

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

TABLE OF CONTENTS - YEAR ENDED DECEMBER 31, 2020

	PAGES
Corporate Information	1
Directors' Report	2 - 2(c)
Independent Auditor's Report	3 - 3(d)
Statements of Financial Position	4
Statements of Profit or Loss	5
Statements of Other Comprehensive Income	6
Statements of Changes in Equity	7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 49

DIRECTORS

: S Gendron (Chairperson)
C Benoiton (Chief Executive Officer)
E Belle
V Laporte
S Patel

Appointed effective September 30, 2020

M. Nalletamby
Y. Vel

Resigned effective September 30, 2020

P Samson
S Fanny

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
Seychelles

BANKERS

: The Mauritius Commercial Bank (Seychelles) Limited
Absa Bank (Seychelles) Limited
The Mauritius Commercial Bank (Mauritius) Limited
Seychelles International Mercantile Banking Corporation Limited
Ostfriesische Volksbank eG

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2020

The Directors are pleased to submit their report on **Seychelles Petroleum Company Limited (SEYPEC)** together with the audited financial statements of the Group and the Company for the year ended December 31, 2020.

PRINCIPAL ACTIVITIES

The main activities of **Seychelles Petroleum Company Limited (SEYPEC)** 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 to Seypel the parent Company.

CURRENT YEAR EVENT**(i) Revaluation of depots and filling stations**

The Company engaged HMT Rubbaglas Ltd to perform a desk valuation of Seypel's buildings, tanks, pumps and petrol stations (immovables) which are carried at revalued amounts based on periodic triennial valuations. The last revaluation was done in 2016, hence another revaluation, per Company's policy was due in 2020.

The independent Valuer performed the valuation based on the replacement value of all depots and filling stations from scratch and arrived at a figure of **USD 237.1m (ZAR 3.3bn)** for 2020 as compared to **USD 220.9m (ZAR 2.9bn)** in 2016.

However, no valuation adjustment was booked in these financial statements since several issues are yet to be cleared to date which include the following as per Valuer's report:

- No site visit done to ensure existence of assets revalued;
- The estimated amounts to construct LPG offices and store, administration block, security house and change rooms were estimated same as per 2016 valuation, which could be incorrect;
- Estimated construction costs for several assets decreased from 2016 values to 2020 by around 3%-30%, which could be incorrect;
- The valuation included movable assets, which should have been excluded;
- Some assets valued in 2016 were missed out; and
- Basis of the 40% increase in costs per valuation report added to carry out work in Seychelles still to be justified and negotiated.

FINANCIAL PERFORMANCE

Net reported profit for the year amounted to **USD 35.4m** (2019: **USD 16.9m**) for the Group and **USD 34.1m** (2019: **USD 15.7m**) for the Company.

DIVIDENDS

The Director proposed and paid dividends amounting to **USD 10.5m** for the year under review (2019: **USD 14.1m** proposed and paid).

PROPERTY, PLANT AND EQUIPMENT

The Group and the Company acquired property and equipment amounting to **USD 2.67m** during the year (2019: **USD 2.99m**) comprising mainly work-in-progress on buildings, vehicles, plant and equipment and furniture and fittings.

The property and equipment of the Group and of the Company were last revalued in 2016 by **USD 47.2m**. The Directors are of the opinion that the carrying amounts of property and equipment at the reporting date approximate their fair value and no impairment is required.

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2020

DIRECTORS AND DIRECTORS' INTERESTS

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 Gendron (Chairperson)
C Benoiton (Chief Executive Officer)
E Belle

Appointed effective September 30, 2020

M. Nalletamby
Y. Vel

V Laporte
S Patel

Resigned effective September 30, 2020

P Samson
S Fanny

Subsidiaries

(i) **Seychelles Patriot Limited**

(iv) **Seychelles Prelude Limited**

Appointed effective September 30, 2020

F Racombo
U Romain
R Hoareau
S Romain

(ii) **Seychelles Pioneer Limited**

(iii) **Seychelles Progress Limited**

Resigned effective September 30, 2020

S Fanny
B Jivan
F Jourbert

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

GOING CONCERN**Continued impact of Covid - 19 pandemic**

The corona virus pandemic has brought and continues to bring challenges not only to the Group and Company but also to the whole Country. The Company prioritises the safety and security of all of its employees and hence this is why it continues to invest significantly in preventive measures to protect its employees, to the best of its ability.

The Group and Company implemented a plan of actions aimed to ensure minimal disruptions to operations as well as maintain business continuity in the event of a nationwide lockdown, given its mandate as an essential service provider, i.e. ensuring the energy supply for the country in petroleum products.

Preventive measures

In 2019, the Group's and Company's administration reviewed its hygiene practices in specific to reduce the number of employees being affected by the pandemic.

With news of the threat of the corona virus announced via international media in early January 2020, a campaign was launched internally by the Wellness Office (Human Resources) to educate employees about the virus as well as measures required to reduce the risks of transmissions.

GOING CONCERN (CONT'D)**Continued impact of Covid - 19 pandemic (Cont'd)***Preventive measures (Cont'd)*

These consisted of the following companywide measures:-

- ✓ Email circulations, twice a week on average were sent from the Wellness Officer (from as early as 30th January 2020) inclusive of posters, articles and tips etc;
- ✓ Stocking up on Personal Protective Equipment (PPE) for the protection of employees (e.g. 2,675 masks were purchased for use by operations employees, if ever required at a cost of SR 84,000);
- ✓ Sanitizer bottles were placed at specific locations for use by employees, especially those who engage with external clients;
- ✓ A policy was developed for the isolation and handling of employees who could develop symptoms of Covid-19 whilst at work; and
- ✓ The Management team met and devised a strategy for business continuity, in the event of an outbreak.

Reactive Measures

On 15th March 2020 the Ministry of Health recorded positive cases of the virus locally. The nature of the business of the Company necessitated that 148 operational employees were still required to come to work to attend to duties. Out of the remaining, made up of 67 Administrative staff, only a limited number could realistically work from home.

Based on the re-categorization of the virus as a pandemic and further developments in December 2020, additional measures were undertaken as follows:

- ✓ Management Team met on 16th March 2020 to review and amend the business continuity plan. Since the outbreak, the team met twice a week to review developments and adjust operations as required;
- ✓ Social distancing measures have been put in place on the ground floor with specific markings for distancing limits;
- ✓ Employees could work from home have been authorized to do so under the oversight of their respective General Manager, but most of them came to work onsite;
- ✓ Shift patterns have been reviewed and adjusted where possible. This has been done to reduce the number of employees on site in one go as well as to allow for a backup team in the event that personnel became ill; and many other measures as announced by the Ministry were also implemented;
- ✓ To ensure continuous supply of energy, the Group and Company contracted with suppliers in anticipation, e.g TOTSA, so as to minimise supply disruptions.

As explained above, the Directors with the assistance of Management and stakeholders have put adequate plans in place to deal with any potential outbreak in the foreseeable future. The main shareholder, the Government of Seychelles has also committed to give its financial and otherwise support as and when required. Therefore the Directors are of the view that the going concern basis of preparation of the financial statements remain appropriate in the circumstances.

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Group 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 Group and those that are held in trust and used by the Group.

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 Gendron
Director



C Benoiton
Director



E Belle
Director



V Laporte
Director



S Patel
Director



M. Nalletamby
Director



Y. Vel
Director

Date: 27 MAY 2021
Victoria, Seychelles

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

3

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES** (the Group) and the Company's financial statements on pages 4 to 49 which comprise the Statement of Financial Position as at December 31, 2020, the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 49 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1972 and Public Enterprise Monitoring Commission Act, 2013.

