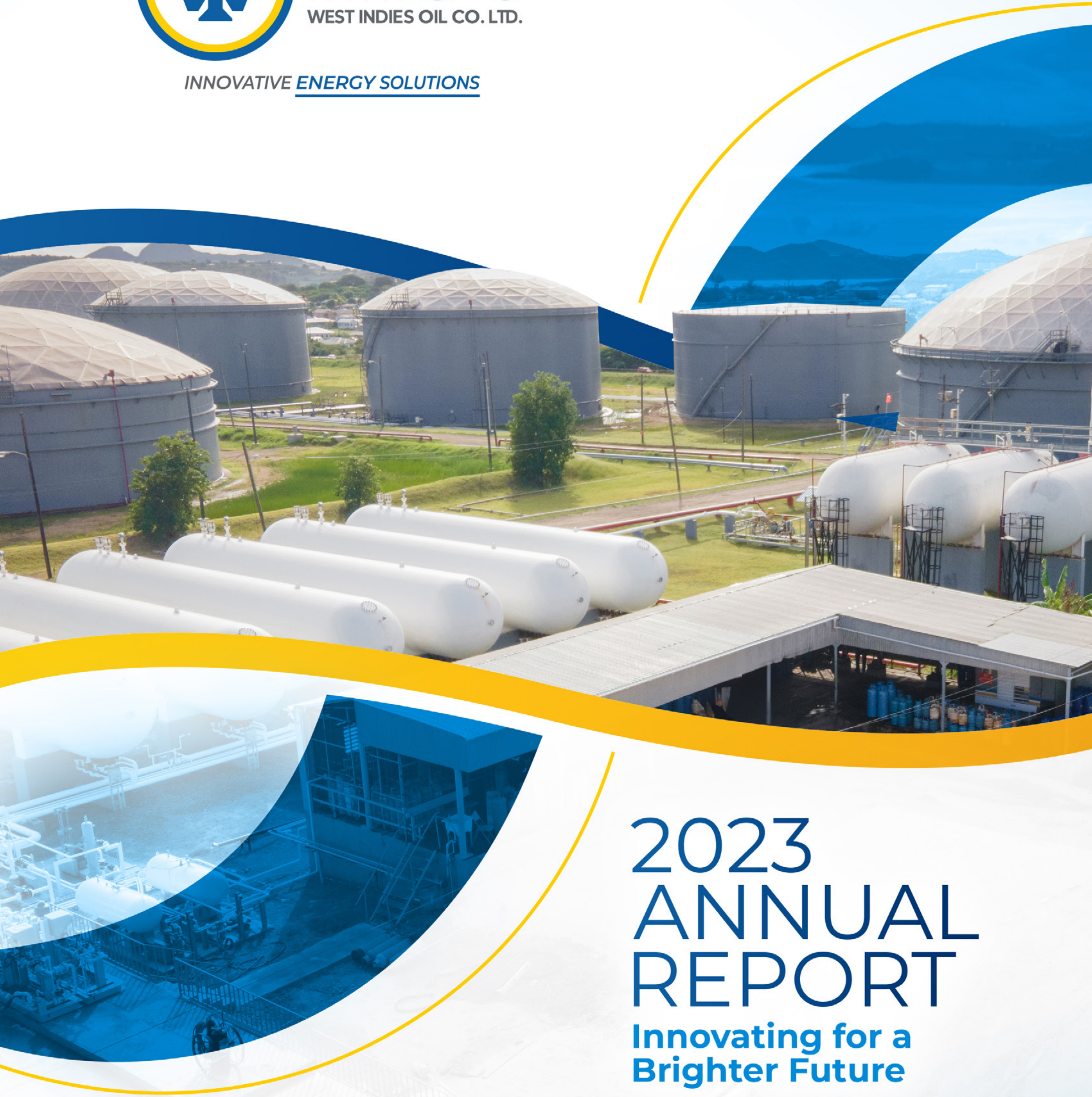
WIOC
WEST INDIES OIL CO. LTD.
INNOVATIVE ENERGY SOLUTIONS



2023 ANNUAL REPORT

Innovating for a Brighter Future

VISION & MISSION

To be the premier storage and energy products provider in Antigua and Barbuda, Dominica and the rest of the Eastern Caribbean.

OUR PROMISE TO OUR SHAREHOLDERS

To guarantee shareholders' value, WIOC will relentlessly strive for:

- The provision of high-quality petroleum products & storage services in a safe, environmentally sustainable & ethical manner.
- Continuous operational excellence & client satisfaction
- Enhanced capacity and consistency in delivering outstanding results
- Efficiency & innovation to achieve strategic goals
- The fine-tuning of a team focused on collaboration, professional development & high performance
- An improvement in the social, economic & cultural vitality of the communities in which we operate.

OUR STRATEGIC DIRECTION

Revenue Growth and Diversification, Optimized operations and Enhanced Talent delivering premium returns on shareholder equity.

CORE VALUES

We thrive on performance, proficiency & professionalism. It is the foundation of our success over the past half century, but we are more than that. WIOC is constantly assessing not only what we do, but how we do it. The five values which guide what we do are non-negotiable; they constitute our ethos. They are not only what we say, they're who we are:

SAFETY · INTEGRITY · RELIABILITY · INNOVATION · EXCELLENCE

These are the pillars on which we have built our brand, & why our name is synonymous with quality around the region. We are best-in-class because adherence to the highest ethical standards is the foundation for our competitive strength. We never sacrifice our values on the altar of expediency.

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CORPORATE INFORMATION

ANTIGUA

REGISTERED OFFICE

WIOC Terminal
Friars Hill Road
St. John's, Antigua
West Indies
Tel: 1 (268) 462-0141/0142
Fax: 1 (268) 462-0543
E-mail: corporate@westindiesoil.com
Website: www.westindiesoil.com

DOMINICA

Canefield Roseau, Dominica
Tel: 1 (767)449-1353

SHARE REGISTRY

EASTERN CARIBBEAN CENTRAL SECURITIES DEPOSITORY

P.O. Box 94, Bird Rock
Basseterre, St. Kitts and Nevis
West Indies

ATTORNEYS-AT-LAW

CORT & CORT

Fitzgerald House, 2nd Floor.
44 Church Street
P.O. Box 2010
St. John's, Antigua
West Indies
Tel: 1 (268) 462-5232/5233

ATTORNEYS-AT-LAW (CONT'D)

GAIL PERO

Westlin Chambers
Independence Drive
P.O. Box 2810
St. John's, Antigua
West Indies
Tel: 1 (268) 462-4444

AUDITORS

BDO ANTIGUA AND BARBUDA

Cnr. Factory Road and Carnival Gardens
St. John's
Tel: 1 (268) 462-8868/9
Fax: 1 (268) 462-8808

WIOC DASHBOARD 2023

PRIMARY BUSINESS

- STORAGE, DISTRIBUTION AND MARKETING OF PETROLEUM PRODUCTS
- REAL ESTATE DEVELOPMENT
- FUEL BUNKERING

ANNUAL TURNOVER

FOR THE YEAR ENDED DECEMBER 31, 2023

EC$508 MILLION

US$188.15 MILLION (EQUIVALENT)
NB: US$1 = EC$37 CENTS

HEAD COUNT

110 FULL TIME

6 PART TIME

GEOGRAPHICAL LOCATIONS
(EASTERN CARIBBEAN)

- Antigua Parent Company
- Head Office and Oil and Gas Terminal
- 9 Friars Hill Road, St. John's, Antigua
- Marine Office at St. John's Harbour
- Offshore berthing at Dickenson Bay Antigua
- Dominica Branch: Canefield Terminal, Roseau Dominica

MARKETING

- Average annual sales volume of 1,569 million barrels (2019 - 2023)
- Base of over 450 customers including Antigua Public Utilities Authority, SOL Aviation, Rubis Aviation and Rubis West Indies Limited
- Primary products distributed are gasoline, low and high sulfur diesel, fuel oil and LPG

CORPORATE STRUCTURE

- Limited Liability Company
- Stock traded on the Eastern Caribbean Securities Exchange
- Board of Directors appointed by shareholders
- Executive Officers (CEO, CHRO, CFO, COO) appointed by Directors
- Incorporated in 1961 under the Antigua and Barbuda Company's Act
- Continued under the amended act of 1995

TERMINAL FACILITY

Main Terminal Antigua Capacity
1.7M Barrels

Main Terminal Dominica Capacity
10.6K Barrels

MARINE BERTHS

- Fixed Base Jetty
- Multi-Buoy Mooring (MBM) Jetty

BERTHING CAPACITY

- Maximum vessel size 184.5 meters LOA
- Maximum vessel displacement 42 thousand metric tons

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

INTRODUCTORY REMARKS

The WIOC Board of Directors thanks the management team for its steadfast and successful stewardship of the company during 2023. We are indeed proud of the commitment and skills that the Executive and the other managers have used to respond to the challenges faced during the year. We commend our employees too for their unstinting commitment even during the most contentious period of negotiations for our recently concluded collective bargaining agreement.

We are particularly proud of a unique feature of the 2021-2023 collective bargaining agreement which sets aside a significant proportion of the negotiated employee increases in a fund for employee training and development. This fund will be managed by a committee comprising employee representatives, their bargaining agent and the company's designated representatives. It is critical that we invest in our people to develop their skills for the energy jobs of the future.

There has been continued strong interest in the WIOC share on the Eastern Caribbean Securities Exchange (ECSE) from retail investors. This is a powerful endorsement of the Company's performance, and we are mindful of our obligation to meet the expectations of our investors.

The company's success is dependent on our relationships with key business partners who are integral to our operations and are valued customers. The relationships with our storage clients, inventory suppliers, customers and operations partners require consistent focus. The Board and Management have invested significant time and resources to ensuring that WIOC optimises the returns on these relationships and that our partners continue to see WIOC as a partner of choice.

REFLECTIONS ON THE 2023 FISCAL YEAR - OPERATIONAL

The operating earnings before tax of $37.5 million is the highest recorded by the Company since the fiscal year 2019. This reflects the recovery of the company's financial performance from the depressed results of the 2020 and 2021 COVID-19 pandemic years. The recovery is broadly in line with that of the Antigua and Barbuda and Dominica economies where the primary and secondary geographic locations of the company's operations are located.

OPERATING EARNINGS BEFORE TAX ↑ $37.5M

There were critical developments with key business partners which required involvement of the Board and Executive Management. Firstly, the Antigua Port Authority increased its fees for some services provided to WIOC's ship-handling and marine service department and introduced new fees resulting in a significant increase in the cost the marine ship handling services. The increases materially affected the cost of our client's doing business with WIOC. The Executive Management negotiated the reduction in some fees and the revision of the terms under which some fees will be incurred. Despite the concerns expressed by clients, the Executive Team have ensured that there was no significant loss of ship handling service clients. However, the increase in APA fees caused a loss of marine bunkering customers. The APA subsequently halved its bunkering services fee and there has been a recovery in bunkering volumes in 2024.

IMPROVED OPERATIONAL EFFICIENCY ↑

The Antigua Public Utilities Authority (APUA) in 2023 began its transition to the use of newly installed electricity generation engines which have dual liquified natural gas (LNG) and diesel use. This resulted in a reduction in the consumption of high sulfur fuel oil (HFO) and an increase in diesel consumption. There were some uncertainties in respect of the timing of the transition resulting in disruption of the company's inventory management and working capital policy. Year end inventory balances in particular for HFO and diesel were higher than average.

The company commenced the process of transforming its flagship service station to a state-of-the-art modern service station with additional catering offerings as well as charging ports for electric vehicles (EVs). The company terminated the lease with the previous dealer who took legal action against the company. The company prevailed and is now operating the station under the name WIOC Friars Hill.

Application was made to the Minister of Finance in Antigua for an increase in wholesale margins for the company's sales and distribution business segment. The application was denied. However, the company will make another attempt to get an increase from the Minister in 2024. There has been a significant increase in operating costs due to the increase in APA fees referenced earlier and general inflationary pressures since the pandemic and the commencement of the Russia-Ukraine war in 2022. Further the primary source of funding the company's capex program has been cash from operations. The increase in operating costs, the need for capex funding to maintain the safety and integrity of the company's operations combined with stagnant margins has put pressure on the company's working capital.

In Dominica on the other hand, the Ministry of Trade revised its pricing policy, resulting in a significant increase in the trading margins and the highest earnings after tax for the last ten years in fiscal year ended December 31, 2023. Indeed, the Dominica branch reported losses after tax for several years due to the unfavorable official price buildup. The improved wholesale margins and organic volume growth resulted in higher net income after tax in comparison to under $200K in 2022.

