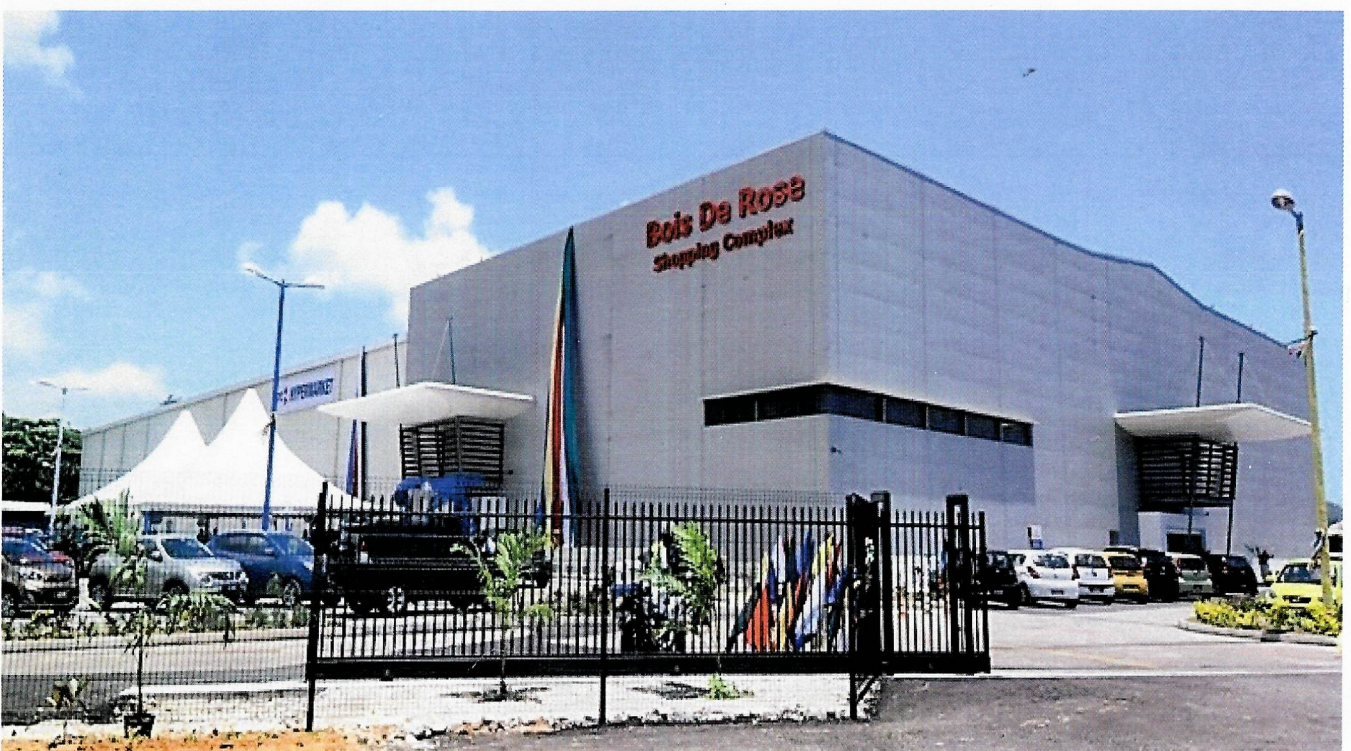




SEYCHELLES TRADING COMPANY LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2023

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
General Information	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Five Year Financial Summary	12
Notes to the Annual Financial Statements	13 - 31
Other information	Appendix 1 & 2

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	Seychelles
Nature of business and principal activities	Import & distribution
Directors	Imtiaz Umarji Gerard Adam Astride Tamatave Ashik Hassan Francis Lebon Michelle Marguerite Daniel Hoareau Margaret Moumou James Elizabeth
Registered office	P.O. Box 364 Latanier House Latanier Road Mahe Seychelles
Postal address	P.O. Box 364 Victoria Mahe Seychelles
Shareholder	Government of Seychelles
Bankers	Nouvobanq ABSA Bank (Seychelles) Limited MCB (Seychelles) Limited Bank of Baroda Seychelles Commercial Bank Bank of Ceylon
Auditors	Pool & Patel Chartered Accountants Registered Auditors
Company Secretary	La Rosiere Company Secretarial Services Ltd

Directors' Report

The directors present herewith their report and audited financial statements of Seychelles Trading Company Limited ("the company") for the year ended 31 December 2023.

Principal activities

The principal activities of the company comprise importation, storage and distribution of essential commodities so as to ensure their continuous provision on the local market at most competitive prices. These activities remain unchanged as compared to the prior financial years.

Results	2023	2022
Profit before tax	60,953,439	88,083,203
Tax expense	(1,268,476)	(22,018,722)
Profit for the year	59,684,963	66,064,481
Retained earnings brought forward	264,234,412	198,169,931
Retained earnings carried forward	323,919,375	264,234,412

The directors did not propose payment of a dividend for the current year (2022: Nil)

Consolidated accounts

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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.

	% HOLDING
Bois De Rose Investment Limited	100%

The Group sought permission from the Company Registrar, as per section 143 (2) of the Companies Ordinance, 1972, not to consolidate the financial statements as the directors consider that these would not materially affect the financial position of Seychelles Trading Company Limited and would cause additional expenses and unnecessary delays in the production of the consolidated accounts, therefore, the financial statements do not reflect the results of the above subsidiary.

Property, plant and equipment

Major changes to fixed assets during the year relates to the construction of the new cold store project totalling to R 52,701,934, additions to plant and machinery totalling R 3,887,548 and addition to motor vehicles totalling R 5,274,819.

The carrying amounts of property, plant and equipment are reviewed to determine whether they are in excess of their market or recoverable amount at balance sheet date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount.

Directors and their interests in the company

The directors of the company during the year and their interest in accordance with the register maintained under Section 111 of the Companies Act 1972, were as follows:-

	SHARES HELD	
	1 January	31 December
Intiaz Umarji	-	-
Gerard Adam	-	-
Ashik Hassan	-	-
Astride Tamatave	-	-
Francis Lebon	-	-
Michelle Marguerite	-	-
Daniel Hoareau (appointed effective 1 February 2024)	-	-
Margaret Moumou (appointed effective 1 February 2024)	-	-
James Elizabeth (appointed effective 1 April 2024)	-	-

Directors' Report

Directors and their interests in the company (cont...)

No contract of significance subsisted with the company at any time during the year in which the directors had directly or indirectly, a material interest.