Basis for Opinion

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

Key Audit Matters

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

(i) Computation of Expected credit losses (ECL) per IFRS 9 - Financial instruments

The COVID-19 pandemic has resulted in unprecedented economic conditions with varying impacts across countries and industry sectors and economic factors such as GDP and unemployment, and consequently the extent and timing of customer defaults.

These factors have increased the uncertainty around judgements made in determining the severity and likelihood of macroeconomic variable forecasts across different economic scenarios used in ECL models. Furthermore, these conditions are outside the bounds of historical experience used to develop the models, where these models produce plausible results, resulting in significantly greater limitations in their reliability to estimate ECLs.

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

3(a)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)**Key Audit Matter (Cont'd)*****(i) Computation of Expected credit losses (ECL) per IFRS 9 - Financial instruments (Cont'd)***

The modelling methodologies used for estimating assumptions, as well as other data, to compute ECL are non-standard as well as complex. They are developed using historical experience, which can result in limitations in their reliability to appropriately estimate ECL and these limitations are often addressed with judgemental adjustments and subject to estimation uncertainty.

How our audit addressed the key audit matter

During the course of our audit, we:

- ✓ Evaluated the appropriateness of the Group's and Company's IFRS 9 impairment methodologies;
- ✓ Reperformed the calculation of certain components of the ECL model;
- ✓ Checked the reasonableness of the Group's and Company's considerations on the ECL impact of the current economic environment due to COVID-19;
- ✓ Sample-tested key inputs, data and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and model assumptions applied;
- ✓ Scrutinised post model adjustments, considering the size and complexity of Management adjustments with a focus on COVID-19 related ones, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data; and
- ✓ assessed whether disclosures with respect to ECL appropriately addressed the uncertainties which exists when determining the ECL and in addition, assessed whether the disclosures of key judgements and assumptions made were adequate in the circumstances.

Based on the evidence assessed, we found the methodologies, modelled assumptions and data used within the allowance for ECL assessment to be materially appropriate.

(ii) Effect of Covid - 19 on the financial statements

The global Covid - 19 pandemic, and the associated restrictions imposed by the Seychelles Government, have adversely affected the Seychelles as a country, its population and economy. The virus emerged in the Seychelles in March 2020 prompting the Government to impose widespread lockdowns and travel restrictions. Restrictions were eased in May 2020 but re-imposed again during the last week of December 2020 until end of February 2021. Effective March 25, 2021, the Seychelles Goverment removed almost all its travel restrictions for locals and tourists as well.

Although it is not possible to reliably estimate the length or severity of this outbreak now and hence its financial impact, the Company could be materially and possibly adversely affected. Whilst Management has been closely monitoring the situation, the consequence of Covid - 19, the extent of the impact on the Company's operational and financial performance will depend on future market dynamics and developments, including the duration and spread of the outbreak, which is unknown at the moment.

However, the Company operating as an essential service provider, the risks are somehow mitigated whilst at Subsidiaries level, this will be highly dependent on the situation of the chartering business Worldwide.

Key Audit Matters (Cont'd)***(ii) Effect of Covid - 19 on the financial statements (Cont'd)***

Management considered the impact of COVID - 19 on the preparation of these financial statements including the Group's and Company's going concern, computation of expected credit losses, determination of impairment of non financial assets, residual values and useful lives of its non financial assets.

How our audit addressed the key audit matter

The planning and execution of our audit have been made by giving specific considerations to the impact of COVID - 19 on the Group's and Company's activities and operations including recalibration of the materiality levels. In assessing Management's consideration of the impact of COVID - 19 on the financial statements, we have undertaken the following procedures:

- ✓ In areas where Management is required to estimate future financial performance of the Company when preparing the financial statements, we challenged the forecasts and the extent to which they have been impacted by Covid - 19;
- ✓ We assessed the impact of COVID - 19 on estimates and the assumptions that underpin them, for example in relation to expected credit losses and other financial statement areas;
- ✓ We reviewed Management's going concern assessment, with consideration to the potential impact of Covid - 19 on future profitability;
- ✓ We considered the impact of COVID - 19 on the Group's and Company's internal control environment through our audit procedures namely testing, reperformance and inquiries from Management; and
- ✓ We evaluated the adequacy of the disclosures made in the financial statements with respect to the impact of COVID - 19.

As a result of these procedures, we concluded that the impact of COVID - 19 has been appropriately evaluated and reflected in the preparation of these financial statements.

Responsibilities of Directors for the preparation of Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972 and Public Enterprise Monitoring Commission Act, 2013, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

3(d)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

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

We have obtained all information and explanations we have required.

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

Public Enterprise Monitoring Commission Act, 2013

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

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

Other Matters

This report is made solely to the members of 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 which 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 or the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

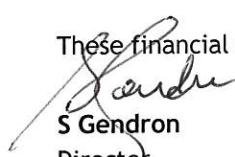
BDO Associates
BDO ASSOCIATES
Chartered Accountants

Dated: 27 MAY 2021
Victoria, Seychelles

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2020

	Notes	THE GROUP		THE COMPANY		
		2020 USD	2019 USD	2020 USD	2019 USD	
ASSETS						
Non-current assets						
Property, plant and equipment	5	345,761,313	355,275,693	289,160,100	298,995,671	
Right-of-use assets	6(a)	2,701,856	2,509,458	2,701,856	2,509,458	
Investment in subsidiaries	7	-	-	82,986,733	81,684,540	
Investment in financial assets	8(a)	2,881	4,444	2,881	4,444	
		<u>348,466,050</u>	<u>357,789,595</u>	<u>374,851,570</u>	<u>383,194,113</u>	
Current assets						
Inventories	9	12,099,644	15,088,439	12,099,644	15,088,439	
Investment in financial assets	8(b)	6,788,401	6,742,860	6,788,401	6,742,860	
Trade and other receivables	10	19,478,825	33,120,253	19,478,825	33,120,253	
Cash and cash equivalents	25(b)	21,757,020	23,230,012	21,757,020	23,230,012	
		<u>60,123,890</u>	<u>78,181,564</u>	<u>60,123,890</u>	<u>78,181,564</u>	
Total assets		<u>408,589,940</u>	<u>435,971,159</u>	<u>434,975,460</u>	<u>461,375,677</u>	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	11	8,595,053	8,595,053	8,595,053	8,595,053	
Other reserves	12	216,599,114	268,082,886	218,460,318	268,118,565	
Retained earnings		<u>129,107,252</u>	<u>104,677,201</u>	<u>153,646,195</u>	<u>130,059,372</u>	
Owners' interest and Total equity		<u>354,301,419</u>	<u>381,355,140</u>	<u>380,701,566</u>	<u>406,772,990</u>	
LIABILITIES						
Non-current liabilities						
Lease liabilities	6(b)	1,486,879	2,537,448	1,486,879	2,537,448	
Deferred tax liabilities	13	24,645,625	16,131,635	24,645,625	16,131,635	
Retirement benefit obligations	14	1,094,282	1,812,873	1,094,282	1,812,873	
		<u>27,226,786</u>	<u>20,481,956</u>	<u>27,226,786</u>	<u>20,481,956</u>	
Current liabilities						
Lease liabilities	6(b)	135,955	8,454	135,955	8,454	
Trade and other payables	15	26,925,780	34,125,609	26,911,153	34,112,277	
		<u>27,061,735</u>	<u>34,134,063</u>	<u>27,047,108</u>	<u>34,120,731</u>	
Total liabilities		<u>54,288,521</u>	<u>54,616,019</u>	<u>54,273,894</u>	<u>54,602,687</u>	
Total equity and liabilities		<u>408,589,940</u>	<u>435,971,159</u>	<u>434,975,460</u>	<u>461,375,677</u>	

These financial statements have been approved for issue by the Board of Directors on: 27 MAY 2021


S Gendron
Director

C Benoiton

Director

E Belle

Director


V Laporte
Director


S Patel
Director

M. Nalletamby

Director

Y. Vel

Director

The notes on pages 9 to 49 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(d).

