MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

Auditors' Report & Financial Statements
For the year ended 31st December, 2023

MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

For the year ended 31st December, 2023

INDEX

INDEPENDENT AUDITORS' REPORT

To the shareholders of M/s. MARINE OIL TERMINAL CORP, Marshall Islands.

Report on the Financial Statements

Opinion

We have audited the accompanying annual financial statements of **M/s. MARINE OIL TERMINAL CORP,** Marshall Islands (the "Group") which comprise the statement of financial position as at 31st December, 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st December, 2023 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of **M/s. MARINE OIL TERMINAL CORP, Marshall Islands** as at 31st December, 2023, and its financial performance and its cash flows for the year ended 31st December, 2023 in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that is free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimate that are reasonable under the circumstances.

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

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Auditors' 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 auditors' 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 Group'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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

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.

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Report on Other Legal and Regulatory Requirement

As required by the provisions of the laws of the Republic of the Marshall Islands the its amendments has been satisfied, we further confirm that:

1. The Branch is involved in the business of Service in Oil Storage.
2. We are not aware of any contraventions during the above-mentioned year or the (the Group's) Articles of Association, which may have material effect on the financial position of the (the Group's) or the result of its operations for the year.

For ABDULLA AL MARZOOQI CHARTERED ACCOUNTANTS

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Abdulla Ahmed Mohammed Al Marzooqi

Reg. No: 880, Dubai, U.A.E   Date: 29th January, 2024   File No: AMCA#16586

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MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

Statement of Financial Position
As at 31st December, 2023

	Note	2023 USD	2022 USD
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	91,927,024	97,654,470
Right-of-use asset	4	5,452,756	5,998,031
Total Non-Current Assets		**97,379,780**	**103,652,501**
Current Assets			
Accounts and other receivables	5	791,964	1,569,409
Loan and advances	6	99,212	16,394,706
Cash and cash equivalents	7	963,874	829,583
Total Current Assets		**1,855,050**	**18,793,698**
TOTAL ASSETS		**99,234,830**	**122,446,199**
EQUITY AND LIABILITIES			
Equity			
Other reserve	8	85,738,187	85,738,187
Retained earnings	9	(31,200,921)	(30,205,277)
Total Equity		**54,537,266**	**55,532,910**
Liabilities			
Non-Current Liabilities			
Lease liabilities	10	5,790,839	5,778,635
Borrowings	11	36,468,965	42,500,000
Total Non-Current Liabilities		**42,259,804**	**48,278,635**
Current Liabilities			
Lease liabilities-current	10	470,928	507,151
Borrowings	11	-	16,541,575
Accounts and other payables	12	1,966,832	1,585,928
Total Current Liabilities		**2,437,760**	**18,634,654**
Total Liabilities		**44,697,564**	**66,913,289**
TOTAL EQUITY AND LIABILITIES		**99,234,830**	**122,446,199**

The notes on pages 8 to 18 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 30th January, 2024.

For MARINE OIL TERMINAL CORP. & ITS BRANCH

Authorized Signatory

The report of the Auditors is set on pages 1 to 3.

MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

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MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

Statement of Comprehensive Income
For the year ended 31st December, 2023

	Note	2023 USD	2022 USD
Revenue	13	25,467,505	18,301,345
Cost of revenue	14	(3,716,444)	(4,464,623)
Gross profit		**21,751,061**	**13,836,722**
Administration expenses	15	(854,918)	(798,411)
Depreciation and amortisation	3 & 4	(8,952,967)	(8,716,802)
Service fee expense		(9,251,158)	(1,358,351)
Operating profit for the year		**2,692,018**	**2,963,158**
Financial expenses		(2,922,103)	(2,658,432)
Interest on leases		(720,168)	(192,031)
Foreign exchange (loss)/gain		(2,905)	35,936
(Loss)/profit on sale of property, plant and equipment		(42,486)	10,899
(Loss)/profit for the year		**(995,644)**	**159,530**
Other comprehensive income		-	-
Total comprehensive income for the year		**(995,644)**	**159,530**

The notes on pages 8 to 18 form an integral part of these financial statements.

