivalents	27(b)	14,941,389	23,225,788	14,934,058	23,179,526	
		54,551,610	88,166,952	54,544,279	88,091,350	
Total assets		433,361,228	499,400,508	414,921,038	473,648,117	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	11	8,595,053	8,595,053	8,595,053	8,595,053	
Other reserves	12	265,922,396	245,252,770	265,924,508	245,256,008	
Retained earnings		66,434,098	73,473,548	93,743,314	99,700,120	
Owners' interest		340,951,547	327,321,371	368,262,875	353,551,181	
Non-controlling interest		-	(131,928)	-	-	
Total equity		340,951,547	327,189,443	368,262,875	353,551,181	
LIABILITIES						
Non-current liabilities						
Borrowings	13	39,292,366	52,002,612	-	5,152,155	
Deferred tax liabilities	14	9,170,235	24,572,151	9,170,235	24,572,685	
Retirement benefit obligations	15	1,206,271	1,198,510	1,206,271	1,198,510	
		49,668,872	77,773,273	10,376,506	30,923,350	
Current liabilities						
Trade and other payables	16	25,539,536	63,422,500	25,129,503	62,961,670	
Borrowings	13	17,201,273	31,015,292	11,152,154	26,211,916	
		42,740,809	94,437,792	36,281,657	89,173,586	
Total liabilities		92,409,681	172,211,065	46,658,163	120,096,936	
Total equity and liabilities		433,361,228	499,400,508	414,921,038	473,648,117	

These financial statements have been approved for issue by the Board of Directors on 16 JUN 2016


S Fanny (Chairman)
Director


B Jivan
Director


C Benoiton (Chief Executive Officer)
Director


F Joubert
Director

	Notes	THE GROUP		THE COMPANY	
		2015		2014	
		USD	USD	USD	USD
Revenue	2(r) & 18	324,675,575	421,544,642	324,675,575	421,544,642
Cost of sales	19	(300,624,822)	(420,249,986)	(302,045,627)	(421,073,137)
Gross profit		24,050,753	1,294,656	22,629,948	471,505
Selling & marketing expenses	19	(16,165)	(158,911)	(16,165)	(158,911)
Administrative expenses	19	(5,354,078)	(12,266,651)	(5,478,882)	(11,314,878)
Other income	20	7,876,349	7,125,447	7,876,349	7,125,447
Other losses/(gains) - Net	21	(10,289,196)	2,330,878	(10,289,196)	2,330,878
		16,267,663	(1,674,581)	14,722,054	(1,545,959)
Net finance costs	22	(5,795,975)	(11,813,342)	(459,825)	(5,098,095)
Profit/(Loss) before taxation	23	10,471,688	(13,487,923)	14,262,229	(6,644,054)
Taxation (charge)/credit	17(b)	(4,896,977)	2,212,653	(4,896,977)	2,212,653
Profit/(Loss) for the year		<u>5,574,711</u>	<u>(11,275,270)</u>	<u>9,365,252</u>	<u>(4,431,401)</u>

The notes on pages 9 to 46 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(b).

	Notes	THE GROUP			THE COMPANY		
		2015 USD	2014 USD	2015 USD	2014 USD	2015 USD	2014 USD
Profit/(Loss) for the year		5,574,711	(11,275,270)	9,365,252	(4,431,401)		
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Decrease in fair value of available-for-sale financial assets	8/12	-	(7,900,128)	-	-	(7,900,128)	
Currency translation differences	12	2,374,191	(35,929)	2,373,065	(34,182)		
- Other reserves		2,886,771	3,160,960	178,874	-		
- Retained earnings							
<i>Item that will not be reclassified to profit or loss</i>							
Reversal of deferred tax effect on revaluation of property and equipment	12/14(b)	10,592,359	9,839,273	10,592,359	9,839,273		
Equity instruments at fair value through other comprehensive income reserve	8(b)/2	(2,843,087)	-	(2,843,087)	-		
Other comprehensive income/(expense) for the year, net of tax	13,010,234	5,064,176	5,064,176	10,301,211	1,904,963		
Total comprehensive income/(expense) for the year		18,584,945	(6,211,094)	19,666,463	(2,526,438)		
Profit/(Loss) attributable to:							
Owners of the parent	5,574,711	(11,275,270)	9,365,252	(4,431,401)			
Non-controlling interest	-	-	-	-			
Total comprehensive income/(expense) for the year		5,574,711	(11,275,270)	9,365,252	(4,431,401)		
Owners of the parent	18,584,945	(6,211,094)	19,666,463	(2,526,438)			
Non-controlling interest	-	-	-	-			
Total comprehensive income/(expense) for the year		18,584,945	(6,211,094)	19,666,463	(2,526,438)		

The notes on pages 9 to 46 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(b).

THE GROUP		Attributable to owners of the parent			Non-Controlling Interest			Total Equity	
Note	Share Capital	Other Reserves	Earnings	Retained	Total	USD	USD	Total	USD
	USD	USD	USD		USD			USD	
Balance at January 1, 2015	<u>8,595,053</u>	<u>245,252,770</u>	<u>73,473,548</u>	<u>327,321,371</u>	<u>(131,928)</u>	<u>327,189,443</u>			
Impairment of equity instrument at fair value though other comprehensive income	-	10,546,163	(10,546,163)	-	-	-			
Total comprehensive income for the year	-	10,123,463	8,461,482	18,584,945	-	18,584,945			
Deconsolidation of subsidiary	-	-	-	-	131,928	131,928			
Dividends	-	-	(4,954,769)	(4,954,769)	-	(4,954,769)			
Balance at December 31, 2015	8,595,053	265,922,396	66,434,098	340,951,547	-	340,951,547			
Balance at January 1, 2014	<u>8,595,053</u>	<u>243,349,554</u>	<u>76,026,783</u>	<u>327,971,390</u>	<u>(131,928)</u>	<u>327,839,462</u>			
- As previously stated	-	-	5,561,075	5,561,075	-	5,561,075			
- Prior year adjustment	-	-	-	-	-	5,561,075			
- As re-stated	<u>8,595,053</u>	<u>243,349,554</u>	<u>81,587,858</u>	<u>333,532,465</u>	<u>(131,928)</u>	<u>333,400,537</u>			
Total comprehensive income/(expense) for the year	-	1,903,216	(8,114,310)	(6,211,094)	-	(6,211,094)			
Balance at December 31, 2014	8,595,053	245,252,770	73,473,548	327,321,371	(131,928)	327,189,443			
THE COMPANY		Share Capital	Other Reserves	Retained Earnings	Total	USD	USD	Total	USD
Note		USD	USD	USD				USD	
Balance at January 1, 2015	<u>8,595,053</u>	<u>245,256,008</u>	<u>99,700,120</u>	<u>353,551,181</u>					
Impairment of equity instrument at fair value though other comprehensive income	-	10,546,163	(10,546,163)	-					
Total comprehensive income/(expense) for the year	-	10,122,337	9,544,126	19,666,463					
Dividends	-	-	(4,954,769)	(4,954,769)					
Balance at December 31, 2015	8,595,053	265,924,508	93,743,314	368,262,875	-	368,262,875			
Balance at January 1, 2014	<u>8,595,053</u>	<u>243,351,045</u>	<u>98,570,446</u>	<u>350,516,544</u>					
- As previously stated	-	-	5,561,075	5,561,075		5,561,075			
- Prior year adjustment	-	-	-	-	-	5,561,075			
- As re-stated	<u>8,595,053</u>	<u>243,351,045</u>	<u>104,131,521</u>	<u>356,077,619</u>					
Total comprehensive income/(expense) for the year	-	1,904,963	(4,431,401)	(2,526,438)					
Balance at December 31, 2014	8,595,053	245,256,008	99,700,120	353,551,181	-	353,551,181			