STATEMENTS OF PROFIT OR LOSS - YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
Revenue	2(l) & 17	262,380,323	382,167,314	262,380,323	382,167,314
Cost of sales	18(a)	(246,868,304)	(357,124,327)	(248,295,533)	(358,421,992)
Gross profit		15,512,019	25,042,987	14,084,790	23,745,322
Selling & marketing expenses	18(a)	(30,630)	(58,046)	(30,630)	(58,046)
Administrative expenses	18(a)	(11,482,623)	(13,326,964)	(11,440,307)	(13,270,113)
Other income	19	7,998,932	8,373,063	7,998,932	8,373,063
Other gains / (losses) - Net	20	46,948,677	(368,005)	46,948,677	(367,696)
		58,946,375	19,663,035	57,561,462	18,422,530
Net finance (costs) / income	21	230,165	(61,430)	230,165	(61,430)
Profit before taxation	16(c)/22/25	59,176,540	19,601,605	57,791,627	18,361,100
Taxation charge	16(b)	(23,737,381)	(2,696,044)	(23,737,381)	(2,696,044)
Profit for the year		35,439,159	16,905,561	34,054,246	15,665,056

The notes on pages 9 to 49 form an integral part of these financial statements.
 Independent Auditor's Report on pages 3 to 3(d).

	Notes	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
Profit for the year		35,439,159	16,905,561	34,054,246	15,665,056
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences	12	(51,482,209) (541,685)	(221,397) 477,399	(49,656,684) -	(182,392) -
- Other reserves					
- Retained earnings					
<i>Item that will not be reclassified to profit or loss</i>					
Equity instruments at fair value through other comprehensive income reserve	8(a), 12(a) & (b)	(1,563) (52,025,457)	(2) 256,000	(1,563) (49,658,247)	(2) (182,394)
Other comprehensive income for the year, net of tax		(16,586,298)	17,161,561	(15,604,001)	15,482,662
Total comprehensive (expense) / income for the year					
Profit attributable to:					
Owners of the parent		35,439,159	16,905,561	34,054,246	15,665,056
Non-controlling interest		-	-	-	-
Total comprehensive income for the year		35,439,159	16,905,561	34,054,246	15,665,056
Owners of the parent		(16,586,298)	17,161,561	(15,604,001)	15,482,662
Non-controlling interest		-	-	-	-
Total comprehensive (expense) / income for the year		(16,586,298)	17,161,561	(15,604,001)	15,482,662

The notes on pages 9 to 49 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(d).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2020

THE GROUP		Attributable to owners of the parent						Non-Controlling Interest		Total Equity	
		Notes	Share Capital	Other Reserves	Retained Earnings	Total	USD	USD	USD		
At January 1, 2020			8,595,053	268,082,886	104,677,201	381,355,140				381,355,140	
Total comprehensive expense for the year		27(a)	-	(51,483,772)	34,897,474	(16,586,298)				(16,586,298)	
Dividends				-	(10,467,423)	(10,467,423)				(10,467,423)	
At December 31, 2020			8,595,053	216,599,114	129,107,252	354,301,419				354,301,419	
At January 1, 2019			8,595,053	268,304,285	101,354,737	378,254,075				378,254,075	
Total comprehensive income for the year		27(a)	-	(221,399)	17,382,960	17,161,561				17,161,561	
Dividends				-	(14,060,496)	(14,060,496)				(14,060,496)	
At December 31, 2019			8,595,053	268,082,886	104,677,201	381,355,140				381,355,140	
THE COMPANY		Notes	Share Capital	Other Reserves	Other Reserves	Retained Earnings	Total	USD	USD	Total	USD
At January 1, 2020			8,595,053	268,118,565	130,059,372	406,772,990				406,772,990	
Total comprehensive expense for the year				-	(49,658,247)	34,054,246				(15,604,001)	
Dividends		27(a)		-	-	(10,467,423)				(10,467,423)	
At December 31, 2020			8,595,053	218,460,318	153,646,195	380,701,566				380,701,566	
At January 1, 2019			8,595,053	268,300,959	128,454,812	405,350,824				405,350,824	
Total comprehensive income for the year				-	(182,394)	15,665,056				15,482,662	
Dividends					-	(14,060,496)				(14,060,496)	
At December 31, 2019			8,595,053	268,118,565	130,059,372	406,772,990				406,772,990	

The notes on pages 9 to 49 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(d).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020		2019	
		USD	USD	USD	USD
Cash flows generated from operations					
Cash generated from operations	25(a)	87,836,817	47,475,305	81,663,545	41,600,592
Net interest received	21	251,135	168,399	251,135	168,399
		88,087,952	47,643,704	81,914,680	41,768,991
Tax paid	16(a)	(5,782,985)	(6,669,517)	(5,782,985)	(6,669,517)
Retirement benefit obligations paid		(386,258)	-	(386,258)	-
Net cash generated from operating activities		81,918,709	40,974,187	75,745,437	35,099,474
Cash flows from investing activities					
Purchase of property and equipment	5	(2,667,459)	(2,991,668)	(2,667,459)	(2,991,668)
Proceeds from sale of equipment		24,732	19,854	24,732	19,854
Repayment of lease liability	6(b)	(182,590)	(6,302)	(182,590)	(6,302)
Addition to financial assets	8(b)	(7,473,495)	(13,075,852)	(7,473,495)	(13,075,852)
Redemption of financial assets	8(b)	4,370,755	6,385,603	4,370,755	6,385,603
Net cash used in investing activities		(5,928,057)	(9,668,365)	(5,928,057)	(9,668,365)
Cash flows from financing activities					
Dividends and Net cash used in financing activities	27(a)	(10,467,423)	(14,060,496)	(10,467,423)	(14,060,496)
Net increase in cash and cash equivalents		65,523,229	17,245,326	59,349,957	11,370,613
Movement in cash and cash equivalents					
At January 1,		23,230,012	4,781,939	23,230,012	4,781,939
Increase		65,523,229	17,245,326	59,349,957	11,370,613
Foreign exchange differences		(66,996,221)	1,202,747	(60,822,949)	7,077,460
At December 31,	25(b)	21,757,020	23,230,012	21,757,020	23,230,012

The notes on pages 9 to 49 form an integral part of these financial statements.
 Independent Auditor's Report on pages 3 to 3(d).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and are in compliance with the Companies Act, 1972 and the Public Enterprise Monitoring Commission, 2013.

These financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed relevant accounting standards. Where necessary, comparative figures have been amended to conform with the change in presentation in the current period.