The company experienced organic growth throughout the overall business operations and favourable price/cost variances in some segments/products, resulting in a 30% increase in consolidated profits after tax.

REFLECTIONS ON THE 2023 FISCAL YEAR - CSR

During 2023 the company continued its support of charitable causes and community cultural and social programs. Spending increased over 2022 by 28%. The company continues to make significant contributions to charitable requests for medical support as well as longstanding cultural and community programs.

Expenditure on employee training increased by 118% and the 2024 training program is projected to be at least double the 2023 spend. This spending is the result of the Company's intentional program to invest in employee development viewed as the third column of its three-part complementary strategy which also includes revenue growth and business process optimization.

The Board's primary role is to review, approve and monitor the implementation of the strategic program developed by Executive Management.

STRATEGIC OUTLOOK

The key imperative facing the Board and Executive Management is the balancing of the need for significant capital expenditure to preserve the safety and integrity of operations and lay the foundation for future growth necessary for business sustainability with the need to maintain the required rate of return expected by investors.

The Board approved the Executive Management' five-year strategy for 2024-2028. The strategic plan's stated purpose is "Revenue growth and diversification, optimised business processes and enhanced people talent delivering premium returns on shareholder equity".

The plan sets out strategic objectives, and key performance indicators for the each of the three strategic columns:

1. Revenue growth and diversification
2. Optimised business processes
3. Enhancing our people's talent.

The Board is satisfied that this plan incorporates the vision and necessary action plan to successfully navigate an industry facing unprecedented changes and an international and regional economy in which unprecedented developments are happening more frequently.

RAÚL LICAUSI
Chairman

HILROY R HUMPHREYS
Director

"The strong recovery from the pandemic is reflected in WIOC's earnings for the year ended December 31, 2023, with net income before taxes of $37,549,627 reaching its highest level since 2019."

Gregory Georges
CHIEF EXECUTIVE OFFICER

STRATEGIC OBJECTIVES

	2023		2028
CLIENTS SERVICES OPERATING INCOME			
	$41.68 Million **40%** of operating income	1.58X	**$65.76** Million **54%** of operating income
TOTAL OPERATING INCOME			
	$104.11 Million **98%** From core energy businesses **0%** From Renewable Energy **2%** From Non - Energy businesses		**$120.83** Million **85%** From core energy businesses **4%** From Renewable Energy **11%** From Non - Energy businesses
PROFIT BEFORE TAX			
	$37.55 Million	1.15X	**$43.03** Million
EQUITY LISTING AND QUALITY OF WIOC SECURITIES			
	Listed on the Eastern Caribbean Securities Exchange [ECSE]		Crosslist On The Jamaica Stock Exchange [JSE] & Trinidad & Tobago Stock Exchange [TTSE]

Inspire employees to strive for personal growth, improve their lives, build wealth, and accomplish shared objectives.

ESG

Employee training expenditure up 61%.

Donations to CSR programs up over 100 %.

In 2023 WIOC made a major contribution to the Adele School for children with disabilities.

WIOC also contributed much needed laboratory equipment to three secondary schools.

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

WIOC is an energy company whose core business is the storage and distribution of petroleum products. Management is satisfied that the Company's dominant market position in Antigua and Barbuda and its strong retail base in the Commonwealth of Dominica will provide the basis for future organic growth as well as the financial foundation for acquisitions and investments either consistent with its core business or in renewable energy opportunities.

WIOC's management is responsible for this discussion and analysis report as well as the financial statements and the accompanying notes to the financial statements. Management's discussion and analysis complements the financial statements and the auditor's report thereon.

WIOC provides storage and ancillary marine services and laboratory attestation services to various regional petroleum product suppliers at its Friars Hill Road terminal in Antigua and Barbuda. The company also has significant real estate reported on its Balance Sheet as Investment Property and Property Held for Development and Sale.

In addition, the company is the sole importer and distributor of gasoline, diesel, jet fuel, liquified petroleum gas (LPG), and heavy fuel oil to the Antigua and Barbuda market. It also has the largest retail distribution network for gasoline and diesel in Dominica.

The revenue generating storage and ancillary marine and lab attestation services; and the sales and distribution segments are supported by corporate services comprising executive administration, human resources, finance, information technology, marketing and procurement departments. Engineering, maintenance and terminal operations also support the revenue generating business segments.

Management's outlook is based on analysis and research which confirms that demand for energy required for all facets of life is forecast to grow in the near and long term. WIOC will therefore position itself to take advantage of investment opportunities which deliver the required rate of return for its investors.

BUSINESS ENVIRONMENT

RECENT DEVELOPMENTS

Antigua and Barbuda and Dominica are members of the Eastern Caribbean Currency Union (ECCU). The ECCU comprises Organisation of Eastern Caribbean States (OECS) countries for which the Eastern Caribbean Dollar (ECD) is the common currency. The ECD is pegged to the US dollar at an official rate of 1 USD = ECD 2.7169.

The International Monetary Fund (IMF) Article IV consultation report for the year ended December 31, 2023, issued in April 2024, states as follows with respect to recent developments in the ECCU:

"The region registered strong tourism led growth in 2021-2023 to its pre-pandemic output levels. GDP growth over 2021-2023 averaged 6.9% in the ECCU. Total tourist arrivals had reached pre-pandemic levels by 2023 except in Dominica, St. Kitts/Nevis and Montserrat, which reopened later and are expected to fully recover in 2024. Tourist arrival data through the end of 2023 point to another strong winter tourist season. Besides tourism, the economic recovery was also aided by public and private (FDI supported) investment, supporting construction activity".

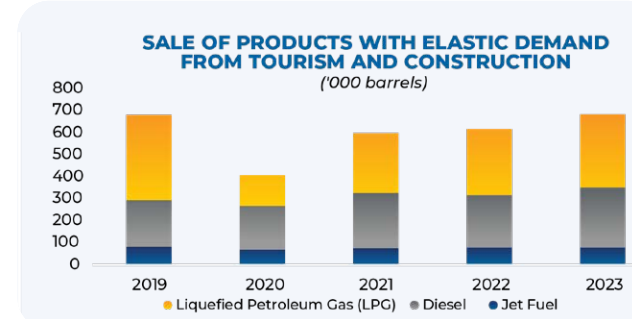
The strong recovery from the pandemic is reflected in WIOC's earnings for the year ended December 31, 2023, with net income before taxes of $37,549,627 reaching its highest level since 2019. Recovery from the pandemic slump occurred across all segments of the business. However, the recovery has been strongest for products and business segments with high elasticity of demand from the tourism and construction industries.

Figures 1 and 2 show the relevant trends over the years 2019 to 2023.

FIG. 1 | 2019-2023 SALES VOLUME TRENDS

BUSINESS SEGMENT	FOR THE YEAR ENDED DECEMBER 31ST 2019	2020	2021	2022	2023
Liquefied Petroleum Gas (LPG) *(sales volume in '000 barrels)*	82	69	76	79	79
Diesel *(sales volume in '000 barrels)*	213	200	250	238	273
Jet Fuel *(sales volume in '000 barrels)*	386	139	274	301	333

FIG. 2 | 2019-2023 SALES DEMAND TRENDS



LONG TERM OUTLOOK

The IMF article IV consultation report's Outlook and Risk section points out that:

"…with output largely recovering to pre-pandemic levels, growth is projected to decelerate towards the pre-pandemic average in the medium term. The slowdown reflects countries approaching full export and production capacity and continued restoration of public and private Balance Sheets."

The report also stated that "*risks are tilted to the downside due to:*

i. *Heavy dependence on uncertain Citizenship by Investment (CBI) inflows.*
ii. *Susceptibility to global risks that can trigger a slowdown in tourism source countries.*
iii. *Susceptibility to global commodity price instability.*
iv. *Susceptibility of foreign direct investment (FDI) flows to global financial instability."*

WIOC's management considers this outlook and risk profile as potentially limiting rather than prohibitive to the Company's growth forecast and long-term sustainability. This assessment of growth potential and risk susceptibility is centered on the outlook for energy demand in the medium and long-term.

The International Energy Agency (IEA) World Energy Outlook 2023 Report says thus of the future of energy supply in Latin America and the Caribbean (LAC):

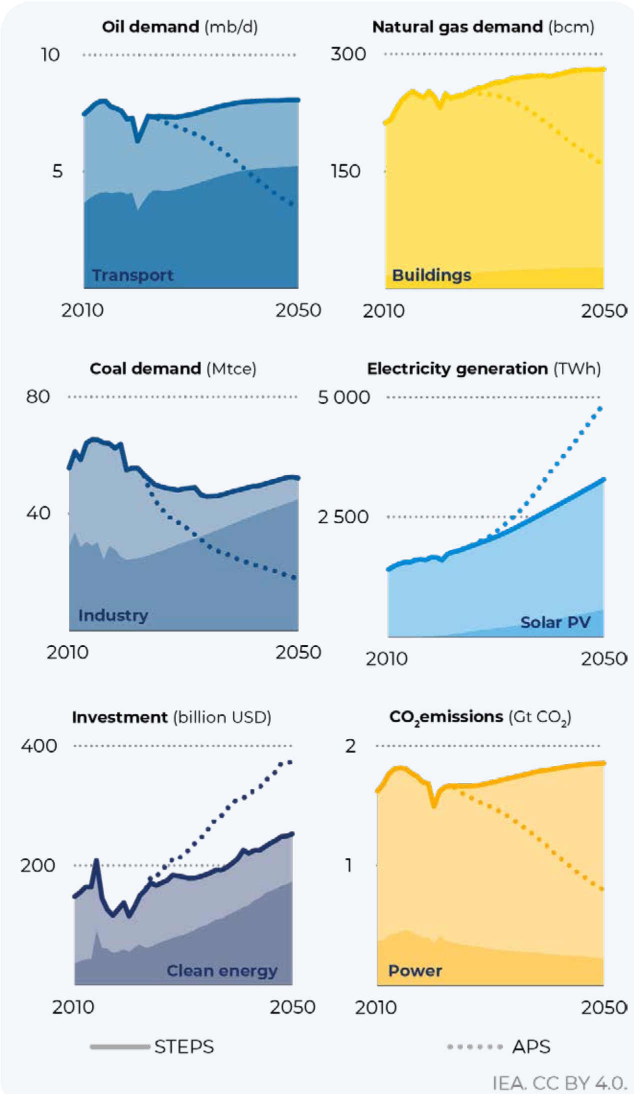
"Total energy supply in Latin America and the Caribbean is to increase as result of population and economic growth. In the Stated Energy Policy Scenarios (STEPS) energy supply increases by 10% from 2022 to 2030 and by 35% by 2050, with the share of supply that comes from fossil fuel decreasing slightly as deployment of renewables increases. The slight decrease in the share of fossil fuels in energy supply is not enough to prevent energy related CO2 emissions in the region from rising 10% higher than current levels in 2050."

The increase in CO2 emissions, however, should be considered in the context that LAC accounts for only 8% of the world's population and that while energy accounts for about less than half of total GHG emissions in the region, agriculture and land use change play an outsize role, and they are responsible for 20% and 25% of total GHG emissions. It follows therefore, that implementation of effective policies to mitigate the combined 45% total GHG emissions from agriculture and land use change can offset the regional forecast 10% rise by 2050 in GHG emissions from energy use.

Figure 3 shows the IEA's trend for energy supply and use over the period 2010 to 2050, comparing the Stated Energy Policy Scenarios (STEPS) with the Announced Pledges Scenarios (APS). WIOC's strategic objective is to capitalise on opportunities irrespective of how close to the STEPS or APS are the actual trends in energy supply and consumption for fossil fuels or renewables.

WIOC's Management is of the view that the regional trends will hold closer the APS than the STEPS in the short to medium term 2023 to 2035 and move close to the APS trends in the long run. Either way, the forecast increase in demand for energy presents opportunities for sustainable growth for WIOC over the forecast period covered for the IEA report through to 2050.