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MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

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MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

Statement of Changes in Equity
For the year ended 31st December, 2023

	Other reserve USD	Retained earnings USD	Total Equity USD
Balance as at 01st January, 2022	85,738,187	(30,364,807)	55,373,380
Total comprehensive income for the year	-	159,530	159,530
Balance at 31st December, 2022	**85,738,187**	**(30,205,277)**	**55,532,910**
Total comprehensive (loss) for the year	-	(995,644)	(995,644)
Balance at 31st December, 2023	**85,738,187**	**(31,200,921)**	**54,537,266**

The notes on pages 8 to 18 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 30th January, 2024.

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MARSHALL ISLANDS

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MARINE OIL TERMINAL CORP. & ITS BRANCH
Marshall Islands

Statement of Cash Flows
For the year ended 31st December, 2023

	2023 USD	2022 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the year	(995,644)	159,530
Adjustments for:		
Financial expenses	2,922,103	2,651,509
Depreciation and amortisation	8,952,967	8,716,802
Profit/(loss) on sale of property	(42,486)	10,899
Interest on lease liability	720,168	192,031
	11,557,108	**11,730,771**
Changes in working capital:		
Increase or Decrease in:		
Accounts and other receivables	777,445	1,116,203
Accounts and other payables	380,904	721,884
Net cash generated from operating activities	**12,715,457**	**13,568,858**
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition, disposal and adjustment in property and equipments	(2,680,246)	(2,785,911)
Profit/(loss) on sale of property	42,486	(10,899)
Net cash (used in) investing activities	**(2,637,760)**	**(2,796,810)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for borrowings	(22,572,610)	(17,498,040)
Payment for lease liabilities	(744,187)	(685,308)
Financial expenses paid	(2,922,103)	(2,651,509)
Loan and advances	16,295,494	6,966,948
Net cash (used in) financing activities	**(9,943,406)**	**(13,867,909)**
Net cash movement for the period/year	**134,291**	**(3,095,861)**
Cash and cash equivalents at beginning of the period/year	829,583	3,925,444
Cash and cash equivalents at end of the period/year	**963,874**	**829,583**

The notes on pages 8 to 18 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 30th January, 2024.

For MARINE OIL TERMINAL CORP. & ITS BRANCH

MARINE OIL TERMINAL CORP.
MARSHALL ISLANDS

Authorized Signatory

The report of the Auditors is set on pages 1 to 3.

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1 Legal status and activities

M/s. MARINE OIL TERMINAL CORP.) (the "Company"), incorporated in Marshall Islands was registered on 14th April, 2008 with corporation Number: 29458 incorporated under the Law of the Republic of the Marshall Islands and its amendments thereof. The registered address of the Company is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960.

M/s. MARINE OIL TERMINAL CORP. (the "Company") incorporated in Marshall Islands, operates through its branch MARINE OIL TERMINAL CORPORATION (the" Company" or the "branch office") in Fujairah Free Zone, Fujairah, United Arab Emirates. The Branch office (License No: 2512A) was registered on 13th January, 2009 pursuant to Emiri Decree No. 6 of the year 1987 in respect of creation of the Free Zone amended by Emiri Decree No. 1 for the year 1992. The registered address of the Branch Office is P.O. Box 2688, Fujairah, United Arab Emirates.

The Branch is engaged in Service in Oil Storage.

As per the latest legal documents, the name of Group has been changed from MARINE OIL TERMINAL CORP TO JSW MIDDLE EAST LIQUID TERMINAL CORP as on 09th January, 2024.

