

SEYCHELLES PIONEER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

SEYCHELLES PIONEER LIMITED**TABLE OF CONTENTS - DECEMBER 31, 2013**

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CORPORATE INFORMATION

DIRECTORS : S Fanny
F Joubert
B Jivan

SECRETARY : J J Callin
Ballacallin, Little Mill Road
Onchan
Isle of Man, IM4 5BE

REGISTERED OFFICE : Number Fifty, Athol Street
Douglas
Isle of Man, IM1 1JB

PRINCIPAL PLACE OF
BUSINESS : Seychelles Petroleum Company Limited
New Port, Mahé
Seychelles

AUDITORS : BDO Associates
Chartered Accountants
P O Box 18, Mahé
Seychelles

BANKER : KfW IPEX - Bank GmbH
Palmengartenstraße 5-9
60325 Frankfurt am Main
Germany

DIRECTORS' REPORT - DECEMBER 31, 2013

The Directors have pleasure in submitting their report on Seychelles Pioneer Limited together with the audited financial statements of the Company for the year ended December 31, 2013.

PRINCIPAL ACTIVITY

The Company is engaged in the rental of its double hull tanker to its holding Company, Seychelles Petroleum Company Limited, under a bareboat charter agreement for the transportation of petroleum products and chemicals.

There has been no significant change in the nature of this principal activity during the financial year under review.

RESULTS

€

Loss for the year	(313,261)
Revenue deficit brought forward	(4,091,201)
Revenue deficit carried forward	(4,404,462)

DIVIDENDS

The Directors did not recommend the payment of any dividend for the year under review (2012: Nil).

EQUIPMENT

The Board is of the opinion that the fair value of the double hull tanker as at December 31, 2013 does not differ materially from its carrying amount at the end of the reporting period.

DIRECTORS AND DIRECTORS' INTEREST

The Directors of the Company from the date of the last report and to-date are:

S Fanny
F Joubert
B Jivan

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Company including the 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 Isle of Man Companies Acts, 1931 to 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that fall within the accounting policies adopted by the Group; and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Company and those that are held in trust and used by the Company.

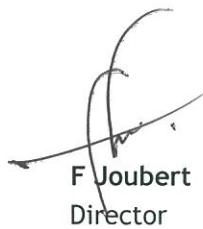
The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The retiring auditors, BDO Associates, being eligible offer themselves for re-appointment.

BOARD APPROVAL

S. Fanny
Director



F. Joubert
Director



B. Jivan
Director

Date: September 05, 2014
Victoria, Seychelles

SEYCHELLES PIONEER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of the Company, as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **Seychelles Pioneer Limited** set out on pages 4 to 19 which comprise the Statement of Financial Position as at December 31, 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Board's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

SEYCHELLES PIONEER LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Opinion

In our opinion, the financial statements on pages 4 to 19 give a true and fair view of the financial position of the Company at December 31, 2013 and of its financial performance and its cash flows for the year then ended in compliance with International Financial Reporting Standards and in accordance with the provisions of the Isle of Man Companies Acts, 1931 to 2004.

Emphasis of matter*Going concern*

At December 31, 2013, the Company had net current liabilities and shareholders' deficit of € 2.1M (2012: € 2.1M) and € 4.4M (2012: € 4.1M) respectively. The main shareholder has confirmed its continuous financial support to the Company and consequently the financial statements have been prepared on a going concern basis.

Our opinion is not qualified in this respect

BDO Associates
BDO ASSOCIATES
Chartered Accountants

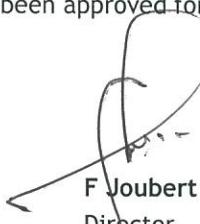
Date: September 05, 2014
Victoria, Seychelles

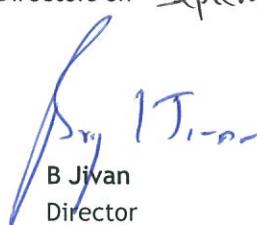
STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2013