FIG. 3 | KEY ENERGY AND EMISSIONS TRENDS IN LATIN AMERICA AND THE CARIBBEAN, 2010-2050

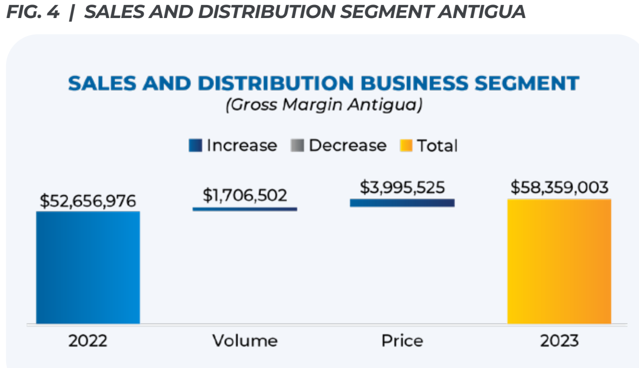


BUSINESS RESULTS

FUEL SALES AND DISTRIBUTION

GROSS MARGIN – ANTIGUA

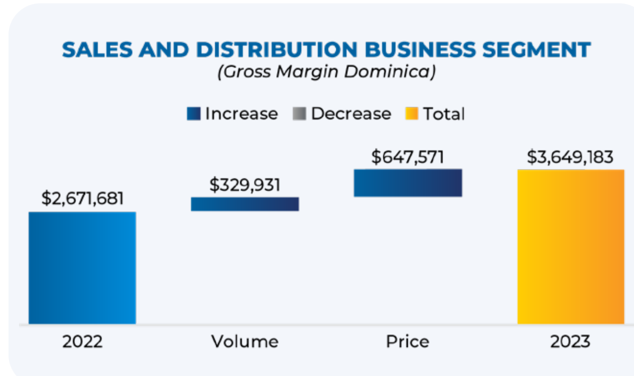
FIG. 4 | SALES AND DISTRIBUTION SEGMENT ANTIGUA



Increased diesel sales to the Antigua Public Utility Authority and to the yachting marinas are the primary drivers of the volume variance. Lower LPG costs and the diesel sales at commercial (unregulated) prices are the primary divers of the price variance.

GROSS MARGIN – DOMINICA

FIG. 5 | SALES AND DISTRIBUTION SEGMENT DOMINICA

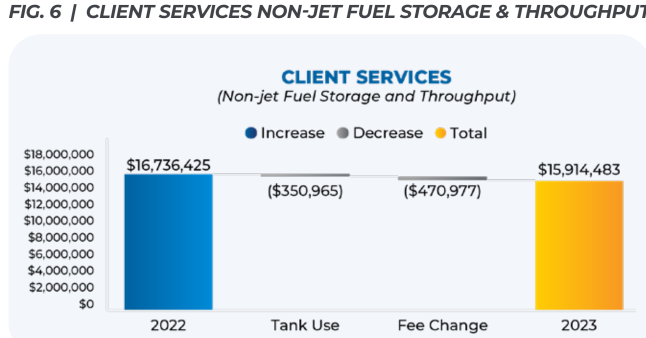


The price variance is the result of the of a revised price build-up issued by the Dominica Ministry of Trade. The revised price build increased the wholesale margin allowance to the Petroleum products marketing companies. The volume increase reflects the continued expansion of economic activity following the slow-down of the pandemic years 2020 to the first half of 2022. Dominica was one of the three OECS countries to re-open later than average after the peak pandemic years 2020 - 2021.

CLIENT SERVICES

Non-Jet Fuel Storage and Throughput

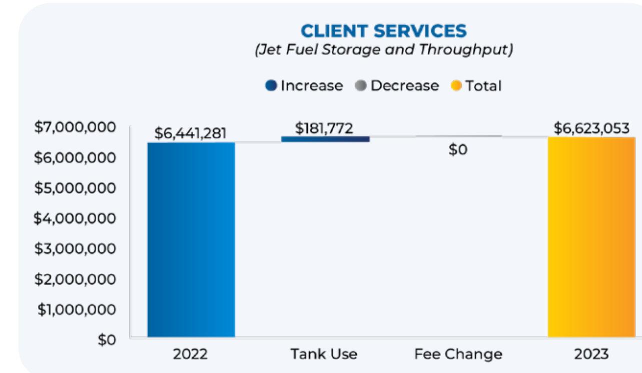
FIG. 6 | CLIENT SERVICES NON-JET FUEL STORAGE & THROUGHPUT



The reduction in non-jet fuel storage and throughput is the result of tank maintenance repairs, causing rentable storage to be unavailable. In addition, throughput fees from non-jet fuel clients are lower, due to the end of a major throughput contract agreement in first half of 2023.

JET FUEL STORAGE AND THROUGHPUT

FIG. 7 | CLIENT SERVICES JET FUEL STORAGE & THROUGHPUT



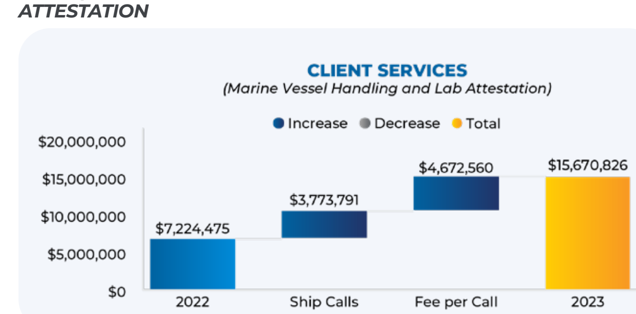
The increase in jet fuel fees is the result of an 8% increase in throughput volumes year on year.

CLIENT SERVICES

Marine vessel handling and lab services

Ship calls increased by 32% from 186 in 2022 to 245 calls in 2023. Higher demand for marine ship handling services as well as the increased use of the multi-buoy mooring berth as a supplement to the primary berth at the Sea Island Jetty by clients led to the increase in calls. There was a significant increase in the Antigua Port Authority (APA) fee tariffs which are rebilled to clients during the year. This accounted for the increase in fees charged per vessel by $25K per vessel call. It should be noted that these fees are recorded as expense by WIOC and rebilled. Only the incremental revenue from additional vessel calls which positively impacts net income.

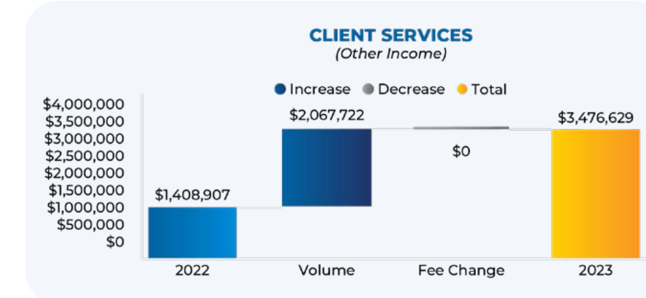
FIG. 8 | CLIENT SERVICES MARINE VESSEL HANDLING AND LAB ATTESTATION



Other Income

Marine vessel bunkering increased by $1.1 million and there was a fair value adjustment to investment property of $1.3 million arising from the requirements of the International Financial Reporting Standard on Investment Property – IAS 40.

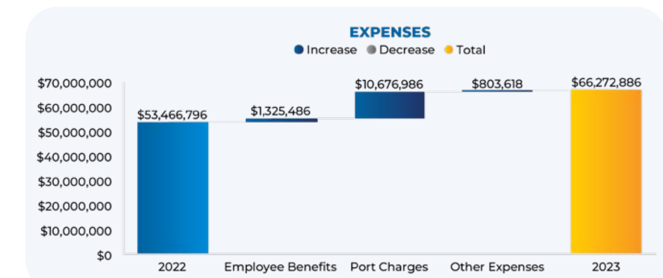
FIG. 9 | CLIENT SERVICES OTHER INCOME



BUSINESS RESULTS

Expenses

FIG. 10 | EXPENSES



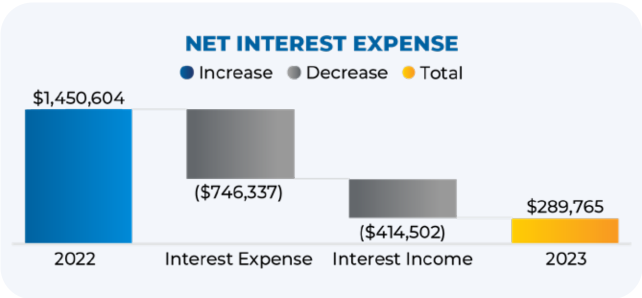
The Port Charges expense increase is the result of higher tariffs for some services provided by the Antigua Port Authority and the introduction of new fees for vessels berthing at the Company's Multi-Buoy Mooring facility. It should be noted that most of the APA tariff fees are recovered by redistributing the charges to customers. The net increase in expense after deducting the increase in amounts rebilled to customers is $3,046,731.

In addition to higher APA tariffs, the increase in Port Charges expense cost is also driven by the increase in marine activity as evidenced by the 32% increase in ship calls in 2023 over 2022 referenced earlier in the discussion.

The increase in Employee Benefits is mainly due to the higher payroll and benefits costs arising from the conclusion of employee union negotiations for the collective bargaining agreement contract for the period 2021 to 2023.

The net increase in expenses other than Port Charges and Employee Benefits reflects the impact of inflation on the procurement of goods and services for company operations. Some expense lines are marginally higher while others are lower. However, the general trend is towards higher prices, in particular for materials and small tools of which steel is a key component used in repairs and maintenance.

FIG. 11 | NET INTEREST EXPENSE AND FINANCE COSTS

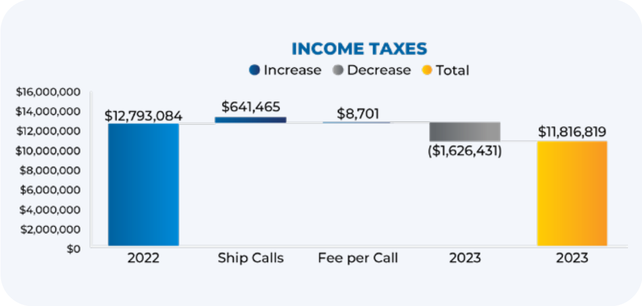


Lower interest expense is the result of the winding down of the company's two outstanding term loans from 2017 and 2021. The interest on the loans is calculated on the declining principal balance. The term loans expire in July 2024 and April 2025.

Interest income is higher due to the Company's investment in a $5 million loan security traded on the OECS Reginal Securities Market (RSM).

Income Tax

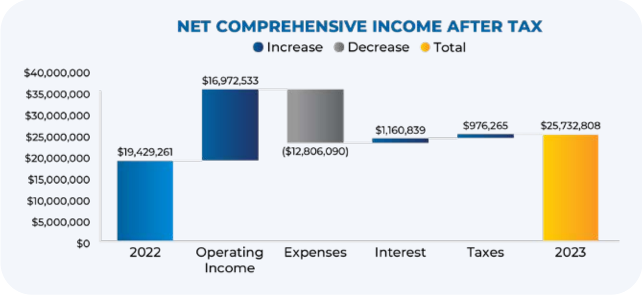
FIG. 12 | INCOME TAX



The Government of Antigua and Barbuda introduced a windfall Tax on Net Income measure to fund the University of the West Indies Five Island Campus. The initial legislation had a sunset provision for the end of the new tax on December 31st, 2020. Although the government announced its intention to extend the new tax beyond 2020, legislation authorising the extension was not enacted by Parliament until 2022. The new legislation made the tax effective with a retroactive date of January 1st, 2021.

The unusually high figure of $4.5 million for the special tax in 2022 includes the retroactive amount due in respect of 2021.

FIG. 13 | NET COMPREHENSIVE INCOME AFTER TAX



Gross margins exceed the prior year by $6.5 million due to higher volumes and favourable price variances. Client services income exceed prior year by $9.87 million, most of the increase is the result of marine vessel handling services which accounted for $8.45 million of the increase.

Expenses are higher due to increased APA tariffs on the marine vessel handling services, employee benefits and the impact of inflation on operating costs.

Net interest expense is lower due to the winding down of term loans due to expire in 2024 and early 2025 and the interest income from investments in loan securities.

Taxes expenses are lower because the 2022 special tax on income includes retroactive charges for 2021.

The net income for the year ended December 31, 2023, of $25.78 million is the Company's highest since 2019.

CAPITAL ADEQUACY AND LIQUIDITY

The total debt to total assets ratio is 41%, 2022 (40%). In addition, current assets exceed total liabilities by $6.732 million, 2022 ($9.26 million). This is the result of the near completion of loan payments for the tank farm build-out term loan of $45 million and the 2021 term loan of 16.2 million. The final installment payment on the former is due July 2024 and for the latter, the final payment is due April 2025.

Further, the company's modified quick ratio for assessing liquidity is a satisfactory 0.91:1, 2022 (0.89:1).

The modified quick ratio excludes receivables with longer terms, which typically take in excess of 60 days from delivery date to collect, from current assets, and the current portion of term and demand loans from the current liabilities.

Although capital adequacy and liquidity are adequate, there is some exposure to short term shocks due to the funding of capital expenditure and financing commitments for dividends and loan repayments primarily from operating cash flows over the years. To mitigate this risk, the Company will adopt a policy of matching capital project expenditure with term loan funding or new equity funding going forward.