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

(b) Amendments to published Standards effective in the reporting period

- Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. *The amendments have no impact on the Group's financial statements.*
- Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. *The amendments have no impact on the Group's financial statements.*
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. *The amendments have no impact on the Group's financial statements.*
- Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. *The amendments have no impact on the Group's financial statements.*

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Amendments to published Standards effective in the reporting period (Cont'd)

- Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. *The amendment has no impact on the Group's financial statements.*
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 01, 2023. *The amendments have no impact on the Group's financial statements.*

(c) *Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28);
- IFRS 17 Insurance Contracts;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Annual Improvements 2018-2020;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Amendments to IFRS 17; and
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

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.

(d) **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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Property and equipment (Cont'd)

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 Statement of Profit or Loss.

Properties in the course of construction for operation purposes are carried at cost less any recognised impairment loss. Cost includes professional fees 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.

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
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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) Investment in subsidiaries (Cont'd)

Consolidated financial statements (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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (Cont'd)

(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.

The Group classifies its financial liabilities at fair value and at amortised cost.

(ii) Recognition and derecognition of financial instruments

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

Financial assets and financial liabilities of the Group are initially measured at fair value and subsequently at amortised cost.

Amortised cost and effective interest method

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

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in financial instruments that are measured at amortised cost and trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for its trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The Group recognises an impairment loss in the Statement of Profit or Loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (Cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(f) Financial instruments (Cont'd)***Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

The Group's financial assets include:

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established as per IFRS 9.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(iii) Financial assets at amortised cost

This include financial assets where the objective is to hold the asset in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Derecognition of a financial asset

The Group derecognises a financial asset where the contractual rights to cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(f) Financial instruments (Cont'd)****(ii) Financial liabilities (Cont'd)***Trade and other payables*

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amount of trade and other payables approximate their amortised cost.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Group has a legal enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and liability simultaneously.

(iv) 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 Statement of Profit or Loss 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.

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

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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(h) Inventories

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

Inventories comprising petroleum products, lubricants, spares and consumables are stated at the lower of cost (determined on FIFO basis) and net realisable value. Net realisable value is the estimated selling price in ordinary course of business and applicable variable selling expenses. Net realisable value is determined after review of individual items of inventories by management for any required impairment.

Provisions are made for obsolete stocks based on Management's appraisal.

(i) Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

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

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

Retirement benefits

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

(j) Foreign currencies

Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(j) Foreign currencies (Cont'd)

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 fair value through other comprehensive income are included in the fair value reserve in equity.

Group companies

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

- (i) Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of the statement of financial position.
- (ii) Income and expenses for each Statement of Profit or Loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in Other Comprehensive Income.

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

	2020	2019
	USD	USD
1 Seychelles Rupee	0.0456	0.0703
1 Euro	<u>1.2292</u>	<u>1.1203</u>

(k) Impairment of non financial assets

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(l) Revenue recognition

Revenue from contract with customers is recognised as or when performance obligations are satisfied by transferring control of a good or service to the customer. Transfer of control of goods occurs at the time of delivery. The Company's revenue is the net consideration to which it expects to be entitled, net of returns, trade discounts, taxes and volume rebates.

Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. Generally, payment of the transaction price is due within credit period of between 30 days with no element of financing.

Revenue from tankers on time charter - on a time-portion basis; and

Revenue from tankers on voyage charter - upon delivery of the cargo at the port of discharge.

Other revenues

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

Dividend income - when the shareholder's right to receive payment is established.

(m) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(m) Leases (Cont'd)**

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated Statement of Financial Position.

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

(n) Provisions

Provisions are recognised when the company and its subsidiaries have 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.

THE GROUP

	Seychelles Rupee		Euro	
	2020	2019	2020	2019
	USD'000	USD'000	USD'000	USD'000
Bank balances	763	691	53	121
Trade and other receivables	428	1,645	-	-
Trade and other payables	12	558	55	96

THE COMPANY

	Seychelles Rupee		Euro	
	2020	2019	2020	2019
	USD'000	USD'000	USD'000	USD'000
- Bank balances	763	691	53	121
- Trade and other receivables	428	1,645	-	-
- Trade and other payables	12	558	55	95

At December 31, 2020, the Company and Group had no borrowings hence no exposure to interest rates on floating rate.

(ii) Equity price risk

The Group is susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments held by the Group and classified on the Statement of Financial Position as Fair Value Through Other Comprehensive Income.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

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	
	2020	2019
	USD'000	USD'000
Equity instrument at fair value through Other Comprehensive Income	0.14	0.22

(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.

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

	THE GROUP AND THE COMPANY	
	2020	2019
	%	%
10 major counterparties	63	53
Others (diversified risk)	37	47
	100	100

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors of the Group consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers.

A description of the significant risk factors is given on the following page together with the risk management policies applicable.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT**3.1 Financial Risk Factors (Cont'd)****(b) Credit risk (Cont'd)*****Risk concentration***

Concentration of risk is managed by for the Group and Company.

Concentration of credit risks exists when a number of counterparties are engaged in similar activities or operate in the same geographical areas, industry sections and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political and other conditions.

The following table shows the level of concentration of trade receivables of the Group at December 31,

	Trade Receivables at amortised cost		Provision for credit impairment		Carrying Amount	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Trade receivables	8,548	18,569	2,729	748	5,819	17,821
Local	8,776	13,429	-	3,718	8,776	9,711
Others (a)	1,324	1,071	-	-	1,324	1,071
TOTAL	18,648	33,069	2,729	4,466	15,919	28,603

(a) Others comprise mainly balances recoverable from the tankers. The Directors are of the opinion that risk of default is minimal and therefore no ECL has been provided. Others include short term loans and receivables from employees (see note 10(e)).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(b) Credit risk (Cont'd)

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 9(c) include further details on the loss allowance for these assets respectively.

(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 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2020				
Trade and other payables	<u>23,023</u>	-	-	<u>23,023</u>

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2019				
Trade and other payables	<u>33,620</u>	-	-	<u>33,620</u>

THE COMPANY

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2020				
Trade and other payables	<u>23,007</u>	-	-	<u>23,007</u>

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2019				
Trade and other payables	<u>33,620</u>	-	-	<u>33,620</u>

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.2 Fair value estimation**

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

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

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

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

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

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

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

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. As at December 31, 2020 and 2019, the Group was debt free.

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) Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(b) Leases***The determination of the respective discount rates***

In determining the respective discount rate by the Company, the entity considered the rate of interest that it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company's incremental borrowing rate was considered to be the most appropriate rate to commence with and adjusted for the profiles of the respective factors for use in the calculation on initial recognition of the respective lease liabilities.

Determining the lease terms

In determining the lease term, Management considered all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. All extension options (or periods after termination options) have been included in the lease term. There are no potential future cash outflows. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(c) Buildings, tanks, pumps and petrol stations

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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

The Group follows the guidance of IFRS 9 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, 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.

(e) *Impairment of other non financial assets*

Property, plant and equipment are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

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

(f) *Fair value estimation*

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(g) Asset lives and residual values**

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

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.

Carrying amounts of assets above their residual values have not been depreciated.

(h) Retirement benefit obligations

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

(i) Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis. (Refer to note 28 of the financial statements).

(j) Functional currency

The Board of Directors have determined the Seychelles Rupee to be the functional currency of the Company.