The notes on pages 9 to 46 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(b).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2015

	Notes	THE GROUP		THE COMPANY	
		2015		2014	
		USD	USD	USD	USD
Cash flows generated from operations					
Cash generated from operations	27(a)	21,261,808	29,225,096	18,599,354	19,188,834
Interest paid	22	(2,640,079)	(3,890,559)	(1,007,718)	(1,704,572)
Interest received	20		66,180	-	66,180
		<u>18,621,729</u>	<u>25,400,717</u>	<u>17,591,636</u>	<u>17,550,442</u>
Tax paid	17(a)	-	(119,581)	-	(119,581)
Net cash generated from operating activities		18,621,729	25,281,136	17,591,636	17,430,861
Cash flows from investing activities					
Purchase of property and equipment	5	(1,303,413)	(2,245,071)	(1,303,413)	(2,245,071)
Proceeds from sale of equipment		6,013	10,022	6,013	10,022
Net cash used in investing activities		(1,297,400)	(2,235,049)	(1,297,400)	(2,235,049)
Cash flows from financing activities					
Loans refunded by subsidiaries	29	-	-	6,120,597	15,282,200
Dividends		(4,954,769)	-	(4,954,769)	-
Repayment of borrowings	13	(26,524,265)	(19,034,320)	(20,211,917)	(11,566,938)
Net cash (used in)/generated from financing activities		(31,479,034)	(19,034,320)	(19,046,089)	3,715,262
Net (decrease)/increase in cash and cash equivalents		(14,154,705)	4,011,767	(2,751,853)	18,911,074
Movement in cash and cash equivalents					
At January 1,		23,225,788	9,464,413	23,179,526	9,418,278
(Decrease)/Increase		(14,154,705)	4,011,767	(2,751,853)	18,911,074
Cash and cash equivalent of deconsolidated subsidiary		(38,559)	-	-	-
Foreign exchange differences		5,908,865	9,749,608	(5,493,615)	(5,149,826)
At December 31,	27(b)	14,941,389	23,225,788	14,934,058	23,179,526

The notes on pages 9 to 46 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(b).

1. GENERAL INFORMATION

Seychelles Petroleum Company Limited is a limited liability Company incorporated and domiciled in Seychelles. The main activities of the Company is the supply of petroleum products, marine bunkering, aviation refueling and transhipment services and transportation of petroleum and chemical products by tankers. Its registered office is situated at New Port, Victoria, Mahé, Seychelles.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Shareholders of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 1972. The financial statements of the Group have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented unless otherwise stated throughout the Group.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment and complexity or areas where assumptions are significant to the financial statements are disclosed in note 4.

(b) New and amended accounting standards and Interpretations:

(i) Early adoption

IFRS 9 - Financial Instruments (2013)

The Group has elected to early adopt IFRS 9 which has been applied retrospectively from January 1, 2015. In accordance with the transition requirements, comparatives are not restated. The adoption of IFRS 9 resulted in the following changes to the Group's accounting policies:

Financial assets

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cashflows; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The following summarises the key changes:

- The held-to-maturity (HTM) and available-for-sale(AFS) financial assets categories were removed.
- A new asset category for non-traded equity investments measured at fair value through other comprehensive income (FVOCI) was introduced. The Group's AFS equity instruments were classified in this category.

Financial liabilities

Classification of financial liabilities remained largely unchanged for the Group. Financial liabilities continued to be measured at amortised cost.

The following summarises the impact on classification and measurement to the Group's financial assets on January 1, 2015.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) New and amended accounting standards and Interpretations (Cont'd):

Group & Company

Financial asset			As at January 1, 2015	
	Original measurement under IAS 39	Original measurement under IFRS 9	Original carrying amount under IAS 39	Original carrying amount under IFRS 9
		USD'000	USD'000	
Investment - available for sale (equity instruments) (note (a))	Available-for-sale	Fair value through other comprehensive income	(2,843) (note 8)	(6,000)

- (a) Comprises non-traded equity instruments previously classified as AFS equity investments under IAS 39 for which the Group has elected to apply the FVOCI option under IFRS 9. Accordingly, assets will remain accounted for at FVOCI with no subsequent recycling of realised gains and losses permitted.

The available-for-sale deficit reserve of USD 4.1m under IAS 39 was also reclassified to a new equity instrument deficit reserve at FVOCI under IFRS 9 on January 1, 2015 and this reclassification and remeasurement had no impact on retained earnings as at that same date (note 12).

Standards, Amendments to published Standards and Interpretations effective in the reporting period
 (ii) Amendments to published standards and Interpretations effective in the reporting period:

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.

Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. *The amendment has no impact on the Group's financial statements.*

Annual improvements 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Group's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Group's financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**Annual improvements 2010-2012 Cycle (Cont'd)**

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. *The amendment has no impact on the Group's financial statements.*

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. *The amendment has no impact on the Group's financial statements.*

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. *The amendment has no impact on the Group's financial statements.*

IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. *The amendment has no impact on the Group's financial statements.*

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. *The amendment has no impact on the Group's financial statements.*

IAS 38, ' Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. *The amendment has no impact on the Group's financial statements.*

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. *The amendment has no impact on the Bank's financial statements, since the Group is an existing IFRS preparer.*

IFRS 3,'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. *The amendment has no impact on the Group's financial statements.*

IFRS 13,'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. *The amendment has no impact on the Group's financial statements.*

IAS 40,'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. *The amendment has no impact on the Group's financial statements.*

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (Cont'd)****Annual Improvements 2011-2013 Cycle (Cont'd)**

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2015 or later periods, but which the Group has not early adopted. At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Group is still evaluating the effect of these standards, amendments to published standards and interpretations issued but not yet effective on the presentation of its financial statements.

(b) Property and equipment

Buildings, tanks, pumps and petrol stations are carried at revalued amounts based on periodic triennial valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Property and equipment (Cont'd)

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

	Years
Leasehold land and buildings	Over the period of the lease
Double hull tankers	25 years (2014:15 years)
Furniture, fittings & other equipment	3 - 10 years
Plant and equipment	3 - 50 years
Tanks, pumps and petrol stations	2½ - 10 years
Vehicles and refuellers	4 - 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(c) Intangible

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

(d) Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Investment in subsidiaries (Cont'd)

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

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

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

Transactions and non-controlling interests

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

Disposal of subsidiaries

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

(e) Financial instruments

The Group applied the reclassification and measurement requirements for financial instruments under IFRS 9 'Financial Instruments' for the year ended December 2015. The 2014 comparative period was not restated, and the requirements under IAS 39 'Financial Instruments: Recognition and Measurement' were applied. The key changes are in the classification and impairment requirements.