Statement of board of directors responsibilities

The board of directors is required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:-

- prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the board of directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. The board also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The board of directors consider they have met their responsibilities as set out in the Companies Act 1972.

The financial statement are signed by the current directors of the company.

Going concern

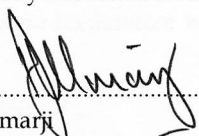
The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

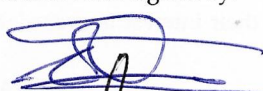
Auditors

The retiring auditors are Pool & Patel who are eligible for re-appointment.

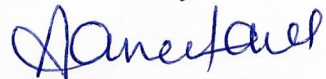
Directors

The annual financial statements set out on pages 8 to 31, which have been prepared on the going concern basis, were approved by the board on and were signed by:

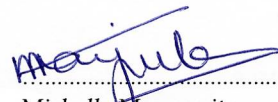

.....
Imtiaz Umarji
Director



.....
Gerard Adam
Director



.....
Ashik Hassan
Director

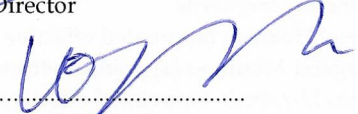

.....
Astride Tamatave
Director


.....
Francis Lebon
Director


.....
Michelle Warguerite
Director


.....
Daniel Hoareau
Director


.....
Margaret Moumou
Director


.....
James Elizabeth
Director

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Seychelles Trading Company Limited “the Company” set out on pages 8 to 31, which comprise the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and a five-year financial summary.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with the, financial reporting provisions of International Financial Reporting Standards “IFRS’s”; Seychelles companies Act 1972.

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 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. 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.

Emphasis of matter

We draw you attention to Note 6 of the financial statement which includes an amount of R 44,737,584 (2022: R 48,462,744) being investment in subsidiary. The Company sought permission from the Company Registrar as per section 143 (2) of the Companies Ordinance, 1972, not to consolidate the financial statements as the directors consider that these would not materially affect the financial position of Seychelles Trading Company Limited and would cause additional expenses and unnecessary delays in the production of the consolidated accounts. In that regard the financial statements have not been prepared in accordance to the requirements of the IFRS.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of our 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements (cont...)

Key audit matters (cont...)

<i>IT systems and control over financial reporting</i>	
The Key Audit Matter	How the Matter was addressed in our audit
<p>The Company's IT systems are not integrated with its financial accounting and reporting process and are highly dependent on manual inputs which could result in the financial accounting and reporting records being materially misstated.</p> <p>These issues have been identified across all the IT systems from stock management systems, sales, trade & other receivables where schedules have been prepared manually on excel spread sheets.</p> <p>Due to the impact of financial reporting and accounting of transactions, our audit approach could significantly differ depending on the effective operation of the Company's IT controls, and as a result we have considered this to be a key audit matter.</p>	<p>Our audit procedures included, among other included:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design effectiveness of key controls implemented by Management over generation of multiple system reports and collation of required information underpinning the significant amounts in the financial statements. • Examining Management's reconciliations between source systems and the general ledgers through to the spreadsheet workings, including substantiation of the source system balances. • Test-checking of source data with those on related system. • We assess the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.
<i>Inventories</i>	
The Key Audit Matter	How the Matter was addressed in our audit
<p>The company has significant inventory balances.</p> <p>The inventory is made up of physical items and is managed by individual units. It is valued at the lower of cost or net realizable value except.</p> <p>The cost of inventories in the Retail segment reflects purchase prices, which are impacted by the market prices of different stocks.</p> <p>Inventory management, stocktaking routines and costing of inventories are underlying key factors in determining the value of inventories.</p> <p>Physical verification of stock is not done at year end but prior to or after year end spanning over a period of +/- one month, thus, movement in stock quantity is inevitable and difficult to reconcile to year-end balance per ledger.</p>	<p>Our audit procedures included, among other included:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the accounting policies applied in relation to IFRS standards. • For a sample of warehouses, attending the physical stock take procedures and reconciling against accounting records. • Testing of controls over inventory management and valuation. • Performing substantive audit procedures in order to test the accuracy of inventory valuation at the lower of cost or net realization value at reporting date by testing on a sample basis accuracy of relevant components related to valuation. • We have assessed the appropriateness of the Company's disclosures in respect of inventory valuation.

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements (cont...)

Responsibilities of Management and those charged with governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of IFRS's and Seychelles Companies Act, 1972, and for such internal control as the management 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 Management is responsible for assessing 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 Management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management 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 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 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.

TO THE SHAREHOLDERS OF SEYCHELLES TRADING COMPANY LIMITED
Report on the audit of the financial statements (cont...)

Auditor's responsibilities for the audit of the financial statements (cont...)

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.

Report on other legal regulatory requirements

Seychelles Companies Act, 1972

The Seychelles Companies Act 1972 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that we have obtained all the information and explanations necessary for the performance of our audit, and in our opinion,

- (i) proper books of accounting have been kept by the Company based on our examination of those records; and
- (ii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns.

Public Enterprise Monitoring Commission Act, 2013

We confirm that we have obtained all the information and explanations necessary for the performance of our audit, and are satisfied with the information received.


POOL & PATEL
CHARTERED ACCOUNTANTS
Date: ...17.2.24

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

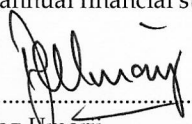
Statement of financial position

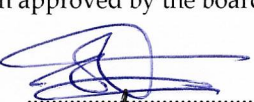
Financial statements are prepared in Seychelles Rupees

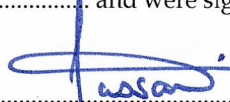
	Note	As at 31 December	
		2023	2022
Assets			
Property, plant and equipment	3	182,346,455	123,157,169
Intangible assets	4	51,011	71,092
Right-of-use assets	5	7,334,673	7,586,362
Investment in subsidiary - BDRIL	6	44,737,584	48,462,744
Investments - others	7	25,000	25,000
Non-current assets		234,494,723	179,302,367
Inventories	8	241,440,688	262,528,571
Trade and other receivables	9	38,693,273	32,194,915
Current tax asset	10	7,409,683	-
Cash and cash equivalent	11	76,115,299	81,095,024
Current assets		363,658,943	375,818,510
Total assets		598,153,666	555,120,877
Equity & Liabilities			
Lease liability	13	8,027,083	7,974,595
Deferred tax liabilities	10	5,586,840	5,561,377
Employee benefit obligations	14	32,596,790	29,813,235
Non-current liabilities		46,210,713	43,349,207
Borrowings	12	-	5,000,000
Lease liability	13	551,660	362,738
Trade and other payables	15	90,514,596	89,071,461
Current tax liability	10	-	12,420,577
Current liabilities		91,066,256	106,854,776
Share capital	16	10,000	10,000
Contributed capital	17	136,947,322	140,672,482
Retained earnings		323,919,375	264,234,412
Equity		460,876,697	404,916,894
Total liabilities and equity		598,153,666	555,120,877

The notes on pages 13 to 31 are an integral part of these financial statements.