(k) 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, 2020

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP		Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Valuation	Cost	Cost	Cost	USD
	USD	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION									
At January 1, 2019	9,925,068	223,081,504	1,945,264	28,560,447	279,234,949	5,657,204	5,233,633	553,638,069	
Additions	146,522	5,794	44,429	466,718	380,930	-	1,947,275	2,991,668	
Disposals	-	-	(3,249)	(69,466)	-	(16,569)	-	(89,284)	
Exchange differences	-	(2,901,036)	-	-	-	-	-	(2,901,036)	
Transfers to / (from)	-	-	1,343,611	4,187,990	-	-	(5,531,601)	-	
At December 31, 2019	10,071,590	220,186,262	3,330,055	33,145,689	279,615,879	5,640,635	1,649,307	553,639,417	
Additions	-	2,069	251,868	398,607	-	408,556	1,606,359	2,667,459	
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	(219,208)	
Exchange differences	-	17,037,925	-	-	-	-	-	17,037,925	
Assets written off	-	-	-	-	-	-	(99,997)	(99,997)	
Transfers to / (from)	-	-	349,845	899,959	-	-	(1,249,804)	-	
At December 31, 2020	10,071,590	237,226,256	3,929,074	34,379,787	279,615,879	5,897,145	1,905,865	573,025,596	
DEPRECIATION									
At January 1, 2019	1,433,019	134,173,264	1,556,901	11,094,227	28,019,516	4,494,177	-	180,771,104	
Charge for the year	466,711	5,794,149	204,875	729,745	12,068,226	295,013	-	19,558,719	
Disposals	-	-	(3,046)	(61,731)	-	(15,849)	-	(80,626)	
Exchange differences	-	(1,885,473)	-	-	-	-	-	(1,885,473)	
At December 31, 2019	1,899,730	138,081,940	1,758,730	11,762,241	40,087,742	4,773,341	-	198,363,724	
Charge for the year	382,816	5,687,594	177,789	868,731	9,802,955	270,212	-	17,190,097	
Disposals	-	-	(2,694)	(64,466)	-	(152,048)	-	(219,208)	
Exchange differences	-	11,929,670	-	-	-	-	-	11,929,670	
At December 31, 2020	2,282,546	155,699,204	1,933,825	12,566,506	49,890,697	4,891,505	-	227,264,283	
NET BOOK VALUE									
At December 31, 2020	7,789,044	81,527,052	1,995,249	21,813,281	229,725,182	1,005,640	1,905,865	345,761,313	
At December 31, 2019	8,171,860	82,104,322	1,571,325	21,383,448	239,528,137	867,294	1,649,307	355,275,693	

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE COMPANY		Leasehold land & buildings	Double hull tankers	Furniture & fittings	Plant & equipment	Tanks, pumps & petrol stations	Vehicles & refuellers	Work in progress	Total
	Valuation	Cost	Cost	Cost	Cost	Valuation	Cost	Cost	USD
	USD	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION									
At January 1, 2019	9,925,068	44,906,269	1,945,264	28,560,447	279,234,949	5,657,204	5,233,633	375,462,834	
Additions	146,522	5,794	44,429	466,718	380,930	-	1,947,275	2,991,668	
Disposals	-	-	(3,249)	(69,466)	-	(16,569)	-	(89,284)	
Transfers to / (from)	-	-	1,343,611	4,187,990	-	-	(5,531,601)	-	
At December 31, 2019	10,071,590	44,912,063	3,330,055	33,145,689	279,615,879	5,640,635	1,649,307	378,365,218	
Additions	-	2,069	251,868	398,607	-	408,556	1,606,359	2,667,459	
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	(219,208)	
Assets written off	-	-	-	-	-	-	(99,997)	(99,997)	
Transfers to / (from)	-	-	349,845	899,959	-	-	(1,249,804)	-	
At December 31, 2020	10,071,590	44,914,132	3,929,074	34,379,787	279,615,879	5,897,145	1,905,865	380,713,472	
DEPRECIATION									
At January 1, 2019	1,433,020	17,980,655	1,556,899	11,094,227	28,019,515	4,494,177	-	64,578,493	
Charge for the year	466,711	1,107,110	204,875	729,745	12,068,226	295,013	-	14,871,680	
Disposal	-	-	(3,046)	(61,731)	-	(15,849)	-	(80,626)	
At December 31, 2019	1,899,731	19,087,765	1,758,728	11,762,241	40,087,741	4,773,341	-	79,369,547	
Charge for the year	382,816	900,530	177,789	868,731	9,802,955	270,212	-	12,403,033	
Disposal	-	-	(2,694)	(64,466)	-	(152,048)	-	(219,208)	
At December 31, 2020	2,282,547	19,988,295	1,933,823	12,566,506	49,890,696	4,891,505	-	91,553,372	
NET BOOK VALUE									
At December 31, 2020	7,789,043	24,925,837	1,995,251	21,813,281	229,725,183	1,005,640	1,905,865	289,160,100	
At December 31, 2019	8,171,859	25,824,298	1,571,327	21,383,448	239,528,138	867,294	1,649,307	298,995,671	

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 18):

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Cost of sales	16,742,096	18,887,133	11,955,032	14,200,094
Administrative expenses	448,001	671,586	448,001	671,586
	<u>17,190,097</u>	<u>19,558,719</u>	<u>12,403,033</u>	<u>14,871,680</u>

(d) The Group's buildings, tanks, pumps and petrol stations were revalued at December 31, 2016 by USD 47.2m by HMT Project Management (Pty) Ltd, independent valuers, on an replacement cost 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 represents a fair estimation of their fair values as at December 31, 2020 and there was no need for any impairment.

(e) The fair value of Property and Equipment falls within Category 3 of the fair value hierarchy.

(f) Significant unobservable valuation input

	Range
Price per square meter (US Dollar)	189 - 1,403
Significant increase/(decrease) in estimated price per square meter 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	
	2020 USD	2019 USD	2020 USD	2019 USD
Cost	27,143,367	40,785,514	7,408,133	11,428,689
Accumulated depreciation	(13,685,378)	(19,132,077)	(5,217,402)	(7,610,455)
Net book value	<u>13,457,989</u>	<u>21,653,437</u>	<u>2,190,731</u>	<u>3,818,234</u>

6. LEASES

(a) Right-of-use assets

	THE GROUP AND THE COMPANY	
	2020 USD	2019 USD
Land and buildings		
COST:		
At January 1,	2,553,658	-
- As previously reported	-	-
- Effect of adopting IFRS 16	-	2,553,658
Lease modification adjustment (note 6(c))	249,807	-
At December 31,	<u>2,803,465</u>	<u>2,553,658</u>
AMORTISATION:		
At January 1,	44,200	-
Amortisation charge (note 18)	57,409	44,200
At December 31,	<u>101,609</u>	<u>44,200</u>
Carrying amount	2,701,856	2,509,458

6. LEASES (CONT'D)

(b) Lease liabilities	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	2,545,902	-
- As previously reported	-	-
- Effect of adopting IFRS 16	-	2,553,658
As restated	2,545,902	2,553,658
Lease modification adjustment (note 6(c))	249,807	-
Interest expense (note 21)	20,970	229,829
Lease payments	(203,560)	(236,131)
Exchange gains	(990,285)	(1,454)
At December 31,	1,622,834	2,545,902
Analysed as:		
- Non current	1,486,879	2,537,448
- Current	135,955	8,454
Total	1,622,834	2,545,902

(c) The lease modification resulted from change in application of rental policy, i.e. payments arrears to in advance.

(d) The leases of the Group comprise land from the Government of Seychelles with remaining rental periods ranging upto 86 years.

(e) If the incremental borrowing rate had moved by 5% higher/(lower), the impact on the results of the year would have been USD 1.02k (2019: USD 11.5k) higher/(lower).

7. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2020	2019
	USD	USD
Cost - Unquoted (notes 7(a))	14,856	14,856
Loans receivable (note 7(b))	82,971,877	81,669,684
	82,986,733	81,684,540

(a) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	% shareholding 2020 & 2019	Country of in Group
Seychelles Pioneer Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Progress Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Patriot Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Prelude Limited	Rental of tanker	Ordinary	100	Isle of Man

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

(b) The loans receivable 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.

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

December 31, 2020

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	9,456	9,929	18,880	18,336
Non-current liabilities	12,630	14,185	29,720	26,435
Current liabilities	5	3	3	3
Revenue	1,401	1,401	1,706	1,706
Profit for the year and total comprehensive income	<u>458</u>	<u>421</u>	<u>242</u>	<u>264</u>

December 31, 2019

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Non-current assets	9,532	9,999	18,634	18,114
Non-current liabilities	12,874	14,291	28,750	25,756
Current liabilities	5	3	3	3
Revenue	1,349	1,349	1,643	1,643
Profit for the year and total comprehensive income	<u>421</u>	<u>386</u>	<u>205</u>	<u>229</u>

Summarised cash flow information

December 31, 2020

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Operating activities	1,390	1,390	1,697	1,696
Financing activities	(1,390)	(1,390)	(1,697)	(1,696)
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

December 31, 2019

	Seychelles Pioneer Limited	Seychelles Progress Limited	Seychelles Patriot Limited	Seychelles Prelude Limited
	USD'000	USD'000	USD'000	USD'000
Operating activities	1,334	1,335	1,629	1,629
Financing activities	(1,334)	(1,335)	(1,629)	(1,629)
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Credit Loss Allowances

The Directors of the Group have estimated that the loss allowance on investment in subsidiaries at the end of the reporting period was an amount equal to lifetime Expected Credit Loss (ECL). Taking into account the environment in which the subsidiaries operate, the Directors of the Group considered that the investments are not impaired and therefore ECL has been estimated as nil (2019: nil).

8. INVESTMENT IN FINANCIAL ASSETS

(a) *Equity Instruments at fair value through other comprehensive income*

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	4,444	4,446
Net decrease in fair value (note 12)	(1,563)	(2)
At December 31,	2,881	4,444

- (i) The above quoted equity instruments at fair value through other comprehensive income comprises shares listed on the Australian Stock exchange denominated in Australian Dollars.
- (ii) Equity instrument at fair value through other comprehensive income for the Group are classified within Level 1 of the Fair Value Hierarchy. No change noted from previous year.

(b) *Investments at amortised cost*

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	6,742,860	-
Additions	7,473,495	13,075,852
Matured	(4,370,755)	(6,385,603)
Accrued interest	71,230	52,611
Exchange (loss) / gain	(3,128,429)	-
At December 31,	6,788,401	6,742,860

- (i) The investment in financial assets at amortised costs is in respect of Treasury bills with interest ranging from 4.8% to 6.5% (2019: same) and all with maturity dates in 2021.
- (ii) The Directors have assumed that no provision for expected credit losses is expected since the risk of default of Treasury bills issued by the Central Bank of Seychelles is negligible.

9. INVENTORIES

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Petroleum products	10,611,633	12,387,540
Lubricants	483,431	532,972
Others	1,004,580	2,167,927
	12,099,644	15,088,439

(a) The cost of inventories recognised as an expense and included in cost of sales amounted to **USD 149,528,125** (2019: USD 241,062,195) for the Group and **USD 155,742,420** (2019: 247,046,899) for the Company (note 18).

10. TRADE AND OTHER RECEIVABLES

	THE GOUPE AND THE COMPANY	
	2020	2019
	USD	USD
Trade receivables	18,647,985	33,069,354
Less: provision for impairment (notes 10 (c) & (d))	(2,728,947)	(4,465,596)
	15,919,038	28,603,758
Prepayments	3,270,377	4,102,520
Others	289,410	413,975
	19,478,825	33,120,253

(a) The carrying values of trade and other receivables approximates their amortised costs.

(b) Other classes of financial assets included within trade and other receivables do not contain impaired assets.

(c) *Credit Loss Allowances*

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

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

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Credit Loss Allowances (Cont'd)

The following table details the risk profile of Trade receivables based on the Group's provision matrix. The customers of the Group and Company based on similar credit risk, characteristics, namely are as below. There has been no changes in classification of subgroups as compared to previous period.

(i) At December 31, 2020

THE GROUP AND THE COMPANY

	Trade Receivables-days past due				
	0 - 30 days	31-60 days	61-90 days	>90 days	Total
Expected credit loss rate (%)	2.41%	7.42%	27.66%	62.59%	31.93%
Total estimated gross carrying amount	13,264,339	34,949	322,628	3,701,961	17,323,877
Estimated gross carrying amount at default - International	6,097,495	22,009	1,679	2,426,509	8,547,692
Estimated gross carrying amount at default - Local	7,166,844	12,940	320,949	1,275,452	8,776,185
Total Lifetime ECL (note 10(d))	<u>320,174</u>	<u>2,594</u>	<u>89,241</u>	<u>2,316,938</u>	<u>2,728,947</u>

(ii) At December 31, 2019

THE GROUP AND THE COMPANY

	Trade Receivables-days past due				
	0 - 30 days	31-60 days	61-90 days	>90 days	Total
Expected credit loss rate (%)	1.95%	65.83%	83.37%	98.16%	13.96%
Total estimated gross carrying amount	27,877,368	303,026	161,972	3,655,840	31,998,206
Estimated gross carrying amount at default - International	17,901,980	105,324	160,742	401,185	18,569,231
Estimated gross carrying amount at default - Local	9,975,388	197,702	1,230	3,254,655	13,428,975
Total Lifetime ECL (note 10(d))	<u>542,458</u>	<u>199,477</u>	<u>135,040</u>	<u>3,588,621</u>	<u>4,465,596</u>

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Movement in allowance for credit loss

The following table shows the movement in lifetime ECL that has been recognised for Trade receivables in accordance with the simplified approach set out in IFRS 9.

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	4,465,596	4,697,115
Credit during the period (note 18)	(318,593)	(229,468)
Exchange differences	(1,418,056)	(2,051)
At December 31, (note 9(c))	<u><u>2,728,947</u></u>	<u><u>4,465,596</u></u>

Sensitivity analysis

If the ECL rates on trade receivables between 61 and 90 days past due had been 5% higher/(lower) as of December 2020, the loss allowance would have been **USD 5.2k** (2019: USD 6.8 k) higher/(lower).

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

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

(g) The other classes within trade and other receivables do not contain impaired assets and the Group does not hold any collateral as security.

11. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	Number of shares	Amount USD
Ordinary shares At December 31, 2020 & 2019	<u><u>2,000</u></u>	<u><u>8,595,053</u></u>

The total authorised number of ordinary shares is **2,000 shares** (2019: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

12. OTHER RESERVES

(a) THE GROUP

	Equity instrument at fair value through other comprehensive income reserve					Capital reserves	Total
	Currency translation deficit	Revaluation reserves	USD	USD	USD	USD	USD
At January 1, 2019							
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))							
Exchange differences							
Reclassification							
At December 31, 2019							
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))							
Exchange differences							
At December 31, 2020							

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

12. OTHER RESERVES (CONT'D)

(b) THE COMPANY

		Equity instrument at fair value through other comprehensive income reserve				Capital reserves	Total USD
		Currency translation deficit	Revaluation reserves	USD	USD	USD	USD
At January 1, 2019							
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))		-	-		(2)	-	(2)
Exchange differences		(182,392)	-		-	-	(182,392)
Reclassification		-	793,673		-	(793,673)	-
At December 31, 2019							
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))		-	-		(1,563)	-	(1,563)
Exchange differences		(49,656,684)	-		-	-	(49,656,684)
At December 31, 2020							
		(88,355,701)	306,817,885		(1,866)		218,460,318

13. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 30% (2019: 30%) for the Group and 30% (2019: 30%) for the Company at December 31, 2020.