(i) Classification of financial instruments

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(e) Financial instruments (Cont'd)****(i) Classification of financial instruments (Cont'd)**

The Group classifies its financial liabilities at fair value and at amortised cost. This remained largely unchanged from IAS 39.

The Group classified its financial assets under IAS 39 as financial assets available-for-sale.

(ii) Recognition and derecognition of financial instruments

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

Financial assets at fair value through other comprehensive income are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its right to receive contractual cashflows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has discharged its obligation on the contract is cancelled or expires.

(iii) Equity instruments at fair value through other comprehensive income

Financial instruments held at fair value through other comprehensive income are recognised at fair value with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gain or loss are recognised in equity instrument through other comprehensive income reserve under equity.

(iv) Offsetting

Financial instruments and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Investments - available for sale

The available for sale (AFS) asset category was removed under IFRS 9. This policy is only applicable for the year ended December 31, 2014 which was not restated.

The AFS investments are non-derivative financial assets that are designated as available for sale or are not categorised into any other categories. AFS investments primarily comprised equity securities.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(e) Financial instruments (Cont'd)****(v) Investments - available for sale (Cont'd)**

AFS investments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in AFS fair value reserve within equity until disposal, when the cumulative gain or loss is transferred to the statement of profit or loss. Upon disposal or impairment, the accumulated change in fair value in the AFS fair value reserve was previously recognised in the statement of profit or loss.

(vi) Instruments - equity instruments at fair value through other comprehensive income

Investment in equity instruments that are measured at fair value through other comprehensive income where an irrevocable election has been made by management.

Amounts presented in the other comprehensive income are not subsequently recycled through the statement of profit or loss.

Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investments.

(vii) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in the statement of profit or loss. Impairment losses for an investment in an equity instrument at fair value through other comprehensive income are not reversed through the statement of profit or loss but rather directly in equity.

(f) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

(g) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the statement of profit or loss.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(h) Borrowings**

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the date of the reporting period.

(i) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, short term deposits held with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(k) Share capital

Ordinary shares are classified as equity.

(l) Deferred tax

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

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

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

(m) Inventories

Inventories are stated at lower of cost and net realised value. Cost is determined by the first-in, first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(n) Defined benefit plans**

The Group provides for a payment of gratuity to permanent employees. Gratuities are paid every five years (except in the case of early retirement) as from January 2007, for continuous service. The amount provisioned every year is based on the number of years the employee has worked after the last payment date. This type of employee benefits has the characteristics of a defined benefit plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined obligation at the reporting date less fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

The Company did not carry out any actuarial valuation since the Directors have based themselves on the method as prescribed by the Seychelles Employment Act and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

(o) Foreign currencies**(i) Functional and presentation currency**

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

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'other (losses)/gains - net'.

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

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

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(o) Foreign currencies (Cont'd)

(iii) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position.
- (b) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) All resulting exchange differences are recognised in other comprehensive income.

As at year-end, the main exchange rates against US Dollar were as follows:

	2015	2014
	USD	USD
1 Seychelles Rupee	0.0751	0.0698
1 Euro	<u>1.0927</u>	<u>1.2159</u>

(p) Impairment of assets

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

(q) Operating leases

Assets leased out under operating leases are included in property and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

(r) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of tax, rebates and discounts and after eliminating sales within the Group.

Sales and other revenues earned by the Company and its subsidiaries are recognised on the following bases:

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(r) Revenue recognition (Cont'd)***Sales*

- (i) Sales of products - when products are delivered and title has passed;
- (ii) Revenue from tankers on time charter - on a time-portion basis; and
- (iii) Revenue from tankers on voyage charter - upon delivery of the cargo at the port of discharge.

Other revenues

- (i) Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant; and
- (ii) Dividend income - when the shareholder's right to receive payment is established.

(s) Provisions

Provisions are recognised when the company and its subsidiaries has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

3. FINANCIAL RISK MANAGEMENT**3.1 Financial Risk Factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk**(i) Currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Seychelles Rupee and Euro.

If the US Dollar had weakened/strengthened against the above currencies by ±5% with all other variables remaining constant, the impact (increase/(decrease)) on the results for the year would have been mainly as a result of foreign exchange gains/(losses) as depicted in the table hereunder.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(a) Market risk (Cont'd)

THE GROUP

	Seychelles Rupee		Euro	
	2015 USD'000	2014 USD'000	2015 USD'000	2014 USD'000
Bank balances	317	789	-	-
Trade and other receivables	521	544	1	15
Trade and other payables	(440)	(238)	-	(97)
Borrowings	-	-	(478)	(776)

THE COMPANY

	Seychelles Rupee		Euro	
	2015 USD'000	2014 USD'000	2015 USD'000	2014 USD'000
- Bank balances	317	789	-	-
- Trade and other receivables	521	544	-	15
- Trade and other payables	(440)	(272)	-	(41)

At December 31, 2015, if interest rates on floating rate borrowings had been ±0.10% higher/(lower) with all other variables held constant, results for the year would have been higher/(lower) by USD'000 511 (2014: USD'000 1,128) for the Group and USD'000 890 (2014: USD'000 443) for the Company due to impact on interest expense on loans.

(iii) *Equity price risk*

The Group is susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments held by the Group and classified on the statement of financial position as available-for-sale financial assets.

Sensitivity analysis

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

	THE GROUP AND THE COMPANY	
	2015 USD'000	2014 USD'000
Available-for-sale	-	142
Equity instrument through other comprehensive income	-	-

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables.

The Group has a significant concentration of credit risk, with a wide exposure spread over a small number of customers. However, the Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(b) Credit risk (Cont'd)

The table below shows the credit concentration of the company at the end of the reporting period.

	THE GROUP		AND THE COMPANY	
	2015		2014	
	%	%	%	%
10 major counterparties	46		59	
Others (diversified risk)	54		41	
	100		100	

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

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

THE GROUP	Less than	Between 1	Between 2	After	Total
	1 year USD'000	& 2 years USD'000	& 5 years USD'000	5 years USD'000	
At December 31, 2015					
Bank borrowings	17,881	7,826	30,787	-	56,494
Trade and other payables	25,540	-	-	-	25,540
	43,421	7,826	30,787	-	82,033
At December 31, 2014					
Bank borrowings	31,015	12,539	31,956	7,508	83,018
Trade and other payables	63,423	-	-	-	63,423
	94,438	12,539	31,956	7,508	146,441
THE COMPANY					
	Less than	Between 1	Between 2	Total	Total
	1 year USD'000	& 2 years USD'000	& 5 years USD'000		
At December 31, 2015					
Bank borrowings	11,152	-	-	-	11,152
Trade and other payables	25,130	-	-	-	25,130
	36,282	-	-	-	36,282
At December 31, 2014					
Bank borrowings	26,212	5,152	-	-	31,364
Trade and other payables	62,962	-	-	-	62,962
	89,174	5,152	-	-	94,326

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

The fair value of financial instruments traded in active market is based on quoted prices at the end of the reporting period. A market is regarded active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group's objectives when managing capital are:

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

The Group sets the amount of capital in proportion to risk. It 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, minority interest, retained earnings, revaluation reserve and capital reserves) other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt.