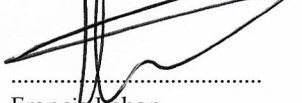
The annual financial statements have been approved by the board on the and were signed by:

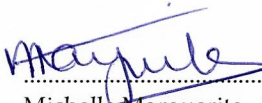

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Imtiaz Umarji
Director

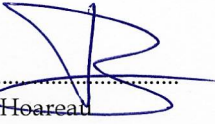

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Gerard Adam
Director

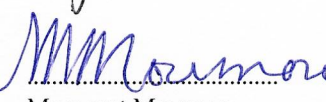

.....
Ashik Hassan
Director

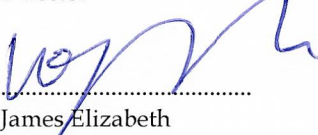

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Astride Tamatave
Director


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Francis Lebon
Director


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Michelle Marguerite
Director


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Daniel Hoareau
Director


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Margaret Moumou
Director


.....
James Elizabeth
Director

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Statement of profit or loss and other comprehensive income

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 December	
		2023	2022
Revenue	18	1,030,727,027	1,087,083,622
Cost of sales	19	(741,768,610)	(800,723,618)
Gross profit		288,958,417	286,360,004
Other income	20	3,513,555	4,765,900
Provision for credit impairment		(1,002,173)	(511,282)
Bank charges and commissions		(6,633,301)	(6,947,333)
Cleaning expenses		(2,029,657)	(1,756,090)
Communication, printing and stationery		(4,498,966)	(4,081,343)
Depreciation and amortisation		(10,288,396)	(9,622,826)
Licenses and insurance		(2,097,613)	(1,896,850)
Other administrative expenses	21	(13,190,725)	(8,833,810)
Rental expenses		(18,164,220)	(12,775,454)
Repairs and maintenance		(7,762,561)	(9,575,151)
Staff costs	22	(135,896,405)	(123,641,729)
Transport, travelling and fuel expenses		(10,434,195)	(9,663,959)
Utilities		(32,818,760)	(30,270,937)
Operating profit		47,655,000	71,549,140
Net finance income	23	13,298,439	16,534,063
Profit before tax		60,953,439	88,083,203
Tax expense	10	(1,268,476)	(22,018,722)
Profit for the year		59,684,963	66,064,481

The notes on pages 13 to 31 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2023

Statement of changes in equity
Financial statements are prepared in Seychelles Rupees

	Share capital	Contributed capital	Retained earnings	Total
At 1 January 2022	10,000	145,282,209	198,169,931	343,462,140
Profit for the year	-	-	66,064,481	66,064,481
Fair value adjustments	-	(4,609,727)	-	(4,609,727)
Dividends paid during the year	-	-	-	-
At 31 December 2022	10,000	140,672,482	264,234,412	404,916,894
Profit for the year	-	-	59,684,963	59,684,963
Fair value adjustments	-	(3,725,160)	-	(3,725,160)
Dividends paid during the year	-	-	-	-
At 31 December 2023	10,000	136,947,322	323,919,375	460,876,697

The notes on pages 13 to 31 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED
Annual Financial Statements for the year ended 31 December 2023

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	Year ended 31 December	
		2023	2022
Cash flows from operating activities			
Profit before income tax		60,953,439	88,083,203
Adjustments for:			
Depreciation of property, plant and equipment	3	9,272,651	8,579,234
Amortisation of intangible assets	4	20,081	46,290
Depreciation of right-of-use assets	5	995,664	848,398
Provision for employee benefit obligations	14	6,989,191	6,290,695
Net finance costs	23	(13,298,439)	(16,534,063)
Provision for credit impairment	9	1,002,173	511,282
Re-measurement of leases	13	-	(1,636,869)
		65,934,760	86,188,170
Changes in working capital			
Decrease/(increase) in inventories		21,087,883	(14,691,480)
Increase in trade and other receivables		(7,500,531)	(260,500)
Increase in trade and other payables		1,443,135	9,811,690
Cash generated from operations		80,965,247	81,047,880
Tax paid	10	(21,073,273)	(8,780,530)
Employee benefit obligations paid	14	(4,205,636)	(2,448,045)
Net cash generated from operating activities		55,686,338	69,819,305
Cash flows from investing activities			
Additions to property, plant and equipment	3	(15,760,000)	(9,524,645)
Additions to intangible assets	4	-	(14,780)
Payments made for work in progress	3	(52,701,934)	(45,020,532)
Interest received	23	162,985	(49,221)
Net cash used in investing activities		(68,298,949)	(54,609,178)
Cash flow from financing activities			
Interest paid	23	-	-
Loan repaid	12	(5,000,000)	-
Lease payments	13	(1,386,600)	(1,200,000)
Net cash used in financing activities		(6,386,600)	(1,200,000)
Net change in cash and cash equivalents		(18,999,211)	14,010,127
Movement in cash and cash equivalents			
As at 1 January,		81,095,024	49,596,837
Net change in cash and cash equivalents		(18,999,211)	14,010,127
Net foreign exchange difference	23	14,019,486	17,488,060
As at 31 December	11	76,115,299	81,095,024

The notes on pages 13 to 31 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Five year financial summary

Financial statements are prepared in Seychelles Rupees '000

	2023	2022	2021	2020	2019
Statement of financial position					
Share capital					
Authorised	10	10	10	10	10
Issued and Fully paid	10	10	10	10	10
Contributed capital	136,947	140,672	145,282	92,210	92,210
Retained earnings	323,919	264,234	198,170	195,721	206,319
Net assets employed	460,876	404,916	343,462	287,941	298,539
Statement of income					
Turnover	1,030,727	1,087,084	990,786	1,011,782	1,137,622
Profit/(loss) before taxation	60,953	88,083	10,641	(8,193)	37,948
Exceptional items	-	-	-	-	-
Taxation	(1,268)	(22,019)	(8,192)	(2,405)	(14,290)
	59,685	66,064	2,449	(10,598)	23,658
Retained earnings - 1 January	264,234	198,170	195,721	206,319	182,661
Retained earnings - 31 December	323,919	264,234	198,170	195,721	206,319

The notes on pages 13 to 31 are an integral part of these financial statements.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

Seychelles Trading Company Limited (STCL) is a limited liability company, incorporated and domiciled in the Republic of Seychelles. It commenced its activities on 1 March 2008, after taking over some of the activities and assets of the Seychelles Marketing Board. The Government of Seychelles is the ultimate owner of the Company. The address of the company's registered office is at Latanier Road, Victoria, Seychelles which is also its principal place of business.