FORWARD-LOOKING STATEMENTS

Projections on financial and economic data presented in this Management Discussion and Analysis, are provided for informational purposes and no guarantee is made regarding the accuracy of such projections or that they will be realized. In some cases, projections are provided by third parties and while Management believes these projections to be accurate and reliable, no guarantee is given regarding their accuracy or reliability.

Any opinion expressed in this report constitutes the Management's judgement at the time of preparation and is subject to change. Management's judgement does not constitute any form of advice or recommendation to investors. The Company therefore will not be liable for any direct or indirect losses suffered by investors due to reliance on the presented information in making any decision. Investors are recommended to make enquiries and seek advice regarding the information provided in this report from individuals licensed by the Eastern Caribbean Securities Exchange Commission (ECSRC) to provide such financial advice, before making any investment decision.

WIOC OPERATIONAL PERFORMANCE REVIEW

TOTAL REVENUE
EC$508 MILLION

WHERE WE EARN

- CUSTOMERS IN ANTIGUA 60%
- CUSTOMERS IN DOMINICA 4%
- OTHER REGIONAL AND INTERNATIONAL CUSTOMERS ... 36%

61% EMPLOYEE TRAINING EXPENDITURE

100% DONATIONS TO CSR PROGRAMMES

HOW WE EARN

- SALES AND DISTRIBUTION ANTIGUA AND BARBUDA 56%
- TERMINALING AND SHIP HANDLING SERVICES 28%
- AVIATION SERVICES 6%
- SALES AND DISTRIBUTION DOMINICA 4%
- LABORATORY SERVICES 2%
- OTHER SERVICES 4%

FINANCIAL PERFORMANCE OVERVIEW

GROSS PROFIT
$62.43 Million — 13%

NET OTHER OPERATING INCOME
$41.68 Million — 31%

NET PROFIT BEFORE TAX
$37.55 Million — 17%

NET PROFIT AFTER TAX
$25.73 Million — 32%

EARNING PER SHARE
$4.42 — 32%

OPERATIONAL PERFORMANCE OVERVIEW

TOTAL TERMINAL THROUGHPUT
15.5 Million Barrels — 44%

TOTAL NON-AVIATION SALES ANTIGUA
1.29 Million Barrels — 3%

TOTAL NON-AVIATION SALES DOMINICA
94 Thousand Barrels — 1%

AVIATION SALES
308 Thousand Barrels — -4%

MARINE VESSEL CALLS
246 Calls — 32%

WIOC FIVE-YEAR FINANCIAL REVIEW

FIG. 14 | BALANCE SHEET SUMMARY 2019-2023

FIVE-YEAR BALANCE SHEET SUMMARY - (EC$'000)

ASSETS	2019	2020	2021	2022	2023
CURRENT ASSETS	$132,632	$139,956	$174,848	$180,241	$189,938
NON-CURRENT ASSETS	$235,181	$233,311	$244,459	$256,270	$275,863
TOTAL ASSETS	**$367,813**	**$373,267**	**$419,307**	**$436,511**	**$465,801**
LIABILITIES					
CURRENT LIABILITIES	$83,040	$94,875	$113,548	$146,189	$157,080
LONG-TERM LIABILITIES	$36,750	$29,013	$52,035	$29,050	$34,437
SHAREHOLDERS' EQUITY	$248,023	$249,379	$253,723	$261,272	$274,284
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$367,813**	**$373,267**	**$419,307**	**$436,511**	**$465,801**

FIG. 15 | CASH FLOW AND CASH BALANCE 2019-2023

CASH FLOW AND CASH BALANCE 2019 - 2023
(EC$ '000)

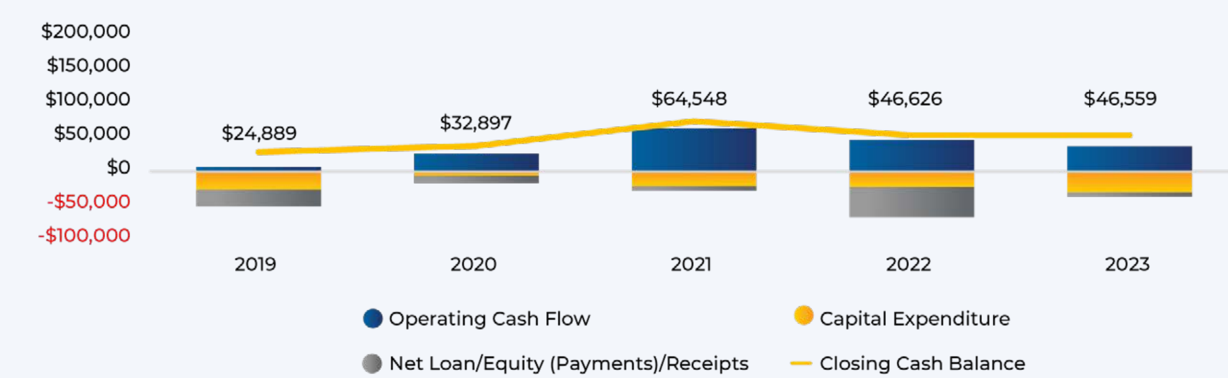


FIG. 16 | OPERATING INCOME 2019-2023

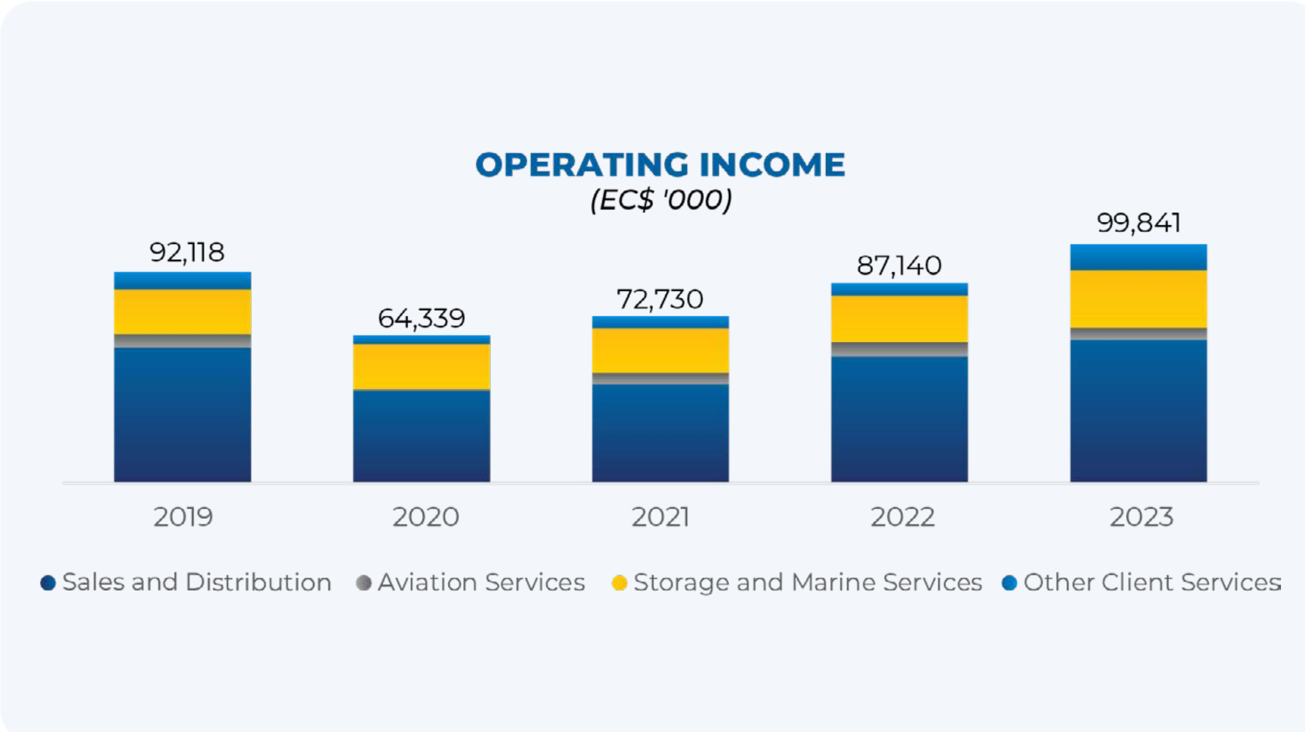


FIG. 17 | PROFIT MARGIN 2019-2023

FIG. 18 | OPERATING EXPENSES 2019-2023

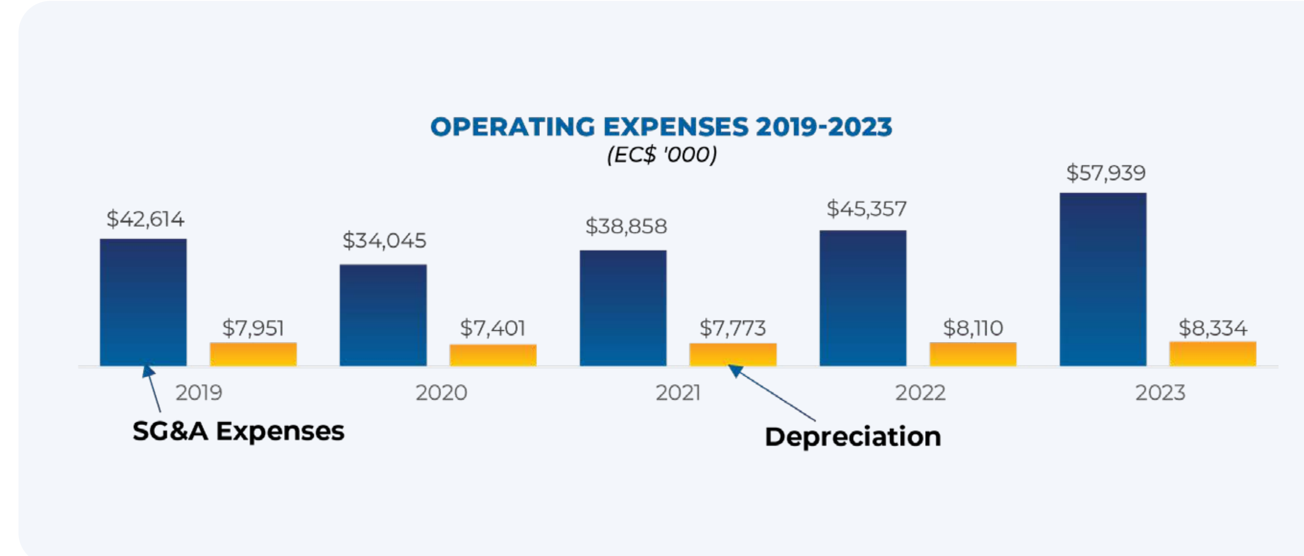
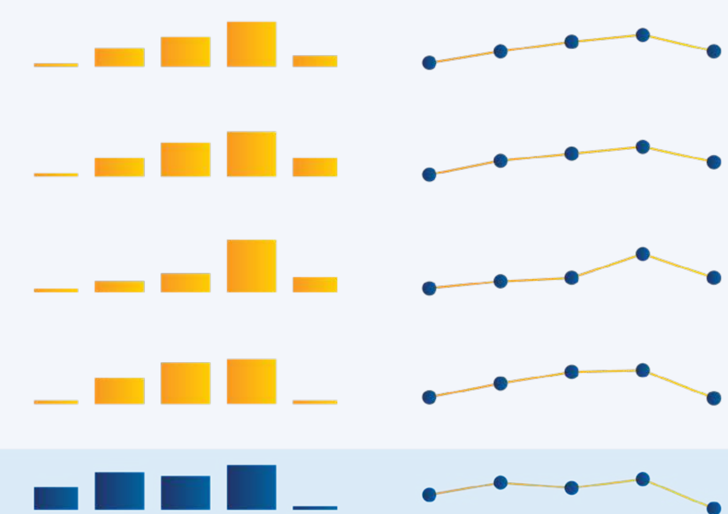


FIG. 19 | HISTORICAL 5-YEAR PERFORMANCE

FIVE-YEAR PERFORMANCE (EC$ '000)

	5-YR. AVERAGE	TREND
OPERATING INCOME	$84,088	
OPERATING EXPENSES	$51,676	
INTEREST AND TAXES	$11,460	
PROFIT MARGIN	$20,591	
PROFIT MARGIN (%)	5.4%	



WIOC
WEST INDIES OIL CO. LTD.
INNOVATIVE ENERGY SOLUTIONS

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Companies Act 1995, Section 141

THE MEETING

Notice is hereby given of the Annual General Meeting of shareholders of The West Indies Oil Company Limited to be held at the John E St. Luce Finance and Conference Centre on Factory Road, St. John's, Antigua; and virtually via live stream to all shareholders of record as of September 20th, 2024. The meeting will be held on Thursday October 10th, 2024, at 4:00 PM.