During 2015, the Group's strategy, which was unchanged from prior year, was to maintain the debt-to-adjusted capital ratio at an adequate level in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at December 31, 2015 and at December 31, 2014 were as follows:

	THE GROUP		THE COMPANY	
	Re-stated		Re-stated	
	2015	2014	2015	2014
	USD'000	USD'000	USD'000	USD'000
Total debt	56,494	83,018	11,152	31,364
Less: cash and cash equivalents	(14,941)	(23,226)	(14,934)	(23,180)
Net debt	41,552	59,792	(3,782)	8,184
Owner's interest	340,952	327,321	368,263	353,551
Debt-to-adjusted capital ratio	0.12	0.18	(0.01)	0.02

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Buildings, tanks, pumps and petrol stations*

Buildings, tanks, pumps and petrol stations are carried at fair value, representing their open-market value determined by external valuers.

(b) *Impairment of equity instruments at fair value through other comprehensive income/available-for-sale financial assets*

The Group follows the guidance of IFRS 9/IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) *Impairment of other assets*

At the end of each reporting period, management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

(d) *Fair value estimation*

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

(e) *Depreciation policies*

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(f) *Pension benefits***

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The Group did not carry out any actuarial valuation since the Directors have based themselves on the method as prescribed by the Seychelles Employment Act and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

(g) *Functional currency*

The Board of Directors have determined the US Dollar to be the functional currency of the Company.

(h) *Limitation of sensitivity analysis*

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

5. PROPERTY AND EQUIPMENT

(a) THE GROUP		Land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
Notes	Valuation	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION									
At January 1, 2014	10,669,620	259,908,328	1,554,449	31,736,282	286,199,008	3,971,504	1,352,525	595,391,716	
Additions	1,169	-	72,403	1,001,512	-	281,968	888,019	2,245,071	
Disposal	-	-	(372)	(17,933)	-	(80,518)	-	(98,823)	
Transfers	295,913	-	17,187	769,543	-	353,278	(1,435,921)	-	
Exchange differences	-	(24,764,762)	-	-	-	-	-	(24,764,762)	
At January 1, 2015	10,966,702	235,143,566	1,643,667	33,489,404	286,199,008	4,526,232	804,623	572,773,202	
Additions	45,811	-	94,562	322,125	-	121,518	719,397	1,303,413	
Disposals	-	-	(2,041)	(13,712)	-	(17,122)	(1,848)	(34,773)	
Transfers	167,543	-	136,703	82,231	-	-	(386,477)	-	
Exchange differences	-	(19,278,242)	-	-	-	-	-	(19,278,242)	
Deconsolidation of subsidiary	26	-	(112,286)	-	-	-	-	(112,286)	
At December 31, 2015	11,180,056	215,865,324	1,760,605	33,880,048	286,199,008	4,630,628	1,135,695	554,651,364	
DEPRECIATION									
At January 1, 2014	937,478	114,666,802	1,206,565	7,359,147	17,249,311	3,293,306	-	144,712,609	
Charge for the year	556,180	15,606,521	69,887	991,928	15,293,013	287,983	-	32,805,512	
Disposal adjustments	-	-	(372)	(17,933)	-	(80,518)	-	(98,823)	
Exchange differences	-	(13,024,541)	-	-	-	-	-	(13,024,541)	
At January 1, 2015	1,493,658	117,248,782	1,277,080	8,333,142	32,542,324	3,500,771	-	164,394,757	
Charge for the year	549,918	5,827,623	76,317	1,039,933	14,503,157	188,268	-	22,185,216	
Disposal adjustments	-	(10,607,522)	(1,147)	(14,328)	-	(17,122)	-	(32,597)	
Exchange differences	-	-	(93,361)	-	-	-	-	(10,607,522)	
Deconsolidation of subsidiary	26	-	(93,361)	-	-	-	-	(93,361)	
At December 31, 2015	2,043,576	112,468,883	1,257,889	9,358,747	47,045,481	3,671,917	-	175,846,493	
NET BOOK VALUE									
At December 31, 2015	9,136,480	103,396,441	502,716	24,521,301	239,153,527	958,711	1,135,695	378,804,871	
At December 31, 2014	9,473,044	117,894,784	367,587	25,156,262	253,656,684	1,025,461	804,623	408,378,445	

5. PROPERTY AND EQUIPMENT (CONT'D)

(b) THE COMPANY

COST OR VALUATION	Land & buildings		Double hull tankers		Furniture & fittings		Plant & equipment		Tanks, pumps & petrol stations		Vehicles & refuellers		Work in progress		Total
	Valuation	USD	Cost	USD	Cost	USD	Cost	USD	Valuation	USD	Cost	USD	Cost	USD	
At January 1, 2014	10,669,620		44,904,357		1,442,159		31,736,282		286,199,008		3,971,504		1,352,525		380,275,455
Additions	1,169		-		72,403		1,001,512		-		281,968		888,019		2,245,071
Disposals	-		-		(372)		(17,933)		-		(80,518)		-		(98,823)
Transfers	295,913		-		17,187		769,543		-		353,278		(1,435,921)		-
At January 1, 2015	10,966,702		44,904,357		1,531,377		33,489,404		286,199,008		4,526,232		804,623		382,421,703
Additions	45,811		-		94,562		322,125		-		121,518		719,397		1,303,413
Disposals	-		-		(2,041)		(13,712)		-		(17,122)		(1,848)		(34,723)
Transfers	167,543		-		136,703		82,231		-		-		(386,477)		-
At December 31, 2015	11,180,056		44,904,357		1,760,601		33,880,048		286,199,008		4,630,628		1,135,695		383,690,393
DEPRECIATION															
At January 1, 2014	937,478		12,181,918		1,112,595		7,359,147		17,249,311		3,293,306		-		42,133,755
Charge for the year	556,180		1,223,189		69,887		991,928		15,293,013		287,983		-		18,422,180
Disposal adjustments	-		-		(372)		(17,933)		-		(80,518)		-		(98,823)
At January 1, 2015	1,493,658		13,405,107		1,182,110		8,333,142		32,542,324		3,500,771		-		60,457,112
Charge for the year	549,918		1,160,017		76,317		1,039,933		14,503,157		188,268		-		17,517,610
Disposal adjustments	-		-		(1,147)		(14,328)		-		(17,122)		-		(32,596)
At December 31, 2015	2,043,576		14,565,124		1,257,280		9,353,747		47,045,481		3,671,917		-		77,942,126
NET BOOK VALUE															
At December 31, 2015	9,136,480		30,339,233		503,321		24,521,301		239,153,527		958,711		1,135,695		305,748,267
At December 31, 2014	9,473,044		31,499,250		349,267		25,156,262		253,656,684		1,025,461		804,623		321,964,591

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

5. PROPERTY AND EQUIPMENT (CONT'D)

(c) The double hull tankers have been pledged as security for bank borrowings.

(d) Depreciation have been charged to the statement of profit or loss as follows (note 19):

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Cost of sales	20,885,508	31,469,303	16,217,901	17,085,971
Administrative expenses	1,299,708	1,336,209	1,299,709	1,336,209
	22,185,216	32,805,512	17,517,610	18,422,180

(e) The Group's buildings, tanks, pumps and petrol stations were last revalued as at December 31, 2012 by HMT Project Management (Pty) Ltd, independent valuers, on an open market basis. The revaluation surplus, net of deferred tax was credited to revaluation reserve in shareholders' equity. The Directors have assumed that the carrying amount of the Company's buildings, tanks, pumps and petrol stations approximate their fair values as at December 31, 2015.