The principal activities of the company comprise importation, storage and distribution of essential commodities so as to ensure their continuous provision on the local market at most competitive prices.

The financial statements of the company will be submitted for consideration and approval at the forthcoming Annual General Meeting of the company.

2 Summary of material accounting policies

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

2.1 Basis of presentation

The financial statements have been prepared in accordance with the requirements of the Seychelles Companies Act, 1972, the International Financial Reporting Standard (IFRS) issued by International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Standards Interpretations Committee. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements 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 2.17. (Significant accounting judgements and estimates.) The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

New standards, amendments and interpretation adopted by the company

The following amendments to the International Accounting Standards (IAS) that are relevant for the preparation of the financial statements have been adopted by the company for the first time with effect from financial year beginning on 1 January 2023.

Disclosure of accounting policies - amendments to IAS 1 and IFRS practice statement 2

Definition of accounting estimates - amendments to IAS 8

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

International tax reform - pillar two model rules - amendments to IAS 12

IFRS 17 Insurance contracts

New standards and amendments issued but not yet effective

Amendment to IAS 1 - Non-current liabilities with covenants

Amendment to IAS 7 and IFRS 7 - Supplier finance

Amendment to IFRS 16 - Leases on sale and leaseback

Amendments to IAS 21 - Lack of exchangeability

The above standards are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.2 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest of levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.3 Financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade receivables
- Equity instruments
- Cash and cash equivalents
- Trade payables
- Loans and borrowings

Financial assets

Financial assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired and contractual terms of cashflows.

Fair value through profit or loss (FVTPL)

This category comprises only in-the-money derivatives. The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Fair value through other comprehensive income (FVOCI)

These assets arise from strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. The company holds no such investments.

Amortised cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial liabilities which require payments of contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method. The company's cash and cash equivalents, trade receivables, other current assets (excluding prepaid expenses and advances), and due from related parties are classified as financial assets at amortised cost.

The financial asset is derecognized when the rights to receive cashflows has expired or rights the asset have been transferred and the company has transferred all the risks and rewards of ownership .

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services (performed in the ordinary course of business) less provision as per the expected credit loss model. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Equity instruments

Unlisted investments in subsidiaries or associates are carried at cost or the investments underlying value, if lower. On disposal gains or losses are included in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.3 *Financial instruments (cont.)*

Financial liabilities

Financial liabilities are recognized at amortised cost, namely original debt less principal payments and amortisations. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognized when the obligation under the liability are discharged, cancelled or expired.

Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Other liabilities are stated at original debt less principal repayments and amortizations.

Loans and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortised costs using effective interest rate method.

Borrowings are classified as non-current liabilities if the borrowings are only repayable on the availability of net cash flows of the company and such availability is not anticipated for at least 12 months after the reporting date.

2.4 *Financial risk management*

The company's activities expose it to risks that arise from its use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them.

The Directors have overall responsibility for the determination of the risk management objectives and policies that seek to reduce risk as far as possible without unduly affecting the competitiveness and flexibility and, whilst retaining ultimate responsibility, it delegates the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the finance function.

The company's risk management policies are established to identify and analyse the risks faced by the company, focusing the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities and its role in the Republic of Seychelles. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales and cash resources. It is company's policy to seek advance payments and to assess the credit risk of new customers before entering into contracts or providing services. Cash deposits are held with banks with high credit ratings,

Impairment and uncollectibility of financial assets

Impairment of financial assets are estimated based on an 'expected credit loss' (ECL) model. The impairment model applies to financials assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The company considers past events, current and future conditions that can affect recoverability of cash flows when assessing ECL.

Whilst cash and cash equivalents are subject to impairment due to risk of changes in fair values, the identified impairment loss is considered immaterial.

The company considers the demographics of the company's customer base, including the type of customer, which consists of government institutions, other business enterprises, and staffs.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.4 Financial risk management (cont.)

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

On that basis, the loss allowance for 31 December 2023 and 2022 for trade and other receivables was determined as follows,

Trade & other receivables	<30 days	30-60 days	60-90 days	90-180 days	180-360 days	>360 days	Total
31 December 2023	13,218,590	4,965,492	2,851,159	4,642,489	2,790,423	10,225,120	38,693,273
31 December 2022	16,128,339	5,044,132	1,015,263	4,494,344	1,814,118	3,698,719	32,194,915
Loss allowance							
31 December 2023	83,952	111,424	19,015	294,020	127,111	6,317,090	6,952,612
31 December 2022	76,404	32,464	11,405	51,170	49,270	5,729,725	5,950,438
Expected loss rate							
31 December 2023	0.6%	2.2%	0.7%	6.3%	4.6%	61.8%	18.0%
31 December 2022	0.5%	0.6%	1.1%	1.1%	2.7%	154.9%	18.5%

Market risks

Foreign currency risk

The company is exposed to currency risk arising from commercial transactions, assets and liabilities are denominated in foreign currency. The company imports goods from foreign countries and is exposed to foreign exchange risk arising from various currency exposures. The foreign currencies in which the set transactions primarily denominated are United State Dollars (USD) and Euro (EUR). The company aims to aggregate a net position for each currency so that natural hedging can be achieved.

The currency profile of assets and liabilities denominated and foreign currency are as follows:

At 31 December 2023	In SCR '000					Total
	SCR	USD	Euro	ZAR	Others	
Assets						
Property, plant and equipment	182,346	-	-	-	-	182,346
Intangible assets	51	-	-	-	-	51
Right-of-use assets	7,335	-	-	-	-	7,335
Investments	44,763	-	-	-	-	44,763
Inventories	241,441	-	-	-	-	241,441
Trade and other receivables	17,798	16,097	2,212	901	1,685	38,693
Current tax asset	7,410	-	-	-	-	7,410
Cash and cash equivalents	51,559	22,315	1,516	-	725	76,115
	552,703	38,412	3,728	901	2,410	598,154
Liabilities						
Borrowings	-	-	-	-	-	-
Lease liability	8,579	-	-	-	-	8,579
Deferred tax liabilities	5,587	-	-	-	-	5,587
Employee benefit obligations	32,597	-	-	-	-	32,597
Trade and other payables	48,378	39,080	3,007	50	-	90,515
	95,141	39,080	3,007	50	-	137,278
Net balance sheet position	457,562	(668)	721	851	2,410	460,876

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.4 Financial risk management (cont.)