AGENDA

1. To receive the financial statements for the fiscal year ended December 31st, 2023.
2. To receive and consider the report of the directors on the financial statements.
3. To receive and consider the report of the auditors on the financial statements.
4. To elect directors.
5. To appoint BDO Chartered Accountants as auditors of the financial statements for the year ended December 31, 2024, and authorize the directors to fix their remuneration.
6. To authorise the directors to solicit tenders for the audit of the financial statements for the fiscal year ended December 31, 2025, and recommend to the members the auditor for the said fiscal year.
7. To discuss any other business that may be given consideration at an Annual General Meeting as permitted by the bylaws of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

DATE	NAME AND TITLE	SIGNATURE
September 06th, 2024	Carlton Bramble *Corporate Secretary* *The West Indies Oil Company Limited*	

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WEST INDIES OIL CO. LTD.
INNOVATIVE ENERGY SOLUTIONS

FUELING YOUR TRAVELS

1 (268) 462 0140/1 westindiesoil.com

BOARD OF DIRECTORS

CHAIRMAN
RAÚL LICAUSI
BSc. (Hons)

Chairman Raul LiCausi is the Deputy Foreign Minister to Caricom for the government of Venezuela. He has a number of years of senior diplomatic exeprience and brings the great wealth of his extensive network of contacts with influential regional political and business leaders to his role.

He has done undergraduate and postgraduate studies in International Affairs and Human Rights. He also holds a diploma in French from the Alliance Francaise De Rouen, Normandie, France.

HILROY R HUMPHREYS

Mr. Humphreys is the owner and Managing Director of GCS Bottling Ltd., one of the main distributors of potable water in Antigua and Barbuda. The company has been in operation for over 38 years.

His professional career started in 1976 as a teacher. He then joined Geo. W Bennet Brysons and Sons, then one of the premier companies in Antigua and Barbuda. He quickly moved up the ranks in the company attaining senior management positions as Office Manager, Internal Auditor and head of the bottling plant.

In 1979 he entered representative politics and became a member of parliament on his first attempt at the general elections of 1980. From then until 2005 when he retired from representative politics, he was a portfolio minister with full cabinet rank for several government ministries including Public Works, Agriculture, Trade, Health and Economic Development.

ALBERTO WAYNE MARTIN
MAI, BSc. (Hons)

Mr. Martin is a practicing Consulting Civil & Structural Engineer and a Professional General Real Estate Appraiser with over thirty three years of experience. Mr. Martin is the founder and CEO of Associated Engineers Partnership established (AEP) in 2003. AEP is a consultancy engineering firm that provides Civil, Structural, Geotechnical & Biomedical Engineering services, and professional residential and commercial appraisal consultancy.

Mr. Martin obtained a Bachelor of Science Degree in Civil Engineering and Post graduate training in Construction Management from the University of the West Indies St. Augustine.

Further, Mr. Martin also obtained his “MAI Designated Member” for real estate appraisal from the Appraisal Institute.

BOARD OF DIRECTORS
CONT’D

MARIA ANDREINA COLMENARES
MBA, BSc., LLB

Director Colmenares has had various senior administrative roles throughout her career. She is currently the General Manager of PDV Caribe St. Kitts and Nevis. She was appointed to that role in 2014. She has Bachelor of Laws and Bachelor of science degrees and a master’s in business administration (MBA).

ABENA ST. LUCE
BSc.

Ms. Abena St. Luce provides consulting services to real estate developers and contractors on high end luxury development projects. She serves on the Board of Directors of Caribbean Union Bank and actively engages in numerous charitable community projects, including mentoring, fundraising, cultural initiatives, and advocating for social issues through her weekly radio program which she produces and hosts.

She holds a B.Sc. in Architectural Technology from the New York Institute of Technology, successfully completed the Project Management Intensive Program at New York University and earned her LEED AP certification specializing in sustainable green development with an emphasis in commercial interiors.

MARIA VANESSA BROWNE
BSc (Hons.), LLB (Hons.), LPC

The Honourable Maria Vanessa Browne is the Cabinet Minister for Housing, Public Works, and Urban Renewal.

She began her political career in 2017 and won her constituency of St. John’s Rural East in the March 2018 General Election. Mrs. Browne was successful in gaining the highest number of votes, making her the youngest female to be elected to the House of Representatives.

Maria Browne holds a BSc degree in Psychology from the University of Phoenix and an LLB (Hons) Law degree from the Anglia Ruskin University.

BOARD OF DIRECTORS
CONT'D

WEIQIAN XU
BSc.

Ms. Weiqian XU is a Singaporean with over twenty years of industry experience working in the fields of pharmaceuticals, healthcare, chemistry and petroleum. She holds a BSc. in Polymer Materials from the Dalian University of Technology.

LAN YU
BSc.

Ms. Lan Yu is a Canadian Investment Manager at Manpower Services (Hong Kong) Ltd. Ms. Yu manages relationships with current and prospective partners, consultants, brokers, attorneys, and other industry contacts. She also screens and identifies potential investment opportunities. Ms. Yu holds a BSc. (Hons.) in Psychology and Economics from the University of Toronto.

EXECUTIVE OFFICERS

CHIEF EXECUTIVE OFFICER
GREGORY F GEORGES
B.B.A.; CPA

CHIEF FINANCIAL OFFICER AND CORPORATE SECRETARY
CARLTON BRAMBLE
CPA, CGA, B.Sc.

CHIEF OPERATIONS OFFICER
SHARON THOMAS
MBA; B.Sc.

CHIEF HUMAN RESOURCES OFFICER
MARLENE BAILEY
SHRL; MBA; SHRM; BBA

WIOC'S TIMELINE

- **1961**
  WIOC incorporated as a joint venture between NATOMAS and AMOCO
- **1965**
  Construction of WIOC Friars Hill Plant commences
- **1967**
  WIOC began commercial crude oil refining
- **1969**
  NATOMAS purchases shares held by AMOCO
- **1976**
  Refinery operations cease
- **1980**
  Shipping magnate Bruce Rappaport's National Petroleum Ltd (NPL) purchases 75% equity in WIOC
- **1983**
  WIOC crude oil refining plant placed back online
- **2015**
  The Government of Antigua & Barbuda purchases equity to become once more sole owner of WIOC
- **2016**
  Tank Farm Expansion Project commences
- **2017**
  West Indies Oil Company Ltd celebrates 50 years operating as a commercial entity in the international petroleum arena.
- **2021**
  The Government of Antigua and Barbuda divests 6% of its holdings to Antiguans and Barbudans at home and in the diaspora as well as regional investors. The number of WIOC shareholders increase from three to over nine hundred.
- **2022**
  WIOC lists on the Easten Caribbean Securities Exchange, becoming the first publicly listed Antigua and Barbuda company.

RISK MANAGEMENT REPORT

The Company's risk management strategy is led by the Board of Directors and Executive Management via reporting, monitoring and responsive procedures embedded throughout the organization.

The day-to-day business risks are broadly categorized as operational and financial.

OPERATIONAL RISKS

The Company's operational risks derive from the probability of incidents resulting in damage to property, plant, equipment or inventory of the Company and/or its clients and customers, injury to or death of staff or third parties, environmental damage, public nuisance or harm. Operational risks also derive from wear and tear, obsolescence and inappropriate use and treatment of plant and equipment. Within operational risks, the Company considers the following critical risk sub-categories:

FINANCIAL RISKS

The Company has exposure to credit risk, liquidity risk and market risk.

Credit risk management is exercised primarily through policies for the delegation of credit approval authority and regular scheduled review of customer compliance with approved credit terms.

The Company's approach to managing liquidity is to ensure that, as far as possible, it will always have adequate liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk is closely linked to the strength and stability of the EC dollar, the Company's functional currency and the ratio of foreign currency denominated assets and liabilities on the balance sheet. This risk is managed via contract terms with customers and vendors whose receivables and payables originated in foreign currencies.

RISK MANAGEMENT

Responsibility for managing day-to-day operational and financial risks resides primarily with Executive and Senior Managers. This is achieved through rigorous reporting, internal control procedures, standard operating policies and a company-wide safe operations initiative. The Chief Executive Officer and Chief Financial Officer reports to the Board of Directors monthly on operational and financial performance including key risks developments and the required mitigation strategies.

The Company's positioning to address strategic risks is documented in its strategic plan. The plan is updated annually following the Company's strategy retreat. Subsequently, the Executive Management reports monthly to the Board of Directors on the Company's progress towards strategic objectives outlined in the plan.

OPERATIONAL INITIATIVES

FIRE PROTECTION UPGRADE PROJECT

The West Indies Oil Company Ltd recently achieved key milestones in their Fire Protection Upgrade Project by commissioning a Bolted Storage Tank and a Reverse Osmosis Plant. The Reverse Osmosis Plant is crucial for desalinating sea water used for fire protection, with a capacity of producing 80,000 gallons of water per day. When combined with the 800,000-gallon Bolted Storage Tank, it meets water supply requirements set by governing codes.

The project aims to replace the current salt water-based fire system with a High-Density Polyethylene (HDPE) Pipe system charged with fresh water. This new underground and surface ring main will enhance fire suppression capabilities within the facility. Future stages include commissioning the Firewater Pump House, installing the HDPE Firewater/Foam ring main, implementing a Fire Detection System, and a new Facility Fire Alarm and Notification System.

This investment not only improves safety and environmental impact but also reduces maintenance costs associated with corroding pipes and reduces the cost of fire insurance. Furthermore, it opens the possibility of generating additional revenue for the company through water production.

UPGRADED FUEL SYSTEMS: THE JET BRIDGE PROJECT

The Jet Bridge Project transports JET A1 fuel from our Friars Hill Road terminal to the V.C Bird International Airport, replacing an outdated underground system from the 70s made of carbon steel and aluminum. The old system's frequent ruptures and leaks led to costly repairs. The company opted to invest in two Bridgers rather than replace the entire pipeline, considering factors like cost, timeline, durability, and convenience. The project involved significant civil works, including setting up a new loading system at Friars Hill and constructing infrastructure at the airport. It cost approximately 1.3 million USD and took 22 months to complete. After thorough testing and training, the Bridgers made their first official run-on July 3, 2023.

The Jet Bridge Project will offer several advantages and improved efficiencies:

1. **Enhanced Safety:** By replacing the old, leak-prone underground pipelines with modern above-ground transport, the risk of soil contamination and environmental damage is significantly reduced.
2. **Cost-Effectiveness:** This initiative avoids the high costs associated with continually repairing and maintaining the old pipeline system.
3. **Reliability:** New infrastructure and equipment will reduce the likelihood of operational disruptions due to pipeline failures.

4. **Efficiency:** The modern loading and offloading systems, including filters, pumps, and metering systems, ensure smoother and more efficient fuel transfer operations.
5. **Durability:** The new system is designed to be more durable and withstand the demands of regular use over a longer period.
6. **Operational Flexibility:** The use of Bridgers allows for better route planning and optimization, increasing the number of successful trips and improving overall operational efficiency.
7. **Improved Monitoring:** Advanced metering systems enable accurate monitoring of fuel volumes, ensuring better management and accountability.
8. **Training and Preparedness:** Comprehensive training and test runs for operators ensure smooth operation and preparedness for real-world scenarios.
9. **Timely Implementation:** The project, completed within 22 months, represents a timely and effective solution to the challenges posed by the old system.
10. **Future-Proofing:** The new system is better equipped to handle future demands and expansions, ensuring long-term viability.

WIOC continues to implement projects to improve the sustainability of its infrastructure and ensure the viability of a future filled with innovation and results-based solutions for its customers.

$90M
CAPITAL SPEND
2019-2023

SAFETY & TRAINING: MAINTAINING STANDARDS

WIOC consistently promotes a culture of safety through leadership commitment, employee involvement, and recognition of safe practices. These initiatives are consistently implemented through internal policies and programmes to reduce workplace accidents, improve employee well-being, and enhance overall productivity.

SPECIALIZED TRAINING

WIOC emphasizes the importance of ongoing training and development in fostering a productive and knowledgeable workforce. In 2023, WIOC sponsored over 23 Training & Development sessions where over 50 employees were trained/upgraded in various disciplines and specialties.

Below are highlights from the rigorous training and certification process WIOC employees engaged over the past year:

HIGHLIGHTS FROM FIRST AID TRAINING

Due to the sensitive nature of the industry, it is imperative that employees are adequately trained in the event of an emergency.