2 Significant Accounting Policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements.

2.2 Accounting convention

These financial statements have been prepared on a going concern basis applying the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. (IFRS 13)

2.3 Property, plant and equipment

Property, plant and equipments are stated at historical cost less less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as an asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of an asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repair and maintenace costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	USEFUL LIVES 2023	2022
Buildings and storage facility	20-40 Years	20-40 Years
Plant, machinery and equipment	15 Years	15 Years
Construction work-in-progress	5 Years	5 Years

2.3 Property, plant and equipments (continued)

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit and loss. All individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.4 Leasing

Leases are classified as finance leases except for leases of low value underlying assets and short-term leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is treated as borrowing costs and expensed/capitalised over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Investment properties recognised under finance leases are carried at their fair value.

2.5 Related party transactions

The Group enters into transaction with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures, such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The Group believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

2.6 Accounts and other receivables

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery. Other receivable that have fixed or determinable payments that are not quoted in an active market are classified as other receivables. Prepayments are carried at cost less any accumulated impairment losses .

2.7 Cash and cash equivalents

Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Bank overdrafts are shown within borrowing in current liabilities.

2.8 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

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2.9 Borrowings

Borrowings are recognised initially at fair value, 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 as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2.10 Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2.11 Revenue recognition

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduce a 5 step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Rendering of services

Revenue from rendering of services are recognised when the services have been rendered and the outcome of the transactions can be estimated reliably. Customers are invoiced on a monthly basis and consideration is payable when invoiced. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customers and payment by the customers exceeds one year.

Other income

Other income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

2.12 Financial instruments

a. Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

ABDULLA AL MARZOOQI CHARTERED ACCOUNTANTS DUBAI - U.A.E.

2.12 Financial instruments (continued)

a. Financial assets (continued)

Accounts and other receivables

Financial assets recognised in the consolidated statement of financial position as Accounts and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents includes cash in hand and cash at banks.

Impairment

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in income statement.

In relation to Accounts receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in income statement.

b. Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in Accounts and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.13 Foreign currency transactions

Transactions in currencies other than USD (foreign currencies) are recorded at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All differences are taken to the statement of comprehensive income.

MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

ABDULLA AL MARZOOQI CHARTERED ACCOUNTANTS P.O.Box: 117346 DUBAI - U.A.E.

2.14 Critical accounting judgements and key sources of estimation uncertainty

While applying the accounting policies, the management of the Group has made certain judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an going basis. Revisions to accounting estimates are recognised in the period of the revision 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. The significant estimates made by management are summarised as follows:

Useful lives of property, plant and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, which depends on operational factors such as the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value as it is deemed immaterial.

Dismantling cost of property, plant and equipment

In accordance with IAS 16, the cost of property, plant and equipment shall include an initial estimate of the costs of dismantling and removing the item and restoring the site. Management have considered the requirements and determined that dismantling and removing the item and restoring the site in the future is not probable and estimates of costs in not significant.

Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generatting units when there is indication of impairment . Cash flows are determined based on contractual agreements and estimations over the estimated udeful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment.

Allowance for doubtful debts

An Allowance for doubtful debts is determined using a combination of factors to ensure that the Accounts receivables are not overstated due to uncollectible. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables and continuing credit evaluation of customers' financial conditions.

MARINE OIL TERMINAL CORP. MARSHALL ISLANDS

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3 Property, plant and equipment