(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 AND THE COMPANY		
	2020	2019
	USD	USD
Deferred tax assets (note 13(c)(i))	(823,262)	(1,894,474)
Deferred tax liabilities (note 13(c)(ii))	25,468,887	18,026,109
	<u>24,645,625</u>	<u>16,131,635</u>

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

THE GROUP AND THE COMPANY		
	2020	2019
	USD	USD
At January 1,	16,131,635	22,811,414
Charge / (Credit) for the year	14,556,898	(6,666,792)
Exchange differences	(6,042,908)	(12,987)
At December 31,	24,645,625	16,131,635

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

Statement of Profit or Loss (note 16(b))	<u>14,556,898</u>	<u>(6,666,792)</u>
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(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 AND THE COMPANY			
	Provision for credit losses	Retirement benefit obligations	Lease liabilities	Total
	USD	USD	USD	USD
At January 1, 2019	(1,409,133)	(507,651)	-	(1,916,784)
Credit/(Charge) for the year	68,652	(36,500)	(10,933)	21,219
Exchange differences	802	289	-	1,091
At December 31, 2019	(1,339,679)	(543,862)	(10,933)	(1,894,474)
(Charge)/credit for the year	50,101	24,249	330,794	405,144
Exchange differences	470,894	191,328	3,846	666,068
At December 31, 2020	(818,684)	(328,285)	323,707	(823,262)

13. DEFERRED TAXES (CONT'D)

(ii) *Deferred tax liabilities*THE GROUP AND THE COMPANY

	Accelerated tax depreciation USD	Unrealised exchange gains USD	Revaluation of assets USD	Total USD
At January 1, 2019	3,950,654	7,087,476	13,690,068	24,728,198
Charge/(Credit) for the year	2,594,598	(9,282,609)	-	(6,688,011)
Exchange differences	(2,249)	(4,035)	(7,794)	(14,078)
At December 31, 2019	6,543,003	(2,199,168)	13,682,274	18,026,109
Charge/(Credit) for the year	2,228,808	11,922,946	-	14,151,754
Exchange differences	(2,669,277)	773,656	(4,813,355)	(6,708,976)
At December 31, 2020	6,102,534	10,497,434	8,868,919	25,468,887

14. 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	
	2020	2019
	USD	USD
At January 1,	1,812,873	1,692,165
Charge to the Statement of Profit or Loss (note 23)	305,427	121,669
Payment during the year	(386,258)	-
Exchange differences	(637,760)	(961)
At December 31,	1,094,282	1,812,873

15. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Trade payables	19,014,926	24,680,250	19,014,926	24,680,250
Accrued expenses	2,601,198	6,713,498	2,601,198	6,713,498
Other payables	1,406,164	2,225,867	1,391,537	2,212,535
Tax liability (note 16(a))	3,903,492	505,994	3,903,492	505,994
	26,925,780	34,125,609	26,911,153	34,112,277

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

15. TRADE AND OTHER PAYABLES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
US Dollars	13,922,095	17,280,627	13,922,095	17,280,627
Euro	1,367,141	1,911,952	1,357,141	1,901,952
Seychelles Rupee	11,241,750	11,160,326	11,241,750	11,160,326
Others	394,794	3,772,704	390,167	3,769,372
	26,925,780	34,125,609	26,911,153	34,112,277

16. TAX EXPENSE(a) *Statement of Financial Position*

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
At January 1,	505,994	(2,188,571)
Paid during the year	(5,782,985)	(6,669,517)
Charge for the year (note 16(b))	9,180,483	9,362,836
Exchange difference	-	1,246
At December 31,	3,903,492	505,994
<i>Disclosed under:</i>		
Trade and other payables (note 15)	3,903,492	505,994

(b) *Statement of Profit or Loss*

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 16(c))	9,180,483	9,362,836
Deferred tax charge / (credit) (note 13(b))	14,556,898	(6,666,792)
Taxation charge	23,737,381	2,696,044

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Profit before taxation	59,176,540	19,601,605	57,791,627	18,361,100
Tax calculated at applicable tax rates (note 16(d))	17,750,160	5,876,967	17,334,686	5,504,816
Expenses not deductible for tax purpose	(11,338,181)	(196,080)	(10,922,707)	176,071
Excess of depreciation over capital allowance	2,768,504	3,681,949	2,768,504	3,681,949
	9,180,483	9,362,836	9,180,483	9,362,836

16. TAX EXPENSE (CONT'D)

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

Taxable income	Tax rates - %	
	2020	2019
≤ SR. 1,000,000	25%	
> SR. 1,000,000	30%	

17. REVENUE

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Sales of products	223,359,556	339,288,529
Sales of services	39,020,767	42,878,785
	<u>262,380,323</u>	<u>382,167,314</u>

18. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 9(a))	149,528,125	241,062,195	155,742,420	247,046,899
Depreciation (note 5(c))	17,190,097	19,558,719	12,403,033	14,871,680
Amortisation of right-of-use assets (note 6(a))	57,409	44,200	57,409	44,200
Duties and taxes	36,690,937	54,334,492	36,690,937	54,334,492
Bareboat charter fees	6,133,221	6,046,391	6,133,221	6,046,391
Bunkering costs	9,039,593	13,117,337	9,039,593	13,117,337
Ship running expenses	19,374,260	13,125,637	19,374,260	13,125,637
Port agency costs	9,750,662	10,506,942	9,750,662	10,506,942
Employee benefit expense (note 23)	4,109,306	4,792,758	4,109,306	4,792,758
Reversal of credit impairment (note 10(d))	(318,593)	(229,468)	(318,593)	(229,468)
Other expenses	6,826,540	8,150,134	6,784,222	8,093,283
Total cost of sales, selling and marketing and administrative expenses	258,381,557	370,509,337	259,766,470	371,750,151

(a) *Analysed as:*

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Cost of sales	246,868,304	357,124,327	248,295,533	358,421,992
Selling and marketing expenses	30,630	58,046	30,630	58,046
Administrative expenses	11,482,623	13,326,964	11,440,307	13,270,113
	<u>258,381,557</u>	<u>370,509,337</u>	<u>259,766,470</u>	<u>371,750,151</u>

19. OTHER INCOME

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Demurrage claims	3,025,270	3,599,672
Storage and throughput	2,762,178	2,660,477
Deviations and other recoveries	1,877,138	1,428,005
Rental income (note 22)	247,572	552,586
Gain on disposal of property and equipment (note 25)	24,732	11,196
Sundry income	62,042	121,127
	7,998,932	8,373,063

20. OTHER LOSSES - NET

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Net foreign exchange gains / (losses) on operations	46,948,677	(368,005)	46,948,677	(367,696)

Included in the net movement in exchange gains/(losses) figure above is an exchange gain of SR 768.1m (2019: SR 19.0m) which arose from the conversion of Euro denominated receivables to Seychelles Rupee. This is shown as USD 41.3m (2019: USD 1.3m) per Company's presentation currency.