TRAINING HIGHLIGHTS

Aviation Training

PMA Refresher Training with Managers and Supervisors

Forecourt Safety Training with WIOC Service Station Dealers and Attendants

SAFETY & TRAINING IN ACTION

HSE: STOP, THINK, ACT PROGRAM 2023

The Stop, Think, Act Program, launched on June 1, 2023, by the Health, Safety, and Environment Department, aims to reduce incidents and enhance employee engagement and ownership. The program encourages employees to:

STOP to assess job hazards before starting tasks.

THINK about necessary safety measures.

ACT to complete tasks safely.

Objectives include reducing incidents and related costs, promoting HSE leadership, fostering a positive safety culture, enhancing responsibility and accountability, improving driving behavior, consistent reporting, and increasing WIOC's HSE visibility.

A key feature is the Stop Work Authority, where employees can use a Stop Work card to halt unsafe activities. Concerns must be communicated to a supervisor for resolution, and the action documented and submitted to the HSE Department.

Team members are encouraged to understand program rules, KPIs, and criteria, with achievements recognized through quarterly and annual rewards.

Below are the highlights of the winners of the HSE Program. The Awards ceremony was held at the WIOC Annual Staff Party in December 2023.

SAFE DRIVING: PROFESSIONAL DRIVER

WINNER – MARK CRAWFORD $2000

RUNNER UP : NOAH ST. CLAIR - $1000

HAZARD IDENTIFICATION

WINNER – CONSTEA PHILIP-CODRINGTON WITH 7 SUBMISSIONS - $500

RUNNER UP – MARIO FREDERICK WITH 5 SUBMISSIONS - $250

SAFE DRIVING: NON-PROFESSIONAL DRIVER

RUNNER UP - MARIO FREDERICK - $250

DEPARTMENTAL HOUSEKEEPING

WINNER – LABORATORY 86.7%
DAMIAN SIMON, JESSICA BALLESTER, SHONNEAL FRANCIS AND TYLER ROBERTS - $100 EACH

DEPARTMENTAL SAFETY TOOLBOX MEETINGS

FINANCE DEPARTMENT

DEBBIE SYMISTER
ATTENDED 90 - $100

LEONA THOMAS AND DELICIA GARRETT
PRESENTED 11 - $100 EACH

TERMINAL DEPARTMENT

KERRY JEREMY – ATTENDED 129 - $100
KERRY JEREMY – PRESENTED 55 - $100

HUMAN CAPITAL HIGHLIGHT

Congrats Grad!

Congratulations to our Decision Support Manager Janine Martinez on her graduation from the Harvard School of Business, CORe program.

EMPLOYEE WELLNESS PROGRAMMES

In keeping with WIOC's mantra of "Progressing together", the health and wellbeing of its employees remains a top priority. In 2023, WIOC's employees [in Antigua & Dominica] engaged in meaningful and beneficial programmes to enhance their health, wellbeing and camaraderie.

Programmes included the Social Club, "Medical Benefits Scheme [MBS] Sneakers on the move challenge", and Cook-Off Competitions to name a few. Please see highlights of the programmes below:

WELLNESS INITIATIVES

Team Antigua: In celebration of World Move for Health Day, the annual Medical Benefits Scheme - Sneakers on the Move Challenge took place from May 8th to 12th. This commendable initiative gained widespread attention and set the stage for a very engaging programme promoting exercise & wellness.

Team Dominica: Team members from Dominica engaged in a hike from Cochrane to the beautiful Middleham falls as their contribution to the wellness initiatives.

THE SOCIAL CLUB HIGHLIGHTS

SPORTS & COOK-OFF HIGHLIGHTS

SPORTS HIGHLIGHT

The WIOC Oilers Football Team commenced participation in the Ministry of Sports Business League.

LOOKING FORWARD/ CSR/COMMUNITY

"VISIONARY STEPS TOWARDS TOMORROW"

WIOC supports:

1. Terminal Apprentice Programme
2. Internship Programme for Technical Skills

GIVING BACK: OUR CSR IN ACTION

WIOC consistently renews its commitment to the community through various initiatives.

THE ADELE SCHOOL

WIOC provides ongoing assistance to the school programmes such as the Stock Up Initiative where a donation of school supplies, personal care items valued at EC$5000 was presented to the school.

WIOC will continue their support in 2024 by increasing their involvement in the school's growth and development.

THE WIOC OILERS MAKE A SPECIAL DONATION TO THE ADELE SCHOOL FOR THE NEW SCHOOL YEAR

THE WEST INDIES OIL COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

(Expressed in Eastern Caribbean Dollars)

BDO

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268-462-8869
268-462-8992
Fax: 268-462-8808

Cnr. Factory Road and Carnival Gardens
P.O. Box 3109
St. John's
Antigua

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
THE WEST INDIES OIL COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of The West Indies Oil Company Limited ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 consolidated 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) 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.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Determination of expected credit losses • The evaluation of impairment of receivables and credit losses on other financial assets is an expected credit loss ("ECL") model under IFRS 9, *Financial Instruments*. This model requires significantly greater management judgment and incorporation of forward-looking information.	For IFRS 9, *Financial Instruments* we performed the following: • Evaluated the model and assumptions developed by the Company in order to estimate ECLs, and assessed their compliance with the requirements of IFRS 9

To the Board of Directors of
THE WEST INDIES OIL COMPANY LIMITED

Key Audit Matters *(cont'd)*

Key audit matter	How our audit addressed the key audit matter
Determination of expected credit losses • The estimation of ECLs is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Furthermore, models used to determine credit impairment are complex, and certain inputs used are not fully observable. • IFRS 9 requires the Company to record an allowance for ECLs for all receivables from trade and other receivables to other financial assets not held at fair value through profit and loss.	For IFRS 9, *Financial Instruments* we performed the following: • Tested the completeness and accuracy of input data to the model used to determine the ECLs. We assessed the reasonableness of the methodologies and assumptions applied in determining underlying the underline model. We assessed external source data and assumptions, particularly with respect to forward looking information (FLI). • Checked the calculations of the resulting loss rate. • Assessed the adequacy of disclosures in the consolidated financial statements.

Other Information included in the Company's 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the company's Annual Report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
THE WEST INDIES OIL COMPANY LIMITED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
THE WEST INDIES OIL COMPANY LIMITED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in the Independent Auditor's Report is Ms. Raquel Glynn.

Chartered Accountants
May 31, 2024

Antigua and Barbuda

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Financial Position

December 31, 2023

(Expressed in Eastern Caribbean Dollars)

	Notes	2023	2022
Assets			
Current Assets			
Cash and cash equivalents		$ 46,559,304	46,625,706
Trade and other receivables	6	111,420,287	111,514,825
Inventories	7	30,094,457	21,242,693
Current portion of loan receivable		398,558	-
Deferred charges		755,443	857,619
Total Current Assets		189,228,049	180,240,843
Non-Current Assets			
Property held for development and sale	9	9,148,000	9,148,000
Investment property	10	8,026,000	10,515,000
Property, plant, and equipment	11	254,255,082	231,556,838
Investment in debt security	23	4,384,135	5,000,000
Deferred tax asset		50,256	50,256
Total Non-Current Assets		275,863,473	256,270,094
Total Assets		465,091,522	436,510,937
Liabilities			
Current Liabilities			
Trade and other payables	12	153,132,337	145,074,653
Tax payable	19	3,238,299	1,114,398
Current portion of long-term loan	13	26,125,311	11,973,070
Total Current Liabilities		182,495,947	158,162,121
Non-Current Liabilities			
Long term loan	13	2,025,000	11,812,500
Deferred tax liability	19	6,286,852	5,264,805
Total Non-Current Liabilities		8,311,852	17,077,305
Total Liabilities		190,807,799	175,239,426
Shareholders' Equity			
Share capital	14	14,800	14,800
Contributed surplus	15	128,889,407	128,889,407
Revaluation surplus	16	69,708,680	69,708,680
Accumulated surplus		81,945,714	69,476,124
Treasury shares		(6,274,878)	(6,817,500)
Total Shareholders' Equity		274,283,723	261,271,511
Total Liabilities and Shareholders' Equity		$ 465,091,522	436,510,937

Approved by the Board of Directors on May 31, 2024

Director .... Director ....

The notes on pages 9 to 40 are an integral part of these financial statements.

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2023

(Expressed in Eastern Caribbean Dollars)

	Notes	2023	2022
Sales		$ 466,346,246	489,916,514
Cost of sales		(403,918,959)	(434,587,857)
Gross profit		62,427,287	55,328,657
Other operating income	17	41,684,991	31,811,088
Net sales and other operating income		104,112,278	87,139,745
Operating expenses			
Bad debt recovery		9,100	9,500
Selling, general and administrative expenses	18	(57,324,679)	(43,167,896)
Depreciation on property, plant and equipment	11	(8,333,959)	(8,109,585)
Expected credit loss	6	(424,680)	(1,347,084)
Other expenses		(198,668)	(851,731)
		(66,272,886)	(53,466,796)
Net operating income		37,839,392	33,672,949
Finance cost			
Interest income		456,933	42,431
Interest expense		(746,698)	(1,493,035)
		(289,765)	(1,450,604)
Net income before taxation		37,549,627	32,222,345
Taxation			
Corporation tax	19	(7,862,445)	(7,255,853)
Withholding tax	19	(52,873)	(18,000)
Deferred tax	19	(1,022,047)	(1,013,346)
		(8,937,365)	(8,287,199)
Net income for the year		28,612,262	23,935,146
Special tax on net income	19	(2,879,454)	(4,505,885)
Total comprehensive income for the year		$ 25,732,808	19,429,261
Earnings per share	22	4.42	3.35

The notes on pages 9 to 40 are an integral part of these financial statements.

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Changes in Shareholders' Equity

For the year ended December 31, 2023

(Expressed in Eastern Caribbean Dollars)

	Notes	Share Capital	Contributed Surplus	Revaluation Surplus	Accumulated Surplus	Treasury Shares	Total
Balance at December 31, 2021		$ 14,800	128,889,407	69,708,680	61,927,641	(6,817,500)	253,723,028
Total comprehensive income for the year		-	-	-	19,429,261	-	19,429,261
Dividends declared	20	-	-	-	(11,880,778)	-	(11,880,778)
Balance at December 31, 2022		14,800	128,889,407	69,708,680	69,476,124	(6,817,500)	261,271,511
Total Comprehensive income for the Year		-	-	-	25,732,808	-	25,732,808
Treasury Shares		-	-	-	-	542,622	542,622
Dividends declared	20	-	-	-	(13,263,218)	-	(13,263,218)
Balance at December 31, 2023		$ 14,800	128,889,407	69,708,680	81,945,714	(6,274,878)	274,283,723

The notes on pages 9 to 40 are an integral part of these financial statements.

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Cash Flows

Year ended December 31, 2023

(Expressed in Eastern Caribbean Dollars)

	Notes	2023	2022
Cash flows from operating activities			
Net income before taxation		$ 37,549,627	32,222,345
Adjustments for:			
Depreciation on property, plant and equipment	11	8,333,959	8,109,585
Provision for contingencies and claims		198,668	851,731
Bad debt recovery		(9,100)	(9,500)
Gain on Revaluation		(1,334,000)	-
Expected credit loss		424,680	1,347,084
Write down of consumables		113,400	52,050
Loss/(gain) on disposal of assets		(80,109)	(100,919)
Interest expense		746,698	1,493,035
Operating income before changes in working capital		45,943,823	43,965,411
Change in trade and other receivables		(321,042)	(17,727,292)
Change in inventories		(8,965,164)	(7,794,805
Change in trade and other payables		4,308,691	32,055,562
Change in deferred charges		102,176	(435,669)
Change in loan receivable		(398,558)	105,573
Change in withholding tax		(34,873)	-
		40,635,053	50,168,780
Taxes paid	19	(8,636,000)	(9,518,000)
Net cash provided by operating activities		31,999,053	40,650,780
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,366,040)	(15,030,621)
Proceeds from disposal of property, plant and equipment		236,947	210,415
Investment in debt securities	23	615,865	(5,000,000)
Net cash used in investing activities		(26,513,228)	(19,820,206)
Cash flows from financing activities			
Interest paid		(881,957)	(1,842,666)
Dividends paid	20	(9,712,891)	(9,010,242)
Repayment of long-term loan	13	(11,700,000)	(27,900,000)
Issuance of treasury shares	14	542,621	-
Proceeds from long-term loan	13	16,200,000	-
Net cash used in financing activities		(5,552,227)	(38,752,908)
Increase/(decrease) in cash and cash equivalents during the year		(66,402)	(17,922,334)
Cash and cash equivalents, beginning of year		46,625,706	64,548,040
Cash and cash equivalents, end of year		$ 46,559,304	46,625,706
Represented by:			
Cash on hand and at bank		$ 46,559,304	46,625,706

The notes on pages 9 to 40 are an integral part of these financial statements.