(f) Significant unobservable valuation input

Price per square metre (US Dollar) Range 189 - 1,403

Significant increase/(decrease) in estimated price per square metre in isolation would result in significantly higher/(lower) fair value.

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

	THE GROUP AND THE COMPANY			
	Tanks, pumps and petrol stations		Buildings	
	2015	2014	2015	2014
Cost	29,785,819	29,785,819	5,424,935	12,108,474
Accumulated depreciation	(14,506,577)	(12,754,704)	(1,659,490)	(1,288,443)
Net book value	15,279,242	17,031,115	3,765,445	3,407,459

6. INTANGIBLE ASSETS

Computer software

	THE GROUP	
	2015	2014
	USD	USD

COST

At January 1, 75,259 75,259
Deconsolidation adjustment at 31 December (note 26) (75,259) -

- **75,259**

ACCUMULATED DEPRECIATION

At December 31, 67,982 67,982
Deconsolidation adjustment at 31 December (note 26) (67,982) -

- **67,982**

NET BOOK VALUE

At December 31, - 7,277

(a) Vicnav Limited was liquidated in 2014 and therefore deconsolidated effective January 1, 2015.

7. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2015	2014
	USD	USD
Cost - Unquoted (notes 7(a) and 7(b))	14,856	14,856
Loans receivable (note 7(d))	54,608,889	60,729,486
	<u>54,623,745</u>	<u>60,744,342</u>

(a) Movement of investment in subsidiaries is as follows:

	THE COMPANY	
	2015	2014
	USD	USD
At January 1,	14,856	20,289
Impairment loss during the year	-	(5,433)
At December 31,	14,856	14,856

(b) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	% shareholding 2015 & 2014	Country of incorporation
Seychelles Pioneer Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Progress Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Patriot Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Prelude Limited	Rental of tanker	Ordinary	100	Isle of Man

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

- (c) Vicnav Limited, a 51% held subsidiary of the Company was liquidated in 2014 and deconsolidated effective January 1, 2015.
- (d) The loans receivable are unsecured, non-interest bearing, are denominated in US Dollar and do not have any fixed repayment terms. The Directors are of the opinion that these should be classified as non-current assets.
- (e) The carrying amounts of the loans receivable approximate their fair value.
- (f) Summarised financial information in respect of the Group's subsidiaries.

Summarised statement of financial position and statement of profit or loss and other comprehensive income

December 31, 2015

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	12,715	13,461	23,741	23,140
Current assets	2	1	3	1
Non-current liabilities	2,181	2,076	20,220	14,815
Current liabilities	15,383	16,847	12,845	15,993
Revenue	1,371	1,371	1,670	1,670
Profit/(Loss) for the year and total comprehensive income/(expense)	<u>177</u>	<u>87</u>	<u>(2,294)</u>	<u>(1,900)</u>

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Summarised statement of financial position and statement of profit or loss and other comprehensive income (Cont'd)

December 31, 2014

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	15,141	16,009	27,974	27,271
Current assets	2	1	3	2
Non-current liabilities	4,854	5,710	21,124	14,815
Current liabilities	15,875	16,472	14,711	18,913
Revenue	3,309	3,309	4,031	4,031
Loss for the year and total comprehensive expense	(256)	(327)	(3,211)	(2,521)

Summarised cash flow information

December 31, 2015

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Operating activities	1,301,106	1,294,081	357,852	114,835
Financing activities	(1,301,104)	(1,294,081)	(358,150)	(114,721)
Net change in cash and cash equivalents	2	-	(298)	114

December 31, 2014

	Seychelles Vicnav Limited	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000	USD'000
Operating activities	-	5,664	5,780	5,334	5,681
Financing activities	-	(5,665)	(5,780)	(5,334)	(5,680)
Net change in cash and cash equivalents	-	(1)	-	-	1

8. INVESTMENT IN FINANCIAL ASSETS

(a) Available-for-sale - quoted

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
At January 1,		
Reclassified as equity instruments at fair value through other comprehensive income upon adoption of IFRS 9 (note 8 (b))	(2,847,834)	-
Net decrease in fair value (note 12)	-	(7,900,128)
At December 31,	-	2,847,834

8. INVESTMENT IN FINANCIAL ASSETS (CONT'D)

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

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
At January 1,	-	-
Reclassified from available for sale financial assets upon adoption of IFRS 9 (note 8 (a))	2,847,834	-
Net decrease in fair value (note 12)	(2,843,087)	-
At December 31,	4,747	-

(c) Available-for-sale financial assets are denominated in the following currencies:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
UK Pound Sterling	-	2,678,185
Australian Dollars	-	169,649
	-	2,847,834

(d) Equity instruments at fair value through other comprehensive income are denominated in the following currencies:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
UK Pound Sterling	-	-
Australian Dollars	4,787	-
	4,787	-

(c) Equity instrument at fair value through other comprehensive income for 2015 and available-for-sale financial assets for 2014 the Group are classified as Level 1 of the Fair Value Hierarchy. No change from previous year noted.

9. INVENTORIES

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
Petroleum products	10,636,889	19,038,339
Lubricants	517,641	1,484,668
Others	623,613	2,237,843
	11,778,143	22,760,850

(a) The cost of inventories recognised as an expense and included in cost of sales amounted to USD 188,428,719 (2014: USD 296,001,332) for both the Group and for the Company (note 19).

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Trade receivables	32,835,601	41,192,541	32,835,601	41,192,541
Less: provision for impairment (see note 10(e))	(7,305,302)	(6,389,182)	(7,305,302)	(6,389,182)
	25,530,299	34,803,359	25,530,299	34,803,359
Prepayments	1,866,397	1,182,655	1,866,397	1,182,655
Deconsolidation of subsidiary (note 26)	(36,626)	-	-	-
- Business tax receivable (note 17(a))	-	5,374,351	-	5,374,351
- Others	472,008	819,949	435,382	790,609
	27,832,078	42,180,314	27,832,078	42,150,974

- (a) The carrying amounts of 'trade and other receivables' approximate their fair value.
- (b) As at December 31, 2015, trade receivables of USD 7,305,302 (2014: USD 6,389,182) were fully impaired. The individually impaired receivables mainly relates to customers, which are in unexpectedly difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. These receivables are aged over three months.
- (c) As at December 31, 2015, trade receivables of USD 2,960,023 (2014: USD 1,307,421) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aged analysis of these trade receivables is as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
3 to 6 months	1,869,087	-
Over 6 months	1,090,936	1,307,421
	2,960,023	1,307,421

- (d) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
US Dollar	22,393,744	29,999,464
Seychelles Rupee	10,421,664	10,887,288
Others	20,193	305,789
	32,835,601	41,192,541

- (e) Movement in the provision for impairment of trade receivables is as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
At January 1,	6,389,182	5,123,835
Charge to statement of profit or loss (note 19)	432,448	2,254,911
Exchange differences	483,672	(989,564)
At December 31,	7,305,302	6,389,182

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (f) The other classes within trade and other receivables do not contain impaired assets and are denominated in Seychelles Rupees.
- (g) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
- (h) Trade receivables have been pledged as security for borrowings.

11. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	Number of shares	Amount USD
<i>Ordinary shares</i>		
Balance at December 31, 2015 & 2014	<u>2,000</u>	<u>8,595,053</u>

The total authorised number of ordinary shares is 2,000 shares (2014: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

12. OTHER RESERVES

(a) THE GROUP

12. OTHER RESERVES

(b) THE COMPANY

13. BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
<i>Bank borrowings</i>				
- Non-current	39,639,942	52,002,612	-	5,152,155
Deconsolidation of subsidiary (note 26)	(347,576)	-	-	
	39,292,366	52,002,612	-	5,152,155
- Current	17,201,273	31,015,292	11,152,154	26,211,916
	56,493,639	83,017,904	11,152,154	31,364,071

- (a) The effective interest rates of bank borrowings currency-wise at the end of the reporting period were as follows:

	THE GROUP AND THE COMPANY		%
	2015	2014	
	USD	USD	
- Euro	1.99% - 5.25%	1.99% - 5.25%	
- US Dollar	2.16% - 4.66%	2.16% - 4.66%	
- Seychelles Rupee	-	-	

- (b) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
After one year and before two years	17,881,408	12,539,823	11,152,154	5,152,155
After two years and before five years	38,612,231	31,954,961	-	-
After five years	-	7,507,828	-	-
	56,493,639	52,002,612	11,152,154	5,152,155

- (c) The exposure of the Group's and the Company's borrowings to interest rate changes are as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Less than six months	11,247,589	18,351,300	-	16,559,763
Between six and twelve months	6,633,819	11,443,686	-	9,652,153
Between one and five years	38,612,231	35,495,094	11,152,154	5,152,155
Over five years	-	7,507,828	-	-
	56,493,639	72,797,908	11,152,154	31,364,071
Borrowings with fixed interest rates	-	10,219,996	-	-
	56,493,639	83,017,904	11,152,154	31,364,071

- (d) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
US Dollar	46,940,695	67,955,742	11,152,154	31,364,071
Euro	9,552,944	15,062,162	-	-
	56,493,639	83,017,904	11,152,154	31,364,071

- (e) The carrying amounts of borrowings approximate their amortised costs.

- (f) Bank borrowings are secured on some of the assets of the Group, including property and equipment and trade receivables.

13. BORROWINGS (CONT'D)

- (g) Borrowings comprise bank loans from PTA Bank and KfW IPEX Bank GmbH. Instalments repayable for some of the loans from KfW IPEX Bank GmbH were re-negotiated and rescheduled in 2013.

14. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 30% (2014: 30%) for the Group and 30% (2014: 30%) for the Company.

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the Statement of Financial Position:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Deferred tax assets (note 14(c)(i))	(7,096,539)	(3,121,457)	(7,096,539)	(3,120,911)
Deferred tax liabilities (note 14(c)(ii))	16,266,774	27,693,608	16,266,774	27,693,596
	<u>9,170,235</u>	<u>24,572,151</u>	<u>9,170,235</u>	<u>24,572,685</u>

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
At January 1,	24,572,685	46,921,784	24,572,685	46,922,318
Credit for the year	(17,271,342)	(15,975,395)	(17,271,342)	(15,975,395)
Exchange differences	1,868,892	(6,374,238)	1,868,892	(6,374,238)
At December 31,	<u>9,170,235</u>	<u>24,572,151</u>	<u>9,170,235</u>	<u>24,572,685</u>

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

- Statement of profit or loss (note 17)	(6,678,983)	(6,136,122)	(6,678,983)	(6,136,122)
- Other comprehensive income (note 12)	(10,592,359)	(9,839,273)	(10,592,359)	(9,839,273)
	<u>(17,271,342)</u>	<u>(15,975,395)</u>	<u>(17,271,342)</u>	<u>(15,975,395)</u>

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

(i) *Deferred tax assets*

	THE GROUP		Retirement benefit obligations			Total USD
	Accelerated tax depreciation	Tax losses	Impairment losses	Retirement benefit obligations	Total	
	USD	USD	USD	USD	USD	
At January 1, 2014	(547)	(4,653)	(1,537,151)	(335,182)	(1,877,533)	
Charge for the year	(844,601)	4,653	(602,550)	(72,986)	(1,515,484)	
Exchange differences	-	-	222,945	48,615	271,560	
At December 31, 2014	(845,148)	-	(1,916,756)	(359,553)	(3,121,457)	
Credit for the year	(3,634,501)	-	(129,675)	24,902	(3,739,274)	
Exchange differences	(63,964)	-	(145,160)	(27,230)	(236,354)	
Deconsolidation of subsidiary (note 26)	546	-	-	-	546	
At December 31, 2015	<u>(4,543,067)</u>	<u>-</u>	<u>(2,191,591)</u>	<u>(361,881)</u>	<u>(7,096,539)</u>	

14. DEFERRED TAXES (CONT'D)

(i) *Deferred tax assets (Cont'd)*

<u>THE COMPANY</u>	Accelerated tax depreciation	Tax losses	Impairment losses	Retirement benefit obligations	Total
	USD	USD	USD	USD	USD
At January 1, 2014	-	(4,654)	(1,537,150)	(335,182)	(1,876,986)
Charge for the year	(844,602)	4,654	(602,550)	(72,986)	(1,515,484)
Exchange differences	-	-	222,944	48,615	271,559
At December 31, 2014	(844,602)	-	(1,916,756)	(359,553)	(3,120,911)
Credit for the year	(3,634,501)	-	(129,675)	24,902	(3,739,274)
Exchange differences	(63,964)	-	(145,160)	(27,230)	(236,354)
At December 31, 2015	<u>(4,543,067)</u>	<u>-</u>	<u>(2,191,591)</u>	<u>(361,881)</u>	<u>(7,096,539)</u>

(ii) *Deferred tax liabilities*

<u>THE GROUP</u>	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2014	2,978,371	22,804,067	23,016,879	48,799,317
Credit for the year	(2,978,371)	(1,642,267)	(9,839,273)	(14,459,911)
Exchange differences	-	(3,307,465)	(3,338,333)	(6,645,798)
At December 31, 2014	-	17,854,335	9,839,273	27,693,608
Credit for the year	-	(2,939,709)	(10,592,359)	(13,532,068)
Exchange differences	-	1,352,159	753,087	2,105,246
Deconsolidation of subsidiary	-	(12)	-	(12)
At December 31, 2015	<u>-</u>	<u>16,266,773</u>	<u>-</u>	<u>16,266,774</u>

<u>THE COMPANY</u>	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2014	2,978,370	22,804,055	23,016,879	48,799,304
Credit for the year	(2,978,370)	(1,642,267)	(9,839,273)	(14,459,910)
Exchange differences	-	(3,307,465)	(3,338,333)	(6,645,798)
At December 31, 2014	-	17,854,323	9,839,273	27,693,596
Credit for the year	-	(2,939,709)	(10,592,359)	(13,532,068)
Exchange differences	-	1,352,159	753,087	2,105,246
At December 31, 2015	<u>-</u>	<u>16,266,773</u>	<u>-</u>	<u>16,266,774</u>