	Buildings and storage facility USD	Plant, machinery and equipment USD	Construction work-in-progress USD	Total USD
Cost				
At 1st January, 2022	102,075,874	23,829,795	30,322	125,935,991
Additions during the year	-	27,789	2,758,122	2,785,911
Transfers during the year	1,908,579	362,555	(2,271,134)	-
As at 31st December, 2022	**103,984,453**	**24,220,139**	**517,310**	**128,721,902**
Additions during the year	-	30,629	2,692,102	2,722,731
Transfers during the year	1,376,619	224,204	(1,600,823)	-
Disposal during the year	(42,104)	(58,559)	-	(100,663)
Adjustment during the year	-	(56,179)	-	(56,179)
As at 31st December, 2023	**105,318,968**	**24,360,234**	**1,608,589**	**131,287,791**
Accumulated depreciation				
At 1st January, 2022	15,890,305	7,005,600	-	22,895,905
Charge for the year	5,938,915	2,232,612	-	8,171,527
As at 31st December, 2022	**21,829,220**	**9,238,212**	-	**31,067,432**
Charge for the year	6,176,843	2,230,849	-	8,407,692
Disposal during the year	(9,833)	(48,345)	-	(58,178)
Adjustment during the year	-	(56,179)	-	(56,179)
As at 31st December, 2023	**27,996,230**	**11,364,537**	-	**39,360,767**
Net book value				
As at 31st December, 2023	**77,322,738**	**12,995,697**	**1,608,589**	**91,927,024**
As at 31st December, 2022	**82,155,233**	**14,981,927**	**517,310**	**97,654,470**

4 Right-of-use asset

	Right-of-use asset USD	Total USD
Cost		
At 1st January, 2022	8,179,131	8,179,131
Additions during the year	-	-
As at 31st December, 2022	**8,179,131**	**8,179,131**
Additions during the year	-	-
As at 31st December, 2023	**8,179,131**	**8,179,131**
Accumulated depreciation		
At 1st January, 2022	1,635,825	1,635,825
Charge for the year	545,275	545,275
As at 31st December, 2022	**2,181,100**	**2,181,100**
Charge for the year	545,275	545,275
As at 31st December, 2023	**2,726,375**	**2,726,375**
Net book value		
As at 31st December, 2023	**5,452,756**	**5,452,756**
As at 31st December, 2022	**5,998,031**	**5,998,031**

5 Accounts and other receivables

	2023 USD	2022 USD
Accounts receivables	43,533	226,187
Less: Provision for doubtful debts	8,192	-
	35,341	**226,187**
Prepaid expenses	331,904	307,043
Other deposits	37,105	37,030
Duties and taxes	226,487	834,934
Other receivables	161,127	164,215
	791,964	**1,569,409**

6 Loan and advances

	2023 USD	2022 USD
M/s. MPT Commodities Ltd	-	16,394,706
M/s. Mercuria Energy Trading Inc	99,212	-
	99,212	**16,394,706**

7 Cash and cash equivalents

Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

	2023 USD	2022 USD
Cash at banks:		
FAB-AED	119,783	143,707
FAB-USD	839,928	676,047
Cash in hand	4,163	9,829
	963,874	**829,583**

8 Other reserve

	2023 USD	2022 USD
Opening balance	85,738,187	85,738,187
Trasferred during the year		-
	85,738,187	**85,738,187**

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ABDULLA AL MARZOOQI CHARTERED ACCOUNTANTS

9 Retained earnings

	2023 USD	2022 USD
Opening balance	(30,205,277)	(30,364,807)
Total comprehensive (loss)/income for the year	(995,644)	159,530
	(31,200,921)	**(30,205,277)**

10 Lease Liabilities

	2023 USD	2022 USD
Non-current	5,790,839	5,778,635
	5,790,839	**5,778,635**
Current	470,928	507,151
	470,928	**507,151**

11 Borrowings

	2023 USD	2022 USD
Non current:		
Term loan	36,468,965	42,500,000
	36,468,965	**42,500,000**
Current:		
Term loan	-	16,541,575
	-	**16,541,575**

12 Accounts and other payables

	2023 USD	2022 USD
Accounts payables	157,196	600,613
Provisions and accruals	1,322,086	729,413
Advance from customers	387,537	130,889
Deposit from customers	100,013	125,013
	1,966,832	**1,585,928**