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The company's interest risk would arise from long term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

Other price risk

The company is not exposed to other price risks such as commodity price risk, prepayment risk, and residual value risk.

Liquidity risk

Liquidity risk arises from the management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company identifies this risk through periodic liquidity gap analysis and maturity profile of assets and liabilities, and when necessary by keeping committed credit lines available.

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

	In SCR '000			
	Less than 12 months	1 - 5 years	After 5 years	Total
At 31 December 2023				
Borrowings	-	-	-	-
Lease liabilities	552	3,902	4,125	8,579
Trade and other payables	90,515	-	-	90,515
	91,067	3,902	4,125	99,094
At 31 December 2022				
Borrowings	5,000	-	-	5,000
Lease liabilities	361	2,851	5,125	8,337
Trade and other payables	89,071	-	-	89,071
	94,432	2,851	5,125	102,408

2.5 Capital risk management

The company's policy is to maintain a strong capital base so as to provide sufficient liquidity to the business, maintain creditor and market confidence and to sustain future development of the business. The company's main objectives when managing capital are;

- to maintain flexibility to pursue strategic development opportunities and ensure adequate liquidity to withstand weakening economic conditions; and
- to maintain an appropriate balance between debt financing vis-à-vis capital as measured by gearing ratio.

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 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 dividend paid to shareholders, return capital, issue new shares or sell assets to reduce debt.

The company manages gearing on the basis of gearing ratio,

	2023	2022
Borrowings	-	5,000,000
Cash and cash equivalents	-	-
Net debt	-	5,000,000
Total equity	460,876,697	404,916,894
Gearing ratio	0.00%	1.23%

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.6 Foreign currency

Functional and presentation currency

The financial statements are presented in the Seychelles Rupee (SCR), which is the reporting currency under the Companies Act, 1972.

Foreign currency translation

Foreign currency transactions are translated in the Seychelles Rupee at the rate of exchange prevailing at 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 recognized in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or costs". All other exchange gains and losses are presented in within "sundry income or expenses".

The Bank mid-rates for the period were:

Currency	Exchange rates at 31 December			Changes in percent (SCR)	
	2023	2022	2021	2023-2022	2022-2021
SCR/US\$	14.10	14.01	14.69	-1%	5%
SCR/Euro	15.61	14.93	16.51	-5%	10%

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the company. The carrying amount of the replaced part is derecognized. All repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

	Years
Buildings	25
Plant and machinery	10
Office equipment	5
Computer equipment	5
Furniture and fixtures	10
Motor Vehicle	4
Freehold land and construction work in progress are not depreciated	

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income" in the statement of income.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income taxes.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.8 Intangible assets

Purchased software is recognised as an intangible asset and amortised over its expected useful life (3 - 5 years).

The assets residual values and amortisation methods are reviewed, impaired and adjusted prospectively, if there is an indication or a significant change since the last reporting date. The amortisation expense is recognized in the income statement within "Depreciation and amortisation".

2.9 Right-of-use assets and lease liability

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases

The company has elected not to recognise right of use assets and lease liabilities for short term leases. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.10 Provisions

Provisions are recognised, where the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The company recognizes a provision for onerous contracts when the expected benefit to be derived from a contract are less than the unavoidable costs of meeting the obligation under the contract.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.11 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment plan under which the company pays fixed contribution to the Seychelles Pension Fund and the company has no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees.

Defined benefit plans

Employment Amendment Act (1999) requires employees to be compensated upon retirement or resignation provided the employee has completed 5 years of continuous service. Provision for length of service is reviewed at the end of each financial year based on current wage of existing employees at the end of the financial year.

2.12 Dividends

Dividends are recognized as a liability in the period in which it is declared.

2.13 Contingent liability

A contingent liability is either a possible obligation which existence will only be confirmed in the future, or a present obligation that is not recognized as either it is not probable, or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed, unless the possibility of an outflow of economic resources is remote.

2.14 Revenue recognition

The company operates in the wholesale and retail industry. The revenue is recognised based on the identified performance obligation. The transaction price is determined taking into account variable consideration. The transaction price is allocated to performance obligations and recognises the revenue either over the time of the contract or point in time upon analysis of each sale of goods in all divisions. Revenue is recognised at a point in time when the company satisfies performance obligation by transferring promised goods to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligation and reports these amounts as advances from customers in trade and other payables in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises a receivable in its statement of financial position, where only the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of goods is transferred to the customer, usually on delivery of the goods. Sales are measured at the fair value of consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Value added taxes).

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Rental income

Rental income from operating leases on renting out of premises is recognised in profit or loss on a straight line basis over the term of the agreement. Rental income is recognised as other income.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the asset.

Other income

Other income is recognised on the accrual basis. Net gains and losses on the disposal of property, plant and equipment and in other non-current assets including investments, are accounted for in the statement of profit or loss, after deducting from proceeds on disposals, the carrying amount of the assets are related selling expenses. Breakage income arising from loyalty points not redeemed is accounted for under other income.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.15 Taxation

The tax expense for the period comprises of current business and deferred taxes.

Current business tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Inventories

Inventories of the company comprise food, beverages, retailer products, building materials, spares and consumables.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

In the case of manufactured inventories and work in progress, cost includes design cost, raw materials, direct labour, and other direct costs. Goods in transit are determined based on actual cost.

The company reviews the carrying amount of the inventories on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of inventories based on management's appraisal.

2.17 Significant accounting judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, and disclosures of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Impairment of financial assets

To measure expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected losses are based on historical credit losses which are adjusted to reflect current and future economic factors which can affect the ability of customers to settle the receivables.

Impairment of other assets

At each financial reporting year end, company's management reviews and assesses the carrying amounts of other assets and where relevant, write them down to their recoverable amounts based on best estimates.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

2.17 Significant accounting judgements and estimates (cont.)

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates may change the utility of certain depreciable assets.

Employment benefit obligations

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

Deferred taxes

At each reporting date, deferred tax assets are reviewed and adjusted, if necessary, by a valuation allowance, so that the net carrying amount equals the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profits. Any changes to the valuation allowance are recognized in the tax expense.