15. RETIREMENT BENEFIT OBLIGATIONS

Other post retirement benefits

Other post retirement benefits comprise mainly of severance allowances payable under the Seychelles Employment Act and other benefits. Movement in the severance allowances is as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
At January 1,		
(Credit)/Charge to the statement of profit or loss (note 24)	1,198,510	1,117,273
Exchange differences	(81,387)	269,825
At December 31,	89,148	(188,588)
	<u>1,206,271</u>	<u>1,198,510</u>

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Trade payables	12,416,353	59,124,570	12,416,353	59,124,570
Accrued expenses	6,375,519	3,171,464	6,375,519	3,171,464
Tax Liability (note 17(a))	5,999,285	-	5,999,285	-
Other payables	771,966	1,126,466	338,346	665,636
Deconsolidation of subsidiary (note 26)	(23,587)	-	-	-
	<u>25,539,536</u>	<u>63,422,500</u>	<u>25,129,503</u>	<u>62,961,670</u>

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

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
US Dollars	8,793,263	53,235,283	8,793,263	53,235,283
Euro	144,709	1,947,312	144,709	813,538
Seychelles Rupee	14,369,820	4,767,815	14,369,820	5,440,759
Others	2,231,744	3,472,090	1,821,711	3,472,090
	<u>25,539,536</u>	<u>63,422,500</u>	<u>25,129,503</u>	<u>62,961,670</u>

17. TAX EXPENSE

(a) *Statement of financial position*

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
At January 1,		
- As previously stated	(5,374,351)	(3,723,032)
- Prior year adjustment	-	(5,561,075)
- As re-stated	<u>(5,374,351)</u>	<u>(9,284,107)</u>
Refund received during the year	-	-
Paid during the year	-	(119,581)
Charge for the year	11,575,960	3,923,469
Exchange difference	(5,322)	105,868
At December 31,	<u>6,196,287</u>	<u>(5,374,351)</u>

Disclosed under:

Trade and other payable (note 16)/2014 trade and other receivable
(note 10)

6,196,287 (5,374,351)

(b) *Statement of profit or loss*

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 17(c))	11,575,960	3,923,469
Deferred tax charge (note 14(b))	(6,678,983)	(6,136,122)
Taxation charge/(credit)	<u>4,896,977</u>	<u>(2,212,653)</u>

17. TAX EXPENSE (CONT'D)

- (c) The tax on the Company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Loss before taxation	<u>10,471,688</u>	<u>(13,487,923)</u>	<u>14,262,229</u>	<u>(6,644,054)</u>
Tax calculated at applicable tax rates (note 17(d))	4,329,455	(4,046,377)	4,329,455	(1,856,554)
Income not subject to tax	4,002,523	1,646,342	4,002,523	1,646,342
Expenses not deductible for tax purposes	2,729,133	3,681,987	2,729,133	1,492,164
Excess of depreciation over capital allowance	514,849	3,712,739	514,849	3,712,739
Utilisation of prior years' tax losses	-	(1,071,222)	-	(1,071,222)
	<u>11,575,960</u>	<u>3,923,469</u>	<u>11,575,960</u>	<u>3,923,469</u>

- (d) The Group and the Company did not have any unused tax losses as at December 31, 2015 (2014: USD 4.1M) to be carried forward and used against future taxable profits.

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

Taxable income	Tax rates - %	
	2014 & 2015	
≤ SR. 1,000,000	25%	
> SR. 1,000,000	30%	

18. REVENUE

	THE GROUP		AND THE COMPANY	
	2015		2014	
	USD	USD	USD	USD
Sales of products	274,475,766		377,718,814	
Sales of services	50,199,809		43,825,828	
	<u>324,675,575</u>		<u>421,544,642</u>	

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 9)	188,428,719	296,001,190	188,428,719	296,001,190
Depreciation (note 5(d))	22,185,216	32,805,512	17,517,610	18,422,180
Duties and taxes	43,154,822	43,855,073	43,154,822	43,855,073
Bareboat charter fees	-	-	6,029,355	14,764,139
Bunkering costs	10,676,651	13,475,438	10,676,651	13,475,438
Ship running expenses	16,672,878	15,337,326	16,672,878	15,337,326
Port agency costs	8,789,742	10,565,318	8,789,742	10,565,318
Employee benefit expense (note 24)	4,168,008	4,237,037	4,168,008	4,237,037
Provision for credit impairment (note 10(e))	432,448	2,254,911	432,448	2,254,911
Other expenses	<u>11,486,581</u>	<u>14,143,743</u>	<u>11,670,441</u>	<u>13,634,314</u>
Total cost of sales, selling and marketing and administrative expenses	<u>305,995,065</u>	<u>432,675,548</u>	<u>307,540,674</u>	<u>432,546,926</u>

19. EXPENSES BY NATURE (CONT'D)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
<i>Analysed as:</i>				
Cost of sales	300,624,822	420,249,986	302,045,627	421,073,137
Selling and marketing expenses	16,165	158,911	16,165	158,911
Administrative expenses	5,354,078	12,266,651	5,478,882	11,314,878
	305,995,065	432,675,548	307,540,674	432,546,926

20. OTHER INCOME

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
<i>Demurrage claims</i>		
Storage and throughput	3,152,161	2,838,410
Deviations and other recoveries	2,110,043	1,937,167
Gain on disposal of property and equipment	861,123	1,495,499
Sundry income	6,013	10,022
	1,747,009	844,349
	7,876,349	7,125,447

21. OTHER (LOSSES)/GAINS - NET

	THE GROUP AND THE COMPANY	
	2015	2014
	USD	USD
<i>Net foreign exchange (losses)/gains on operations</i>		
	(10,289,196)	2,330,878

22. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Interest income	-	66,180	-	66,180
Interest expense - bank borrowings	(2,640,079)	(3,890,559)	(1,007,718)	(1,704,572)
Net foreign exchange financing (losses)/ gains on financing activities	(3,155,896)	(7,922,783)	547,893	(3,393,523)
Net finance costs	(5,795,975)	(11,813,342)	(459,825)	(5,098,095)

23. LOSS BEFORE TAXATION

Loss before taxation is arrived at after:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income	374,775	378,817	374,775	378,817
Gain on disposal of equipment	6,013	10,021	6,013	10,021

23. LOSS BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2015 USD	2014 USD	2015 USD	2014 USD
<i>and (charging):</i>				
Depreciation on property and equipment - owned (note 5)	(22,185,217)	(32,805,512)	(17,517,610)	(18,422,180)
Provision for credit impairment (note 10)	(432,448)	(2,254,911)	(432,448)	(2,254,911)
Lease rentals	(197,866)	(208,641)	(197,866)	(208,641)
Directors' remuneration (see note 23(a) below)	(143,837)	(141,134)	(143,837)	(141,134)
Employee benefit expense (note 24)	<u>(4,168,008)</u>	<u>(4,237,037)</u>	<u>(4,168,008)</u>	<u>(4,237,037)</u>

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

	THE GROUP AND THE COMPANY	
	2015 USD	2014 USD
S Fanny	7,657	7,895
F Joubert	7,657	7,895
B Jivan	7,657	7,895
C Benoiton	<u>120,866</u>	<u>117,449</u>
	<u>143,837</u>	<u>141,134</u>