	Notes	2013 €	2012 €
Non-current asset			
Equipment	5	<u>14,818,058</u>	<u>17,184,146</u>
Current asset			
Cash at bank		<u>1,840</u>	<u>1,921</u>
Total assets		<u><u>14,819,898</u></u>	<u><u>17,186,067</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	2,662	2,662
Revenue deficit		(4,404,462)	(4,091,201)
Owners' deficit		<u>(4,401,800)</u>	<u>(4,088,539)</u>
LIABILITIES			
Non-current liability			
Borrowings	7	<u>17,150,352</u>	<u>19,198,776</u>
Current liabilities			
Other payables		75,180	79,664
Borrowings	7	<u>1,996,166</u>	<u>1,996,166</u>
		<u>2,071,346</u>	<u>2,075,830</u>
Total liabilities		<u><u>19,221,698</u></u>	<u><u>21,274,606</u></u>
Total equity and liabilities		<u><u>14,819,898</u></u>	<u><u>17,186,067</u></u>

These financial statements have been approved for issue by the Board of Directors on September 05, 2014


S. Fanny
Director


F. Joubert
Director


B. Jivan
Director

	Notes	2013 €	2012 €
Revenue	2(h)	2,482,669	2,558,400
Cost of sales	8	(2,366,088)	(2,366,088)
		116,581	192,312
Interest income		-	49
Administrative expenses	8	(97,788)	(33,937)
Profit from operations		18,793	158,424
Interest expense		(332,054)	(383,411)
Loss and total comprehensive expense for the year	9	(313,261)	(224,987)

The notes on pages 8 to 19 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(a).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2013

	Share Capital €	Revenue deficit €	Total €
At January 1, 2013	2,662	(4,091,201)	(4,088,539)
Total comprehensive expense for the year	-	(313,261)	(313,261)
At December 31, 2013	<u>2,662</u>	<u>(4,404,462)</u>	<u>(4,401,800)</u>
At January 1, 2012	2,662	(3,866,214)	(3,863,552)
Total comprehensive expense for the year	-	(224,987)	(224,987)
At December 31, 2012	<u>2,662</u>	<u>(4,091,201)</u>	<u>(4,088,539)</u>

The notes on pages 8 to 19 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(a).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2013

	Note	2013 €	2012 €
Cash generated from operations			
Loss for the year		(313,261)	(224,987)
<i>Adjustments for:</i>			
Interest expense		332,054	383,411
Interest income		-	(49)
Depreciation	5	2,366,088	2,366,088
		<u>2,384,881</u>	<u>2,524,463</u>
<i>Changes in working capital</i>			
- Other payables		(4,484)	(20,822)
		<u>2,380,397</u>	<u>2,503,641</u>
Interest received		-	49
Interest paid		(332,054)	(383,411)
Net cash inflow from operating activities		<u>2,048,343</u>	<u>2,120,279</u>
Cash flows from financing activity			
Repayment of borrowings and net cash outflow from financing activity		(2,048,424)	(2,123,628)
Net decrease in cash and cash equivalents		<u>(81)</u>	<u>(3,349)</u>
At January 1,		1,921	5,270
Decrease		(81)	(3,349)
At December 31,		<u>1,840</u>	<u>1,921</u>

The notes on pages 8 to 19 form an integral part of these financial statements.
 Auditors' report on pages 3 and 3(a).

1. GENERAL INFORMATION

Seychelles Pioneer Limited is a limited liability company incorporated and domiciled in the Isle of Man. The Company rents its double hull tanker to its holding Company, (Seychelles Petroleum Company Limited), on a bareboat charter agreement for the transportation of chemicals and petroleum products. Its registered office is situated at Number Fifty, Athol Street, Douglas, Isle of Man, IM1 1 JB.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of **Seychelles Pioneer Limited** comply with the Isle of Man Companies Acts, 1931 to 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are prepared under the historical cost convention, except that borrowings, loans and receivables and other financial assets and financial liabilities are carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Amendments to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. *The standard is not expected to have any impact on the Company's financial statements.*

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements. *The standard has no impact on the Company's financial statements.*

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (Cont'd)*****Standards, Amendments to published Standards and Interpretations effective in the reporting period***

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. *The standard is not expected to have any impact on the Company's financial statements.*

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. *The standard has no impact on the Company's financial statements.*

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. *The standard has no impact on the Company's financial statements.*

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). *The standard has no impact on the Company's financial statements.*

IFRIC 20, 'Stripping costs in the production phase of a surface mine', *has no impact on the Company's financial statements.*

Amendment to IFRS 7, "Financial instruments: Disclosures", on asset and liability offsetting. This amendment includes new disclosures and *is not expected to have any impact on the Company's financial statements.*

Amendment to IFRS 1 (Government Loans) *has no impact on the Company's financial statements.*

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (Cont'd)****Annual Improvements to IFRSs 2009-2011 Cycle**

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Company's operations.