2.18 Investment in subsidiary

Subsidiaries are entities controlled by the company. The company 'controls' an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

3 Property, plant and equipment

Cost	Land	Freehold Buildings	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Motor Vehicle	Work in progress	Total
At 1 January 2022	3,076,323	64,885,275	40,685,163	15,028,273	11,446,614	23,720,899	28,052,886	2,771,776	189,667,209
Additions	-	1,726,179	3,051,441	940,780	995,669	981,938	2,967,528	46,178,446	56,841,981
Disposals	-	-	-	-	(23,134)	-	-	-	(23,134)
At 31 December 2022	3,076,323	66,611,454	43,736,604	15,969,053	12,419,149	24,702,837	31,020,414	47,792,308	245,328,142
Additions	-	2,760,354	3,887,548	1,059,906	1,045,679	1,776,418	5,274,819	52,701,934	68,506,658
Disposals	-	-	(66,602)	(275,380)	-	(95,472)	-	-	(437,454)
At 31 December 2023	3,076,323	69,371,808	47,557,550	16,753,579	13,464,828	26,383,783	36,295,233	100,494,242	313,397,346
Accumulated depreciation and impairment									
At 1 January 2022	-	17,932,001	25,521,003	14,402,061	9,862,220	18,544,788	27,339,504	-	113,601,577
Annual depreciation	-	2,477,004	2,890,181	553,606	507,506	1,400,025	750,423	-	8,578,745
Disposals	-	-	-	-	(9,349)	-	-	-	(9,349)
At 31 December 2022	-	20,409,005	28,411,184	14,955,667	10,360,377	19,944,813	28,089,927	-	122,170,973
Annual depreciation	-	2,537,642	2,829,240	649,344	646,843	1,131,986	1,477,596	-	9,272,651
Disposals	-	-	(48,288)	(275,380)	-	(69,065)	-	-	(392,733)
At 31 December 2023	-	22,946,647	31,192,136	15,329,631	11,007,220	21,007,734	29,567,523	-	131,050,891
Carrying amount									
At 1 January 2023	3,076,323	46,202,449	15,325,420	1,013,386	2,058,772	4,758,024	2,930,487	47,792,308	123,157,169
At 31 December 2023	3,076,323	46,425,161	16,365,414	1,423,948	2,457,608	5,376,049	6,727,710	100,494,242	182,346,455

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

4 Intangible assets	2023	2022
Cost		
As at January 1,	2,112,100	2,097,320
Additions	-	14,780
As at December 31,	2,112,100	2,112,100
Accumulated amortisation		
As at January 1,	2,041,008	1,994,718
Amortisation for the year	20,081	46,290
As at December 31,	2,061,089	2,041,008
Net book value as at December 31,	51,011	71,092

(a) Intangible assets comprise of computer software.

(b) Cash outflow for the purchase of intangible assets was nil for the current year (2022: 14,781).

5 Right-of-use assets	2023	2022
Cost		
As at January 1,	47,141,802	50,590,807
Additions	-	-
Disposals	(406,892)	(1,787,246)
Remeasurement	743,975	(1,661,759)
As at December 31,	47,478,885	47,141,802
Accumulated amortisation		
As at January 1,	39,555,440	40,494,288
Depreciation	995,664	848,398
Disposal	(406,892)	(1,787,246)
As at December 31,	40,144,212	39,555,440
Net book value as at December 31,	7,334,673	7,586,362

6 Investments in subsidiary

6.1 Fair value of BDRIL

	2023	2022
Percentage ownership	100%	100%
Balance as at 1 January	48,462,744	53,072,471
Addition at nominal value	-	-
Fair value adjustments	(3,725,160)	(4,609,727)
Balance as at 31 December	44,737,584	48,462,744

In May 2021, the Company acquired 100% shares in Bois Des Rose Investments Limited (BDRIL) granting it ultimate control over BDRIL at nil consideration.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs (inventories and customer relationships) and processes. The Company has determined that the acquired inputs and processes significantly contribute to the ability to create revenue. The Company has concluded that the acquired set is a business.

Taking control over BDRIL enables the company to reduce cost through reduction in rental charges incurred by the Company.

6.2 Settlement of pre-existing relationship

The Company and BDRIL were parties to a long term lease agreement under which BDRIL leased to the Company space which is currently being used for one of the Company's main retail outlet. This pre-existing relationship was effectively terminated when the Company acquired BDRIL.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

6 Investments in subsidiary (cont.)

6.3 Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Property, plant & equipment	6,704,958
Investment properties	100,240,751
Work in progress	-
Deposit on leasehold land	44,389,209
deferred tax	(9,187,580)
Inventories	-
Trade & other receivable	3,469,330
Cash and cash equivalents	17,855,331
loans and borrowings	(115,664,959)
Trade & other payables	(3,069,456)
Total identifiable net assets acquired	44,737,584

7 Investments - others

2023 2022

Investments are stated at historical cost less any accumulated impairment losses in the following unquoted investment in a company incorporated in the Seychelles.

Seychelles Commercial Bank Limited	25,000	25,000
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Based on directors' valuation, the investment would be worth of SCR 101,963 (2022 : SCR 88,606).

8 Inventories

2023 2022

Finished goods	194,982,841	228,689,280
Raw materials	10,502,118	13,443,122
Goods in transit	36,009,506	20,449,946
Inventories-Provisions	(53,777)	(53,777)
Total	241,440,688	262,528,571

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

In 2023, inventories of SCR 721,563,744 (2022: SCR 771,767,933) were recognised as an expense during the year and included in 'cost of sales' (note 19).