24. EMPLOYEE BENEFIT EXPENSES

	THE GROUP AND THE COMPANY	
	2015 USD	2014 USD
Salaries and wages	4,249,395	3,967,212
Retirement benefit obligations (note 15)	<u>(81,387)</u>	<u>269,825</u>
	<u>4,168,008</u>	<u>4,237,037</u>

25. COMMITMENTS

(a) *Capital commitments*

Capital expenditure contracted for at the date of the reporting period but not recognised in these financial statements is as follows:

	THE GROUP AND THE COMPANY	
	2015 USD'000	2014 USD'000
Property and equipment	<u>2,733</u>	<u>682</u>

25. COMMITMENTS (CONT'D)

(b) *Operating lease commitments - where the Group/Company is the lessee*

The company leases land under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewable rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	THE GROUP AND THE COMPANY	
	2015 USD'000	2014 USD'000
Not later than one year	28	187
Later that one year and not later than five years	114	749
Later than five years	2,525	12,603
	2,667	13,539

(c) *Operating lease commitments - where the Group/Company is the lessor*

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	THE GROUP AND THE COMPANY	
	2015 USD'000	2014 USD'000
Not later than one year	382	339
Later than one year and not later than five years	1,529	1,354
Later than five years	33,644	31,487
	35,555	33,180

26. IMPACT OF DECONSOLIDATION

	Notes	USD
(a) On statement of financial position		
Property and equipment (NBV)	5	18,925
Intangible asset	6	7,277
Trade and other receivable	10	36,626
Deferred tax asset	14 (c)(i)/(ii)	534
Borrowings	13	(347,576)
Trade and accounts payable	16	(23,587)
Net liabilities		(307,801)
(b) On statement of profit or loss		133,316

27. NOTES TO THE CASH FLOW STATEMENTS

(a) *Cash generated from operations*

Notes	THE GROUP		THE COMPANY	
	2015 USD	2014 USD	2015 USD	2014 USD
Profit/(Loss) before taxation	10,471,688	(13,487,923)	14,262,229	(6,644,054)
<i>Adjustments for:</i>				
Depreciation on property and equipment	5	22,185,216	32,805,512	17,517,610
Impairment loss on investment	7(a)	-	-	18,422,180
Provision for credit impairment	10(e)	432,448	2,254,911	5,433
Profit on disposal of equipment		(8,140)	(10,022)	2,254,911
Interest receivable	22	-	(66,180)	(10,022)
Unrealised foreign exchange losses	21	10,289,196	(2,330,878)	-
Interest payable	22	2,640,079	3,890,559	(66,180)
Increase in provision for retirement benefit obligations	15	(81,387)	269,825	(2,330,878)
Impact of deconsolidation	26(b)	(133,316)	-	1,704,572
Deconsolidation of subsidiary	26(a)	307,801	-	-
	46,103,585	23,325,804	43,419,674	13,605,787
<i>Changes in working capital</i>				
- inventories	10,982,707	(3,297,429)	10,982,707	(3,297,429)
- trade and other receivables	8,057,765	7,325,784	8,028,425	7,318,498
- trade and other payables	(43,882,249)	1,870,937	(43,831,452)	1,561,978
Cash generated from operations	21,261,808	29,225,096	18,599,354	19,188,834

(b) *Cash and cash equivalents*

	THE GROUP		THE COMPANY	
	2015 USD	2014 USD	2015 USD	2014 USD
Cash in hand	2,124	1,810	2,124	1,810
Bank balances	14,939,265	23,223,978	14,931,934	23,177,716
	14,941,389	23,225,788	14,934,058	23,179,526

28. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Other related corporations		Directors	
	2015 USD'000	2014 USD'000	2015 USD'000	2014 USD'000
Amount due to				
Amount due from				
Remuneration	820	4,543	-	-
Purchases of products and services	3,213	1,596	144	141
Sales	(9,491,966)	(74,262)	-	-

(b) THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2015 USD'000	2014 USD'000	2015 USD'000	2014 USD'000	2015 USD'000	2014 USD'000
Amount due to						
Amount due from						
Remuneration	54,624	60,744	820	4,543	-	-
Bareboat charter fees	-	-	-	-	144	141
Technical management fees	6,029	14,764	-	-	-	-
Purchases of goods and services	-	-	3,213	1,596	-	-
Sales	-	-	(9,491,966)	(74,262)	-	-

(c) The above transactions have been made at arm's length, on normal commercial terms and in the ordinary course of business.

(d) Outstanding balances with related parties at the year-end are unsecured and interest free. There has been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

28. RELATED PARTY TRANSACTIONS (CONT'D)

(e) *Key management personnel*

	THE GROUP AND THE COMPANY	
	2015 USD'000	2014 USD'000
Salaries & other benefits	303,125	318,741
Pension costs	4,547	4,781
	307,672	323,522

29. DIVIDENDS

	THE COMPANY	
	2015 USD'000	2014 USD'000
Dividends proposed and paid during the year of USD2,477 per share	(4,954)	-

30. FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2015 USD'000	2014 USD'000	2013 USD'000	2012 USD'000	2011 USD'000
(Loss)/Profit before taxation	10,472	(13,489)	(4,209)	(13,697)	(7,186)
Taxation charge	(4,897)	2,213	(6,202)	5,379	(2,402)
Net loss for the year	5,575	(11,276)	(10,411)	(8,318)	(9,588)
Other comprehensive income /(expense)	2,887	3,161	(986)	(201)	634
Non-controlling interest	-	-	-	8	(11)
Impairment of equity instrument at fair value though other comprehensive income	(10,546)	-	-	-	-
Retained earnings brought forward	73,473	81,588	92,985	101,496	110,461
Profit available for distribution	71,388	73,473	81,588	92,985	101,496
Dividends	(4,954)	-	-	-	-
Retained earnings carried forward	66,435	73,473	81,588	92,985	101,496
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	265,922	245,253	243,349	235,162	167,196
Retained earnings	66,435	73,473	81,588	92,985	101,496
Owners' interest	340,952	327,321	333,532	336,742	277,287
Non-controlling interest	-	(132)	(132)	(132)	(124)
Total equity	340,952	327,189	333,400	336,610	277,163

(b) THE COMPANY

	2015 USD'000	2014 USD'000	2013 USD'000	2012 USD'000	2011 USD'000
(Loss)/profit before taxation	14,262	(6,644)	(4,719)	(12,670)	(3,746)
Taxation charge	(4,897)	2,213	(6,202)	5,378	(2,402)
(Loss)/profit for the year	9,365	(4,431)	(10,921)	(7,292)	(6,148)
Other comprehensive income /(expense)	178	-	-	-	-
Impairment of equity instrument at fair value though other comprehensive income	(10,546)	-	-	-	-
Retained earnings brought forward	99,700	104,131	115,052	122,344	128,492
Profit available for distribution	98,697	99,700	104,131	115,052	122,344
Dividends	(4,954)	-	-	-	-
Retained earnings carried forward	93,743	99,700	104,131	115,052	122,344
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	265,925	245,256	243,351	235,164	167,199
Retained earnings	93,743	99,700	104,131	115,052	122,344
Total equity	368,263	353,551	356,077	358,811	298,138