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies the spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. *The amendment does not have an impact on the Company's operations.*

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. *The amendment does not have an impact on the Company's operations.*

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

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, 2014 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:

IFRS 9 Financial Instruments

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21: Levies

Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)

Notation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)

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

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

Where relevant, the Company 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

**Standards, Amendments to published Standards and Interpretations issued but not yet effective
(Cont'd)**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Equipment

Equipment is stated at historical cost less accumulated 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 Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of the asset, to its residual value over its estimated useful life as follows:

Double hull tanker 15 years

The asset's residual value and useful life is 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 equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

(c) Financial instruments

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company has become a party to the contractual provisions of the instrument. The Company's accounting policies in respect of the main financial instruments are set out below.

(i) Cash and cash equivalents

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(c) Financial instruments (Cont'd)****(ii) Borrowings**

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

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

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

(iii) Other payables

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

(iv) Share capital

Ordinary shares are classified as equity.

(d) Foreign currencies**Functional and presentation currency**

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

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 comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss.

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(e) Deferred income 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.

(f) Impairment of assets

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

(g) Operating leases - Company is the lessor

Assets leased out under operating leases are recognised as equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets.

(h) Revenue recognition

Revenue represents rental income from the lease of the Company's double hull tanker. Rental income is recognised on a straight line basis over the lease term.

(i) Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events and 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 company's activity exposes it to a variety of financial risks, including:

- Liquidity risk;
- Interest rate risk; and
- Credit risk

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

(i) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

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

	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
At December 31, 2013					
Bank loan	1,996	1,996	3,993	-	7,985
Shareholders' loan	-	-	-	11,162	11,162
Other payables	75	-	-	-	75
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2012					
Bank loan	1,996	1,996	4,991	-	8,983
Shareholders' loan	-	-	-	12,212	12,212
Other payables	79	-	-	-	79
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(ii) Interest rate risk

The Company is not exposed to interest rate risk since its bank borrowings are at fixed rates.

(iii) Credit risk

The Company is not exposed to credit risk since its only customer is its holding Company which is financially sound.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

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

3.3 Capital Risk Management

The Company's objective when managing capital is 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.

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

The Company monitors capital on the basis of the gearing ratio which is the net debt divided by total capital plus debt. Net debt is calculated as total debts (as shown in the statement of financial position) less cash at bank.

During 2013, the Company's strategy, which was unchanged from 2012, was to maintain the gearing ratio at a reasonable level in order to secure access to finance at a reasonable cost.

The net debt at December 31, 2013 and at December 31, 2012 were as follows:

	THE COMPANY	
	2013	2012
	€'000	€'000
Total debt	19,147	21,195
Less: cash and cash equivalents	(2)	(2)
Net debt	<u>19,145</u>	<u>21,193</u>
 Total capital	3	3
Net debt	19,145	21,193
Total capital plus debt	<u>19,148</u>	<u>21,196</u>
 Gearing ratio	100%	100%

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2013

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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, in the financial statements, there are no 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.

5. EQUIPMENT

	Double hull tanker	
	2013	2012
	€	€
<u>Cost</u>		
At January 1, and At December 31,	<u>35,491,332</u>	<u>35,491,332</u>
<u>Accumulated depreciation</u>		
At January 1,	18,307,186	15,941,098
Charge for the year	<u>2,366,088</u>	<u>2,366,088</u>
At December 31,	<u>20,673,274</u>	<u>18,307,186</u>
Net book value	<u>14,818,058</u>	<u>17,184,146</u>

- (a) Depreciation has been fully charged to cost of sales.
- (b) The double hull tanker has been pledged as security for bank borrowings.