21. NET FINANCE (COSTS) / INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
Interest income	251,135	168,399	251,135	168,399
Finance costs on lease liabilities (note 6(b))	(20,970)	(229,829)	(20,970)	(229,829)
Net finance (costs)/income	230,165	(61,430)	230,165	(61,430)

22. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income (note 19)	247,572	552,586	247,572	552,586
Gain on disposal of equipment (note 19)	24,732	11,196	24,732	11,196

and Charging:

Depreciation on property and equipment - owned (note 5)	17,190,097	19,558,719	12,403,033	14,871,680
Amortisation of right-of-use assets (note 6(a))	57,409	44,200	57,409	44,200
Reversal for credit impairment (note 10(d))	(318,593)	(229,468)	(318,593)	(229,468)
Finance cost on lease liabilities (note 6(b))	20,970	229,829	20,970	229,829
Directors' remuneration (note 22(a))	108,923	155,421	108,923	155,421
Audit fees	27,354	27,354	22,490	22,490
Employee benefit expense (note 23)	4,109,306	4,792,758	4,109,306	4,792,758

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

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

	THE GROUP AND THE COMPANY	
	2020 USD	2019 USD
S Fanny	2,916	5,904
V Laporte	3,786	5,904
P Samson	2,916	5,904
E Belle	3,786	5,904
S Gendron	5,415	7,534
S Patel	3,786	5,904
S Romain	807	1,091
M Nalletamby	870	-
Y Vel	870	-
C Benoiton	83,771	117,276
	108,923	155,421

23. EMPLOYEE BENEFIT EXPENSES

	THE GROUP AND THE COMPANY	
	2020 USD	2019 USD
Salaries and wages	3,803,879	4,671,089
Retirement benefit obligations (note 14)	305,427	121,669
	4,109,306	4,792,758

24. 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	
	2020 USD'000	2019 USD'000
Property and equipment	1,949	4,341

(b) *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	
	2020 USD	2019 USD
Not later than one year	3,000,000	2,795,917
Later than one year and not later than five years	6,000,000	8,387,751
	9,000,000	11,183,668

25. NOTES TO THE CASH FLOW STATEMENTS

(a) *Cash generated from operations*

Notes	THE GROUP			THE COMPANY		
	2020 USD	2019 USD	2019 USD	2020 USD	2019 USD	2019 USD
Profit before taxation	59,176,540	19,601,605	57,791,627	18,361,100		
<i>Adjustments for:</i>						
Depreciation on property, plant and equipment	17,190,097	19,558,719	12,403,033	14,871,680		
Assets written off	99,997	-	99,997	-		
Amortisation of right-of-use assets	57,409	44,200	57,409	44,200		
Accrued interest on Investment in financial assets	(71,230)		(71,230)	52,611		
10(d)	(318,593)	(229,468)	(318,593)	(229,468)		
19	(24,732)	(11,196)	(24,732)	(11,196)		
21	(251,135)	(168,399)	(251,135)	(168,399)		
14	305,427	121,669	305,427	121,669		
	76,163,780	38,917,130	69,991,803	33,042,197		
<i>Changes in working capital</i>						
- Decrease in inventories	2,988,795	7,376,788	2,988,795	7,376,788		
- Decrease in trade and other receivables	15,378,077	4,654,228	15,378,077	4,654,228		
- Decrease in trade and other payables	(6,693,835)	(3,472,841)	(6,695,130)	(3,472,621)		
Cash generated from operations	87,836,817	47,475,305	81,663,545	41,600,592		

(b) *Cash and cash equivalents*

	THE GROUP AND THE COMPANY		
	2020 USD	2019 USD	2019 USD
Cash in hand	2,200	3,305	3,305
Bank balances	21,754,820	23,226,707	23,230,012

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

26. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Other related corporations		Directors	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Amount due to	28	16	-	-
Amount due from	11,953	11,704	-	-
Remuneration	-	352	533	-
Purchases of products and services	1,033	2,651	-	-
Sales	50,900	79,048	-	-

(b) THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Amount due to	-	-	28	16	-	-
Amount due from	82,972	81,670	11,953	11,704	-	-
Investment in	15	15	-	-	352	533
Remuneration	-	-	-	-	-	-
Bareboat charter fees	6,214	5,985	-	-	-	-
Technical management fees	-	-	-	-	-	-
Purchases of goods and services	-	-	1,033	2,651	-	-
Sales	-	-	50,900	79,048	-	-

(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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019: 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

26. RELATED PARTY TRANSACTIONS (CONT'D)

(e) *Key management personnel*

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Salaries & other benefits	344,609	522,077
Pension costs	7,212	10,474
	<u>351,821</u>	<u>532,551</u>

27. DIVIDENDS

The Directors proposed and paid a final dividend of USD 5,234 per share amounting to **USD 10.5m** during year under review (2019: Dividends proposed and paid USD 14.1m (USD 7,030 per share)).

(a) PROPOSED AND PAID

	THE GROUP AND THE COMPANY	
	2020	2019
	USD	USD
Dividend proposed	10,467,423	14,060,496
Paid during the year	<u>(10,467,423)</u>	<u>(14,060,496)</u>
At December 31,	-	-

28. GOING CONCERN

Continued impact of Covid - 19 pandemic

The Company and Group's Management have assessed the going concern of the Group and the Company and are of the opinion that sufficient resources are available to continue in business for the foreseeable future. Furthermore, since the Company is operating in an essential services sector, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

With respect to the Subsidiaries, however the situation is highly dependent on the impact of Covid - 19 on the chartering business worldwide. However, the Directors are confident of the main Shareholder's financial and otherwise support and therefore the basis of preparation of these financial statements on a going concern is reasonable in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2020

29. FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2020 USD'000	2019 USD'000	2018 USD'000	2017* USD'000	2016* USD'000
Profit for the year	35,439	16,906	6,298	21,472	9,178
Other comprehensive (expense) / income	(543)	477	2,466	(4,948)	21,966
Retained earnings brought forward / restated	104,678	101,355	99,552	90,937	66,435
Reclassification	-	-	3,600	-	-
Profit available for distribution	139,574	118,738	111,916	107,461	97,579
Dividends	(10,467)	(14,060)	(10,561)	(6,564)	(6,642)
Retained earnings carried forward	129,107	104,678	101,355	100,897	90,937
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	216,599	268,304	268,304	275,068	275,028
Retained earnings	129,107	104,678	101,355	100,897	90,937
Owners' interest	354,301	381,577	378,254	384,560	374,560
Non-controlling interest	-	-	-	-	-
Total equity	354,301	381,577	378,254	384,560	374,560

(b) THE COMPANY

	2020 USD'000	2019 USD'000	2018 USD'000	2017* USD'000	2016* USD'000
Profit for the year	34,054	15,665	5,243	20,237	9,891
Other comprehensive income	-	-	-	-	20,852
Retained earnings brought forward / restated	130,060	128,455	130,173	117,844	93,743
Reclassification	-	-	3,600	-	-
Profit available for distribution	164,114	144,120	139,016	138,081	124,486
Dividends	(10,467)	(14,060)	(10,561)	(6,564)	(6,642)
Retained earnings carried forward	153,647	130,060	128,455	131,517	117,844
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	218,460	268,118	268,301	273,932	275,576
Retained earnings	153,647	130,060	128,455	131,517	117,844
Total equity	380,702	406,773	405,351	414,044	402,015

* The financial statements prior 2018 were not adjusted to reflect the adoption of the requirements of IFRS 9 in respect of impairment, since the Group availed itself of the transition exemption of IFRS 9 where all adjustments following implementation were recognised through Retained Earnings as at January 1, 2018 with no changes to comparatives.