13 Revenue

	2023 USD	2022 USD
Revenue from Service in Oil Storage	25,467,505	18,301,345
	25,467,505	**18,301,345**

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14 Cost of revenue

	2023 USD	2022 USD
Direct cost	3,716,444	4,464,623
	3,716,444	**4,464,623**

15 Administration expenses

	2023 USD	2022 USD
Staff cost (Note 16)	706,626	653,584
Baddebts	8,192	-
Legal, visa and professional expenses	28,107	35,676
Safety and maintenance	33,980	33,978
Rent and insurance expenses	1,911	1,998
Other expenses	76,102	73,175
	854,918	**798,411**

16 Staff cost

	2023 USD	2022 USD
Basic salary	230,315	192,303
Bonus	348,431	330,578
Other allowances	127,880	130,703
	706,626	**653,584**

17 Contingencies, commitments and litigations.

As at 31st December, 2023, the Group had no contingencies, commitments and litigations.

18 Financial instruments

Capital risk management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value. The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of equity comprising other reserve and retained earnings. The leverage ratio, determined as net debt to net debt plus equity, at the year-end was as follows:

	2023 USD	2022 USD
Debt	36,468,965	42,500,000
Cash and cash equivalents	963,874	829,583
Net debt	**35,505,091**	**41,670,417**
Net debt	35,505,091	41,670,417
Equity	54,537,266	55,532,910
Net debt plus equity	**90,042,357**	**97,203,327**
Leverage ratio	**0.39**	**0.43**

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18 Financial instruments (continued)

Risk Management

The main risks arising from the Group's financial instruments are market risk, interest rate risk, foreign currency risk, liquidity risk, credit risk and capital management risk. No changes were made in the risk management objectives and policies during the year ended 31st December, 2023 and 31st December, 2022 The management of the Group reviews and agrees policies for managing each of these risks which are summarized below.

a). Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market price whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities Accountsd in the market. the Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from its operating activities.

i). Foreign exchange risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including expenses are in USD, the Group is not exposed to a significant exchange rate risk.

ii). Interest rate risk

Significant financial instruments, other assets and other liabilities of the Group as at 31st December, 2023 are not interest based.

b). Credit risk

Credit risk is the risk that a counterparty will not meets its obligations under a financial instrument or customer contract, leading to financial loss.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Individual risk limits are based on management's assessment on a case-by-case basis and further concentration of credit risk is diluted by securing post-dated cheques from customers based on risk applicability.

The Group limits its credit risk with regard to bank deposits by only dealing with reputable banks. With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

c). Liquidity risk

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitment associated with financial instruments. Liquidity risk may result from an inability to sell a financial assets quickly at close to its fair value.

The Group manage liquidity risk through ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilization of borrowing facilities are monitored, including the need for additional borrowings, as required.

19 Fair value of financial instruments

The Group's assets are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the Group's financial instruments is not materially different from the carrying value at 31st December, 2023.

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20 Financial instruments by category

	2023 USD	2022 USD
Financial assets:		
Loan and advances	99,212	16,394,706
Accounts and other receivables (excluding prepaid expenses)	460,060	1,262,366
Cash and cash equivalents	963,874	829,583
	1,523,146	**18,486,655**
Financial Liabilities:		
Lease liabilities	6,261,767	6,285,786
Borrowings	36,468,965	59,041,575
Accounts and other payable (excluding advance from customers)	1,579,295	1,455,039
	44,310,027	**66,782,400**

For the purpose of the financial statement disclosure, non-financial assets amounting to USD 331,904/- (Prepaid expenses) (2022: 307,043) have been excluded from Accounts and other receivables and non-financial liabilities amounting to USD 387,537 (Advances) (2022: 130,889) have been excluded from Accounts and other payables.

21 Comparative figures

Previous year's figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the Group have been rounded off to nearest USD 1/-.

The notes on pages 8 to 18 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 30th January, 2024.

For MARINE OIL TERMINAL CORP. & ITS BRANCH

Authorized Signatory

The report of the Auditors is set on pages 1 to 3.

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