6. SHARE CAPITAL

	2013 & 2012	
	€	€
Authorised, issued and fully paid up		
- 2,000 ordinary shares of 1 UK Pound (£) each	<u>2,662</u>	

7. BORROWINGS

	2013	2012
	€	€
Non current		
- Bank loan (notes 7(a),(b),(f) & (g))	5,988,506	6,986,589
- Amount payable to shareholder (note 7(c))	<u>11,161,846</u>	<u>12,212,187</u>
	<u>17,150,352</u>	<u>19,198,776</u>
Current		
- Bank loan (notes 7(a),(b),(f) & (g))	<u>1,996,166</u>	<u>1,996,166</u>
Total borrowings	<u>19,146,518</u>	<u>21,194,942</u>

- (a) The bank loan is secured on the double hull tanker of the Company. The effective interest rates at the end of the reporting period was 5.02% (2012: 3.76%).

7. BORROWINGS (CONT'D)

(b) The maturity of the non-current bank loan is as follows:

	2013	2012
	€	€
After one year and before two years	1,996,166	1,996,166
After two years and before five years	3,992,340	4,990,423
	<u>5,988,506</u>	<u>6,986,589</u>

(c) The amount payable to shareholder is unsecured, non-interest bearing and has no fixed repayment terms.

(d) The carrying amounts of borrowings are not materially different from their amortised cost.

(e) The carrying amount of the Company's borrowings are denominated in Euros.

(f) Bank loan comprise loan from KfW IPEX Bank GmbH. Installments repayable for some of the loans from KfW IPEX Bank GmbH were re-negotiated and rescheduled in the current period.

(g) Bank loan installment is repayable twice yearly in April and October.

8. EXPENSES BY NATURE

	2013	2012
	€	€
Depreciation	2,366,088	2,366,088
Legal and professional fees	79,591	11,322
Insurance	13,116	19,402
Other expenses	5,081	3,213
	<u>2,463,876</u>	<u>2,400,025</u>

Analysed as:

- Cost of sales	2,366,088	2,366,088
- Administrative expenses	97,788	33,937
	<u>2,463,876</u>	<u>2,400,025</u>

9. LOSS FOR THE YEAR

	2013	2012
	€	€
Loss for the year is arrived at after:		
Crediting:		
Rental income	2,482,669	2,558,400
Interest income	-	49
and charging:		
Depreciation on equipment - owned	2,366,088	2,366,088
Auditor's remuneration	2,500	2,500
Directors' remuneration (see note 9(a))	-	623
Interest expense	<u>332,054</u>	<u>383,411</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2013

9. LOSS FOR THE YEAR (CONT'D)

	2013	2012
	€	€
(a) Directors' remuneration:		
G Adam	-	517
A Afif	-	106
M Nalletamby	-	-
S Renaud	-	-
A B Payette	-	-
	<hr/>	<hr/>
	-	623
	<hr/>	<hr/>

10. TAXATION

No provision is required for the current year as the Company does not have any taxable income as per the provisions of the Isle of Man Income Tax Act, 1970 (2012: Nil).

11. COMMITMENTS

(a) Capital commitments

There were no capital commitments as at December 31, 2013 (2012: Nil).

(b) Operating lease commitments - where the Company is the lessor

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

	2013	2012
	€	€
Not later than one year	2,532,927	2,532,927
Later than one year and not later than five years	5,749,344	8,232,013
	<hr/>	<hr/>
	8,282,271	10,764,940
	<hr/>	<hr/>

12. RELATED PARTY TRANSACTIONS

(a) Holding company

	2013	2012
	€	€
Amount payable to	11,161,846	12,212,187
Rental income	<hr/>	<hr/>
	2,482,669	2,558,400
	<hr/>	<hr/>

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

(c) Outstanding balances at the year-end are unsecured and interest free. There has been no guarantees provided for any related party payables.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2013

13. FIVE YEAR FINANCIAL SUMMARY

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Loss for the year	(313)	(225)	(496)	(405)	(603)
Revenue deficit brought forward	(4,091)	(3,867)	(3,371)	(2,966)	(2,363)
Revenue deficit carried forward	(4,404)	(4,092)	(3,687)	(3,371)	(2,966)
OWNERS' DEFICIT:					
Share capital	3	3	3	3	3
Revenue deficit	(4,404)	(3,867)	(3,371)	(2,966)	(2,363)
(4,401)	(3,864)	(3,368)	(2,963)	(2,360)	