(Expressed in Eastern Caribbean Dollars)

1. **Reporting Entity**:

The West Indies Oil Company Limited (the "Company") was incorporated on March 24, 1961, under the Laws of Antigua and Barbuda with registered offices at Friars Hill Road, St. John's, Antigua. The principal activity of the Company is the storage and distribution of petroleum products and related ancillary activities including laboratory attestation services and marine vessel agency. It also engages in real estate development.

The Company launched an initial purchase offer (IPO) from March 24, 2021, to May 21, 2021, wherein the Government of Antigua (then the sole controlling shareholder) offered 301,920 of its shares held in the Company to the public. Following the IPO, the company became a reporting issuer to the Eastern Caribbean Securities Regulatory Commission (ECSRC) with an additional six hundred and seventy-one (671) shareholder accounts.

On July 7th, 2022, the Company formally completed the process of listing on the Eastern Caribbean Securities Exchange (ECSE). The Company trades on the Exchange with the "WIOC" ticker symbol.

2. **Basis of Preparation**:

(a) Statement of Compliance:
These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These consolidated financial statements were approved by the Board of Directors on May 31, 2024.

(b) Basis of Consolidation:
These consolidated financial statements include the accounts of the Parent Company and its wholly-owned subsidiaries, West Indies Oil Company (Dominica) Limited and WIOC Friars Hill Ltd (collectively referred to as "the Group").

(i) Subsidiary
A subsidiary is an entity controlled by the Parent Company. The separate financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date the control ceases. The accounting policies of the subsidiary have been changed when necessary to align them with policies adopted by the Parent Company.

Intercompany transactions balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an important indicator of the assets transferred.

(c) Basis of Measurement:
These consolidated financial statements have been prepared on the historical cost basis, modified by the revaluation of land and buildings and investment property.

(Expressed in Eastern Caribbean Dollars)

2. **Basis of Preparation**: *(cont'd)*

(d) Functional and Presentation Currency:
These consolidated financial statements are presented in Eastern Caribbean Dollars, which is the Group's functional currency. All financial information presented in Eastern Caribbean Dollars has been rounded to the nearest dollar.

(e) Use of Estimates and Judgments:
In preparation these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2023 is included in the following notes:

- Note 3(f) – estimated useful life of property, plant and equipment;
- Notes 3(b) and 3(g) – Impairment of financial assets
- Note 24 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources: and
- Note 4 – determination of fair values.

(f) New standards, interpretations and amendments adopted from January 1, 2023:

The following amendments are effective for the period beginning January 1, 2023:

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed. Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as The Anguilla Lottery Gaming Company Limited. The Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual financial statements of the Company.

(Expressed in Eastern Caribbean Dollars)

2. **Basis of Preparation**: *(cont'd)*

(f) *New standards, interpretations and amendments adopted from January 1, 2023:*

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. These amendments have no effect on the measurement or presentation of any items in the financial statements of the Company.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no effect on the financial statements of the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. These amendments had no effect on the financial statements of the Company.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules. Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on May 23, 2023.

(Expressed in Eastern Caribbean Dollars)

2. **Basis of Preparation**: *(cont'd)*

(g) *New Standards, Amendments to existing standards and interpretations issued but not yet effective during the year:*

The following amendments are effective for the period beginning January 1, 2024:

- *Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);*
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);*
- *Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and*
- *Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)*

The following amendments are effective for the period beginning January 1, 2025:

- *Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

The Group is currently assessing the impact of these new accounting standards and amendments.

3. **Summary of Material Accounting Policies:**

(a) *Financial Instruments:*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loan receivable and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

The Group initially recognises loans and receivables on the date when they are originated.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and net amount presented in the consolidated statement of financial position when, and only when, the Group has legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies:** *(cont'd)*

(b) *Financial Assets:*

The Group currently classifies its financial assets at amortised cost as discussed below, depending on the purpose for which the asset was acquired.

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties, loans to related parties and investments in debt securities are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised.

For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables, loan receivable, cash and cash equivalents, and investments in debt securities in the consolidated statement of financial position.

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

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies**: *(cont'd)*

(c) *Financial Liabilities*
The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

- Fair value through profit or loss
- Other financial liabilities

Fair value through profit or loss
The Group does not currently have any liabilities designated as fair value through profit or loss.

Other financial liabilities
Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(d) *Trade Receivables:*
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(e) *Inventories:*
Inventories are stated at the lower of cost or net realisable value, cost being determined on a first in-first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. A provision is made when the recoverable amount of inventories is likely to be less than cost.

(f) *Property, Plant and Equipment:*

i. *Recognition and Measurement:*
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. *Subsequent expenditure:*
Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. **Summary of Material Accounting Policies**: *(cont'd)*

(f) Property, Plant and Equipment: (cont'd)

iii. Depreciation:
Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Land improvements/roads	25 years
Building	10 - 20 years
Transportation	5 years
Terminal	10 - 30 years
Sales equipment	10 - 25 years
Furniture and other equipment	4 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

In relation to the impairment of financial assets, IFRS requires the use of a forward-looking expected credit loss ("ECL") approach. The ECL allowance is based on the credit losses expected to arise over the life of the asset unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Group's financial assets mainly comprise of trade and other receivables and financial assets at amortised cost. As permitted by IFRS 9, the Group has elected to select an accounting policy which recognises full lifetime expected credit losses for trade receivables.

A practical expedient method, in the form of a provision matrix, was applied for trade receivables based on customer categories, historical credit loss experiences and future economic expectations. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The information about the ECLs on the Group's trade receivables is disclosed in Note 5. For all other receivables that possess varying default occurrences, the ECL was determined based on probability-weighted default outcomes, past events, current conditions and forward-looking information.

The key elements of the ECL calculations are outlined below:

(a) Probability of Default: This measures the instances of customer defaults over a period
(b) Loss Given Default: This represents amounts never collected or amounts written off once a customer defaults.
(c) Exposure at Default: This represents the outstanding amounts collectible at default.

Forward-looking information: In its ECL models, the Group relied on the following economic inputs: GDP growth and unemployment rates (2021 - GDP growth, and unemployment rates).

3. **Summary of Material Accounting Policies**: *(cont'd)*

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and other comprehensive income.

(g) Investment Property:
Property held for rental and not occupied by the Company is classified as investment property. Investment property is comprised of warehouses and service stations and is carried using the fair value model.

Initially, an item of investment property is measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred if the recognition criteria are met and excludes the cost of day-to-day servicing of an investment property.

Subsequently, the investment property of the Company is remeasured at fair value, which 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. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

Fair value should reflect the actual market state and circumstances as of the balance sheet date. The best evidence of fair value is normally given by current prices on an active market for similar property in the same location and condition and subject to similar lease and other contracts. In the absence of such information, the entity may consider current prices for properties of a different nature or subject to different conditions, recent prices on less active markets with adjustments to reflect changes in economic conditions, and discounted cash flow projections based on reliable estimates of future cash flows.

(h) Revenue Recognition:
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of The Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below.

Performance obligations and timing of revenue recognition
The majority of The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, The Group no longer has physical possession, and usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies**: *(cont'd)*

(h) *Revenue Recognition: (cont'd)*
Costs of obtaining long-term contracts and costs of fulfilling contracts
The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset is transferred to the customer on a continuous basis as work is carried out.

(i) *Practical Exemptions:*
The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Revenue from the sale of petroleum products is recognised upon the delivery of products and customer acceptance and is shown net of sales taxes.

The sales of lots of land held for development are recognised at the time that the risks and rewards of ownership pass to the purchaser as evidenced by a signed purchase contract.

Revenue is recognised using the 'percentage of completion' method on houses sold. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract.

Other income is recognised on the accrual basis and in accordance with contract terms with customers.

(j) *Property Held for Development and Sale:*
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Company develops and intends to sell before, or on completion of, development.

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies**: *(cont'd)*

(j) *Property Held for Development and Sale: (cont'd)*

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(k) *Cash and Cash Equivalents:*
Cash and cash equivalents comprise cash balances.

Included in cash and cash equivalents are several current accounts in the amount of EC$42,781,614 (2022: EC$37,829,501).

(l) *Taxation:*
Taxation on the profit or loss for the year comprises of current and deferred tax. Taxation is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the consolidated statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the consolidated statement of financial position liability method and providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the consolidated statement of financial position date.

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

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies**: *(cont'd)*

(m) *Foreign Currency Translation:*
Transactions in foreign currencies are translated into Eastern Caribbean Dollars at the exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Eastern Caribbean Dollars at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(n) *Borrowings:*
Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the term of the borrowings on an effective interest rate basis.

(o) *Provisions:*
A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

(p) *Trade Payables:*
Trade payables are recognised at fair value and subsequently measured at amortised cost.

(q) *Leases*
Group as a lessee:
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Group as a lessor:
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(Expressed in Eastern Caribbean Dollars)

3. **Summary of Material Accounting Policies**: *(cont'd)*

(r) *Leases (cont'd)*

For other leases where future operations are doubtful or have a duration of less than twelve (12) months, The Group has elected to continue to expense these lease payments.

(s) *Consolidation:*
A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date that control ceases.

(t) *Employee Benefits:*
The Company recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the period. Employee benefits given by the Company to its employees include salaries and wages, social security contributions, bonuses, and non-monetary benefits.

For the defined contribution plan operated by the Group, the Group pays contributions to a privately administered fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due.

(u) *Retained earnings:*

Retained earnings include all current and prior period results of operations of the Group as disclosed in the statement of profit and other comprehensive income and statement of changes in equity.

(v) *Costs and Expenses:*
The financial statements are prepared on the accrual basis of accounting. Under this basis, costs and expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate. Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. These are recognized on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset. Cost of goods sold are expenses incurred that are associated with the goods sold. Administrative expenses are costs attributable to the administrative and other business activities of the Group.

(Expressed in Eastern Caribbean Dollars)

4. **Determination of Fair Values:**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) *Trade and Other Receivables:*
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) *Non-derivative Financial Liabilities:*
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) *Investment Property*
Fair value should reflect the actual market state and circumstances as of the balance sheet date. The best evidence of fair value is normally given by current prices on an active market for similar property in the same location and condition and subject to similar lease and other contracts. In the absence of such information, the Group considers current prices for properties of a different nature or subject to different conditions, recent prices on less active markets with adjustments to reflect changes in economic conditions, and discounted cash flow projections based on reliable estimates of future cash flows.

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables and tax payable are not materially different from their carrying amount due to their short-term period to maturity or their contractual terms.

The Group's fair value hierarchy is detailed at note 5(d).

5. **Financial Risk Management:**

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and it also assesses financial and control risks to the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management:** (cont'd)

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's Directors oversee how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

(a) *Credit Risk*:
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

i. *Trade and Other Receivables:*
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the country in which customers operate, has less of an influence on credit risk. Geographically there is no concentration of credit risk.

ii. *Cash at hand and at Bank:*
Cash and cash equivalents are held with established financial institutions, which represent minimum risk of default.

The maximum exposure to credit risk at the reporting date was:

		2023	2022
Trade and other receivables	$	93,606,716	93,328,117
Cash and cash equivalents		46,559,304	46,625,706
	$	140,166,020	139,953,823

Credit risk in respect of trade and other receivables is limited as these balances are shown net of provision for doubtful debts. Cash on hand and at Bank are held with financial institutions which represent minimum risk of default.