9 Trade and other receivables

2023 2022

Trade receivables (note 9.1)	15,568,519	15,846,164
Other receivables (note 9.2)	3,680,642	4,829,697
Advance payment to suppliers	20,895,705	16,517,759
Related party receivable	(2,201,529)	(7,041,057)
Deposits and prepayments	749,936	2,042,352
Total	38,693,273	32,194,915

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

9 Trade and other receivables (cont.)

9.1 Trade receivables

	2023	2022
Gross trade receivables	20,155,058	19,569,110
Less : Provision for impairment loss	(4,586,539)	(3,722,946)
Total	15,568,519	15,846,164

Movement in provision for impairment loss:

	2023	2022
As at 1 January	3,722,946	2,880,657
Provision made during the year	863,593	842,289
Total	4,586,539	3,722,946

9.2 Other receivables

	2023	2022
Gross other receivables	6,046,715	7,057,189
Less : Provision for impairment loss	(2,366,073)	(2,227,492)
Total	3,680,642	4,829,697

Movement in provision for impairment loss:

	2023	2022
As at 1 January	2,227,492	2,556,454
Provision made during the year	138,581	(328,962)
Total	2,366,073	2,227,492

10 Taxation

	Statement of financial position		Statement of income	
	2023	2022	2023	2022
10.1 Current tax				
Balance (payable)/refundable from prior year	(12,420,577)	719,695	-	-
Provision for the current year	(15,197,576)	(21,920,802)	15,197,576	21,920,802
Adjustment for prior year provision	13,954,563	-	(13,954,563)	-
Provisionally paid for the current year	21,073,273	8,780,530	-	-
Total	7,409,683	(12,420,577)	1,243,013	21,920,802
10.2 Deferred tax asset				
Employee compensation obligation	1,747,298	1,572,674	174,624	(81,075)
Other temporary deductible differences	250,544	127,821	122,723	26,080
Total	1,997,842	1,700,495	297,347	(54,995)
10.3 Deferred tax liability				
Deferred due to concessional tax depreciation	7,584,682	7,261,872	322,810	152,916
Total deferred tax liability/(credit)	5,586,840	5,561,377	(25,463)	(207,911)
10.4 Corporate social responsibility tax				
Total income tax expense			1,268,476	22,018,722

11 Cash and cash equivalent

	2023	2022
Current and savings balances with banks	75,195,323	79,765,791
Cash in hand	919,976	1,329,233
Total	76,115,299	81,095,024

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

12 Borrowings

	2023	2022
As at January 1,	5,000,000	5,000,000
Repayment of principal	(5,000,000)	-
As at December 31,	-	5,000,000
Sources of finance		
The Livestock Trust Fund	-	5,000,000
Maturity analysis		
Payable within 1 year	-	5,000,000

The company entered into a bridging loan agreement of SCR 5,000,000 with The Livestock Trust Fund repayable by 15th May 2020 to finance the upgrading of infrastructure on cold storage facilities which shall be used exclusively to facilitate marketing of local produce purchased from farmers as a support initiative for agricultural and livestock development of the country. This bears interest at 2.5% per annum and is payable monthly after a grace period of six month from the disbursement date. Extended time for settlement is being negotiated. The Livestock Trust Fund in view of the impact of COVID-19 pandemic.

13 Lease liability

	2023	2022
As at January 1,	8,337,333	10,294,317
Additions	-	-
Remeasurement	743,978	(1,636,870)
Interest cost	884,032	879,886
Payments made	(1,386,600)	(1,200,000)
As at December 31,	8,578,743	8,337,333

Minimum lease payments payable on lease commitment is as follows

	Future minimum lease payments	Interest cost	Present value of minimum lease payments 31-12-2023	Present value of minimum lease payments 31-12-2022
Within 1 year	1,386,600	834,940	551,660	362,738
Later than 1 year	19,601,630	11,574,547	8,027,083	7,974,595
As at December 31,	20,988,230	12,409,487	8,578,743	8,337,333

Amounts recognised in the statement of profit or loss,

	2023	2022
Amortisation charge of right to use asset (note 5)	995,664	848,398
Interest cost	884,032	879,886
Variable lease payments included in administrative expenses	14,083,401	12,219,495
Re-measurement of leases	-	24,890
Total	15,963,097	13,972,669

The company received numerous forms of concessions from lessors due to the company being unable to operate fully for certain period of time. Concessions received includes the following:

- Rent forgiveness;
- Deferrals of rent from Ministry of Habitat, Infrastructure & Land Transport effective September 2020, wherein the cabinet approved the exemption of payment of rent by STC for land lease for the next five years; and
- The company has elected to apply the practical expedient introduced by the amendments of IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concession entered into during the year satisfy the criteria to apply the practical expedient.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

14 Employee benefit obligations

	2023	2022
Retirement benefit obligations	29,399,392	25,648,001
Long term employee benefit obligations	3,196,858	4,165,234
Total	32,596,790	29,813,235
As at January 1,	29,813,235	25,970,585
Provision made during the year	6,989,191	6,290,695
Benefits paid	(4,205,636)	(2,448,045)
As at December 31,	32,596,790	29,813,235

The company has estimated that the provisions for employee benefits are reasonable and would not materially differ had the obligation been computed based on Actuarial Cost Method as recommended by International Accounting Standard - IAS 19 on Defined Benefit Obligations.

The company meets these liabilities as and when they fall due, out of its working capital and not externally funded.

15 Trade and other payables

	2023	2022
Trade payables	75,980,040	68,937,363
Accruals and other payables	14,534,556	20,134,098
Total	90,514,596	89,071,461

16 Authorised & issued capital

	2023	2022
Authorised and issued and fully paid 100 shares of R 100 each	10,000	10,000

17 Contributed capital

	2023	2022
Seychelles Marketing board	92,209,737	92,209,737
Bois De Rose Investment Limited (note 6)	44,737,585	48,462,745
Contributed Capital	136,947,322	140,672,482

The contributed capital represents the carrying amounts of net assets taken over from Seychelles Marketing Board (SMB) on 1st March 2008 and subsequent transfers in 2009 and Bois De Rose Investment Limited in May 2021. This is interest free and is recognised as quasi equity. The Ministry of Finance, National Planning and Trade is considering converting this into ordinary shares.

Details of assets taken over from SMB were as follows;

	2023	2022
Property, plant and equipment	40,555,653	40,555,653
Inventories	61,173,670	61,173,670
Cash floats taken over	19,900	19,900
Less: Amount credited to share capital	(10,000)	(10,000)
Net assets taken over on 1st March 2008	101,739,223	101,739,223
Less: Transfer from property, plant and equipment in 2009	(6,837,477)	(6,837,477)
Less: Transfer from inventories in 2009	(2,692,009)	(2,692,009)
Net contributed capital	92,209,737	92,209,737

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

18 Revenue

	2023	2022
Analysis by type of sales and service		
Retail and wholesale sales	1,029,884,435	1,086,379,045
Event management service	842,592	704,577
Total	1,030,727,027	1,087,083,622

19 Cost of sales

	2023	2022
Cost of inventories	721,563,748	771,767,930
Packing expenses	3,953,712	4,051,504
Stock write-offs and related expenses	15,310,883	13,486,851
Import rental	2,339,275	3,935,352
VAT expenses	(1,399,008)	7,481,981
Total	741,768,610	800,723,618

20 Other income

	2023	2022
Rental income	1,998,858	2,121,858
Sundry income	1,514,697	2,644,042
Total	3,513,555	4,765,900

21 Other administrative expenses

	2023	2022
Adverts, promotion and publicity	1,454,006	1,859,291
Donations and gifts	4,123,403	1,504,684
Audit fees	625,125	666,000
Professional fees	1,183,446	1,365,634
Security expenses	3,461,695	1,972,737
Bond fees	119,975	61,692
Entertainment expenses	48,400	5,885
Books and subscriptions	14,300	4,050
Administration expenses	396,689	186,622
Sundry expenses	1,763,686	1,207,215
Total	13,190,725	8,833,810

22 Staff costs

	2023	2022
Salaries and wages	114,834,249	105,699,713
Staff overtime	1,398,149	1,997,435
Staff bonus	3,160,118	1,440,442
Pension cost	5,041,641	4,252,036
Retirement and other long term benefits	6,989,191	6,290,695
Staff welfare	1,910,543	1,540,586
Staff benefits	1,008,539	918,852
Casual wages	693,472	830,829
Directors fees (note 22(a))	379,200	284,360
Staff training	335,339	208,936
Staff Travelling	145,964	177,845
Total	135,896,405	123,641,729

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

22 Staff costs (cont.)

(a) Directors fees

		2023	2022
Imtiaz Umarji	(appointed effective 1 February 2021)	75,840	69,520
Gerard Adam	(appointed effective 1 February 2021)	50,560	46,347
Ashik Hassan	(appointed effective 1 February 2021)	50,560	50,560
Jamshed Pardiwalla	(term ended on 31 January 2024)	50,560	46,347
Astride Tamatave	(appointed effective 1 February 2021)	50,560	50,560
Francis Lebon	(appointed effective 1 February 2023)	50,560	-
Michelle Marguerite	(appointed effective 1 February 2023)	50,560	-
Total		379,200	263,334

(b) Other key management fees

		2023	2022
Siana Bistoquet	(resigned on 31 December 2023)	1,357,032	876,000
Total		1,357,032	876,000

Total directors and key management personnel benefits **1,736,232** **1,139,334**

The retirement benefit obligation has not been valued by an actuary since management have decided that it will not have a material impact if it was computed by an external actuary.

23 Net finance (income)/costs

	2023	2022
Interest (expense)/income	(162,985)	49,221
Interest on lease liability	884,032	879,886
Loss on remeasurement of lease liability	-	24,890
Exchange gain	(14,019,486)	(17,488,060)
Total	(13,298,439)	(16,534,063)

24 Related party balances

	2023	2022
<i>Balances with related parties</i>		
Government of Seychelles (note 17)	136,947,322	140,672,482
Loan payable to Livestock Trust Fund (note 12)	-	5,000,000
<i>Transactions</i>		
Sale of goods and services	4,893,528	6,985,958
<i>Directors and key management personnel benefits</i>		
Key management salary	1,357,032	876,000
Board fees	379,200	263,334

(a) Goods & services sold to related parties comprises of finished goods available for sale. The above balance represent amount due to the company as at year end. SCR 2,201,529 (2022: SCR 7,041,057) has been recognised in the current year and prior year for bad or doubtful debts in respect of amounts owned by related parties.

(b) All outstanding balances with these related parties are priced on an arms length basis. None of the balances is secured.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Financial statements are prepared in Seychelles Rupees

25 Capital and operating commitment

	2023	2022
<i>Capital commitments</i>		
Approved and contracted for	28,000,000	26,900,000
Approved but not contracted for	29,770,000	28,633,967
<i>Operating commitments</i>		
Letters of credits	978,836	26,238,332

Capital commitments are ongoing projects which have been approved by the board as at the reporting date. It includes both contracted out projects and as well as those yet to be contracted out.

26 Contingent liabilities

	2023	2022
Bank guarantees for bonded warehouse	10,000,000	10,000,000
Corporate guarantees for employee loan	400,000	400,000
Total	10,400,000	10,400,000

The directors are of the opinion that none of the contingencies would end up with material liability to the company which may impact the presentation of the financial statements at the reporting date.

SEYCHELLES TRADING COMPANY LIMITED

Annual Financial Statements for the year ended 31 December 2023

Other information

Statements are prepared in Seychelles Rupees

Social benefit to customers on subsidised price of essential

Appendix 1

	2023	2022	2021	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000
<i>Revenue</i>					
Subsidised sales	275,620	274,994	221,422	187,010	190,136
Non-subsidised sales	755,108	812,118	769,465	824,772	947,486
Total	1,030,728	1,087,112	990,887	1,011,782	1,137,622
<i>Cost of social benefits</i>					
Cost to the company	41,308	37,070	65,344	30,950	24,815
Tax impact	10,277	12,282	28,004	10,154	10,849
Total	51,585	49,352	93,348	41,104	35,664
Average exchange rate - CBS	14.22	14.26	16.92	18.07	14.11
Global food index - FAO	119.20	122.30	125.30	97.00	169.33

Social benefit cost is calculated based on the loss of revenue on the subsidised goods had the same mark up been maintained in pricing and the tax effect at the effective tax rates.

Economic value added statement

Appendix 2

	2023		2022	
	SCR	%	SCR	%
<i>Economic value generated</i>				
Revenue	1,030,727,027		1,087,083,622	
Finance income	14,182,471		17,438,838	
Rental & other income	3,513,555		4,765,900	
	1,048,423,053		1,109,288,360	
Operating cost	(842,280,477)		(888,938,374)	
Economic value added	206,142,576		220,349,986	
<i>Economic value distributed</i>				
Employee wages & benefits				
- Salaries, wages & other benefits	132,736,287	64.4%	122,201,282	55.5%
- Performance bonus and 13th month salary	3,160,118	1.5%	1,440,442	0.7%
Payments to government				
- Government loan interest	-	0.0%	-	0.0%
- Government tax	1,268,476	0.6%	22,018,722	10.0%
Corporate social responsibility	-	0.0%	-	0.0%
Economic value distributed	137,164,881	66.5%	145,660,446	66.1%
<i>Economic value retained</i>				
Depreciation	9,272,651		8,578,772	
Amortisation	20,081		46,290	
Profit for the year	59,684,963		66,064,477	
Retained for reinvestment/growth	68,977,695	33.5%	74,689,539	33.9%
Total economic value distributed & retained	206,142,576	100.0%	220,349,985	100.0%

The above does not form part of the audited financial statement set out on page 8 to 31.