Trade receivables
The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of twelve (12) months before January 1, 2023, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management**: *(cont'd)*

(a) *Credit Risk*: *(cont'd)*

The Group has identified the gross domestic product and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

2023	Current	Up to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total
Estimated Credit Loss %	0.56%	1.76%	5.50%	6.30%	16.15%	2.79%
Estimated total gross carrying amount	$ 75,842,490	2,880,036	1,699,413	862,250	12,306,876	93,591,065
Estimated credit loss	$ 424,718	50,690	93,468	54,322	1,987,630	2,610,828

2022	Current	Up to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Total
Estimated Credit Loss %	0.49%	1.50%	2.78%	5.36%	13.09%	2.93%
Estimated total gross carrying amount	$ 71,521,359	2,524,853	391,366	2,626,933	16,854,791	93,919,302
Estimated credit loss	$ 353,729	37,882	10,881	140,749	2,206,690	2,749,931

(b) *Liquidity Risk:*
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management**: *(cont'd)*

(b) *Liquidity Risk*: *(cont'd)*

The following are the contractual maturities of financial assets and liabilities excluding the impact of netting arrangements:

2023		Carrying Amounts	Contractual Cash Flows	Up to 1 Year	More than 1 Year
Assets					
Cash and cash equivalents	$	46,559,304	46,559,304	46,559,304	-
Trade and other receivables		93,606,716	93,606,716	93,606,716	-
Investment in debt security		4,782,693	4,782,693	-	4,782,693
		144,948,713	144,948,713	140,166,020	4,782,693
Liabilities					
Trade and other payables		(153,842,031)	(153,842,031)	(153,842,031)	-
Long term loan		(28,150,311)	(28,150,311)	(26,125,311)	(2,025,000)
		(181,992,342)	(181,992,342)	(179,967,342)	(2,025,000)
Liquidity cover	$	(37,043,629)	(37,043,629)	(39,801,322)	2,757,693
Cumulative liquidity cover	$	(37,043,629)	(37,043,629)	(39,801,322)	2,757,693

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Notes to Consolidated Financial Statements *(cont'd)*

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(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management**: *(cont'd)*

(b) *Liquidity Risk: (cont'd)*

The following are the contractual maturities of financial assets and liabilities excluding the impact of netting arrangements:

		2022			
		Carrying Amounts	**Contractual Cash Flows**	**Up to One Year**	**More than 1 Year**
Assets					
Cash and cash equivalents	$	46,625,706	46,625,706	46,625,706	-
Trade and other receivables		93,328,117	93,328,117	93,328,117	-
Loan receivables		5,000,000	5,000,000	-	5,000,000
		144,953,823	144,953,823	139,953,823	5,000,000
Liabilities					
Trade and other payables		(145,309,786)	(145,309,786)	(145,309,786)	-
Long term loan		(23,785,570)	(23,785,570)	(11,973,070)	(11,812,500)
		(169,095,356)	(169,095,356)	(157,282,856)	(11,812,500)
Liquidity cover	$	(24,141,533)	(24,141,533)	(17,329,033)	(6,812,500)
Cumulative liquidity cover	$	(24,141,533)	(24,141,533)	(17,329,033)	(6,812,500)

(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management**: *(cont'd)*

(c) *Market Risk:*
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and price risk will affect the value of the Group's assets, the amount of its liabilities and/or income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on certain of its financial assets.

(i) *Price Risk:*
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Group has no significant exposure to such risk.

(ii) *Interest Rate Risk:*
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest bearing liabilities, which are subject to interest rate adjustments within a specified period. The Group's exposure to interest rate risk is limited as its financial assets and liabilities has fixed rates of interest.

(iii) *Currency Risk:*
Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The main currencies giving rise to this risk are the Eastern Caribbean Dollar and United States Dollar arising from purchasing transactions. The Group does not face any such risk since it transacts its operations in Eastern Caribbean Dollars, which is its functional currency. The Eastern Caribbean Dollar, in which the Group also transacts business, is fixed in relation to the United States Dollar at EC$2.70 = US$1.00 since 1976.

(d) *Fair Value Hierarchy:*
IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two (2) types of inputs have created the following fair value hierarchy:

- Level 1 Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 Valuation techniques based on observable inputs, either directly - i.e., as prices or indirectly - i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(Expressed in Eastern Caribbean Dollars)

5. **Financial Risk Management**: *(cont'd)*

(d) *Fair Value Hierarchy: (cont'd)*
This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table presents the Group's assets that are measured at fair value at the reporting date:

	Note	Level	2023	2022
Land	11	2	59,764,000	59,764,000
	10	2	8,026,000	10,515,000

There were no transfers between levels during the year.

(e) *Capital Management*:
It is the Group's policy to maintain a strong capital base so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholder's equity. The Group is not subject to externally imposed capital requirements and there were no changes in the Group's approach to capital management during the year.

6. **Trade and other Receivables**:

	2023	2022
Trade receivables	$ 93,591,065	93,919,302
VAT recoverable, net	12,177,773	10,167,105
Prepayments	6,347,485	8,019,503
Other receivables	1,914,792	2,158,846
	114,031,115	114,264,756
Less: Provision for impairment - trade and other receivables	(2,610,828)	(2,749,931)
	$ 111,420,287	111,514,825

(Expressed in Eastern Caribbean Dollars)

6. **Trade and other Receivables**: *(cont'd)*

The fair values of trade and other receivables approximates their carrying values above.

Movements on the provisions for impairment of trade receivables are as follows:

	2023	2022
At January 1	$ 2,749,931	1,412,347
Write-off	(554,683)	-
Expected credit loss	424,680	1,347,084
Bad debt recovery	(9,100)	(9,500)
At December 31	$ 2,610,828	2,749,931

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The carrying amounts of the Group's trade and other receivables are denominated in the following:

	2023	2022
Eastern Caribbean dollars	$ 78,686,265	77,890,318
United States dollars	32,734,022	33,624,507
	$ 111,420,287	111,514,825

Included in the Group's current assets and current liabilities are amounts due to a certain entity. While the Group has established a legally enforceable right to offset the amounts due and payable, it has chosen not to do so for presentation purposes. Since the amount owed is greater than the amount receivable, the balance has not been included in the IFRS 9 assessment. As a result, the receivable amount has been excluded from the Group's calculation of provision for bad debt.

7. **Inventories**:

	2023	2022
Fuel oil	$ 13,240,001	6,698,386
Mogas	3,793,759	5,487,093
Diesel	6,430,145	4,145,502
LPG	899,620	252,946
Kerosene	12,409	44,713
Other	253,992	43,533
Total petroleum products	24,629,926	16,672,173
Consumable stores and supplies	5,464,531	4,570,520
	$ 30,094,457	21,242,693

(Expressed in Eastern Caribbean Dollars)

8. **Related Party Balances and Transactions**:

(a) Related Parties:

A related party is a person or entity that is related to the entity that is preparing its consolidated financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:

   i) has control or joint control over the reporting entity;

   ii) has significant influence over the reporting entity; or

   iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

   i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   iii) Both entities are joint ventures of the same third party.

   iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   v) The entity is controlled, or jointly controlled by a person identified in (a).

   vi) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

a) a government that has control or joint control of, or significant influence over, the reporting entity; and

b) another entity that is a related party because the same government has control or joint control of or significant influence over, both the reporting entity and the other entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(Expressed in Eastern Caribbean Dollars)

8. **Related Party Balances and Transactions**: *(cont'd)*

(b) Remuneration of Key Members of Management:

Details of key management compensation, shown as part of payroll and related costs under selling, general and administrative expenses in the consolidated statement of comprehensive income, are shown below:

		2023	2022
Salaries and wages	$	1,808,808	1,709,480
Other staff costs		396,334	353,080
Pension costs		130,448	117,902
	$	2,335,590	2,180,462

9. **Property Held for Development and Sale**:

		2023	2022
Balance at beginning of year	$	9,148,000	9,148,000
Balance at end of year	$	9,148,000	9,148,000

Land included in property held for development and sale was contributed to the Group by the Government of Antigua and Barbuda at various stages following its incorporation in1961.

The Group is involved in the development of a housing scheme at Friar's Hill Road. There has been no recent activity in relation to this development.

10. **Investment Property**:

		Warehouses	Service Stations	Total
Fair values:				
On December 31, 2021	$	1,264,000	9,251,000	10,515,000
Fair value gain/(loss)		-	-	-
On December 31, 2022		1,264,000	9,251,000	10,515,000
Fair value gain/(loss)		-	1,334,000	1,334,000
Transfer to property, plant and equipment		-	(3,823,000)	(3,823,000)
On December 31, 2023	$	1,264,000	6,762,000	8,026,000

The Company's investment property was revalued in March 2023, by independent appraisers. Valuations were performed based on sales comparison to value approach. The highest and best use of a property may also be considered in determining its fair value.

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Notes to Consolidated Financial Statements *(cont'd)*

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(Expressed in Eastern Caribbean Dollars)

10. **Investment Property** (cont'd):

The fair value hierarchy as defined in note 5(e) has been applied to the valuations of the Group's investment property and all fair values of these properties are designated as level 2. Reasonable changes in fair values would impact the consolidated statement of income.

The following amounts in the consolidated statement of profit and other comprehensive income relate to investment property:

		2023	2022
Rental income	$	255,750	271,984

Subsequent to December 31, 2023, the company's investment properties were revalued in March 2023. The revaluations resulted in an increase in fair value amounting to $1,334,000. The adjustment to the fair value of the property will be made in 2023.

The company's investment property for land and building at WIOC Friars Hill Ltd was transferred to the subsidiary amounting to EC$3,823,000.

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Notes to Consolidated Financial Statements *(cont'd)*

December 31, 2023

(Expressed in Eastern Caribbean Dollars)

11. **Property, Plant and Equipment:**

	Land	Land Improvements/ Roads	Building	Transportation	Jetty and Tank Farm	Sales Equipment	Furniture and other Equipment	Construction In Progress	Total
Cost:									
At December 31, 2021	$ 59,921,785	3,719,834	7,935,944	9,274,047	247,344,168	24,393,055	13,264,120	27,813,733	393,666,686
Additions			40,027	176,652	16,480	2,592,482	133,869	12,093,851	15,053,361
Transfers	-	-	403,618	-	1,328,708	776,919	204,346	(2,735,938)	(22,347)
Disposals	-	-	-	-	-	(817,286)	-	-	(817,286)
At December 31, 2022	59,921,785	3,719,834	8,379,589	9,450,699	248,689,356	26,945,170	13,602,335	37,171,646	407,880,414
Additions	-	-	21,060	747,419	104,051	1,788,479	163,391	24,537,650	27,362,050
Adjustments	-	-	-	-	(15,594)		680	-	(14,914)
Transfers	-	-	14,737	-	10,381,463	238,112	-	(10,637,978)	(3,666)
Transfers from Investment Property	1,960,200	-	1,621,300	-	-	241,500	-	-	3,823,000
Disposals	-	-	-	(131,899)	-	(159,778)	(2,415)	-	(294,092)
At December 31, 2023	$ 61,881,985	3,719,834	10,036,686	10,066,219	259,159,276	29,053,483	13,763,991	51,071,318	438,752,792
Depreciation:									
At December 31, 2021	$ -	(2,395,814)	(5,452,113)	(7,441,173)	(126,152,847)	(15,460,055)	(12,019,386)	-	(168,921,388)
Charge for the year	-	(148,793)	(148,835)	(496,204)	(5,557,294)	(1,258,042)	(500,417)	-	(8,109,585)
Written back on disposals	-	-	-	-	-	707,397	-	-	707,397
At December 31, 2022	-	(2,544,607)	(5,600,948)	(7,937,377)	(131,710,141)	(16,010,700)	(12,519,803)	-	(176,323,576)
Charge for the year	-	(148,793)	(180,664)	(490,772)	(5,645,150)	(1,495,706)	(372,874)	-	(8,333,959)
Adjustments	-	-	-	-	(130)	-	-	-	(130)
Written back on disposals	-	-	-	139,430	-	18,114	2,411	-	159,955
At December 31, 2023	$ -	(2,693,400)	(5,781,612)	(8,288,719)	(137,355,421)	(17,488,292)	(12,890,266)	-	(184,497,710)
Net Book Value:									
At December 31, 2023	$ 61,881,985	1,026,434	4,255,074	1,777,500	121,803,855	11,565,191	873,725	51,071,318	254,255,082
At December 31, 2022	$ 59,921,785	1,175,227	2,778,641	1,513,322	116,979,215	10,934,470	1,082,532	37,171,646	231,556,838

(Expressed in Eastern Caribbean Dollars)

11. **Property, Plant and Equipment**: *(cont'd)*

Property, plant and equipment includes seventy (70) acres of land contributed to the Group by the Government of Antigua and Barbuda. The land was valued at its market value between 2015 and 2018 by independent appraisers.

The valuation which conforms to International Valuation Standards was determined by reference to the sales comparison approach. The highest and best use of a property may also be considered in determining its fair value.

The fair value hierarchy as defined in note 2 (e) (ii) has been applied to the valuations of the Group's freehold land and the fair values are designated as Level 2. Reasonable changes in fair values would impact the consolidated statement of income.

See **Note 16 - Revaluation surplus** for a timeline of the changes in the valuation of the land included in Property, Plant and Equipment.

12. **Trade Payable and Other Payables**:

		2023	2022
Trade payables	$	123,430,693	115,204,917
Accrued liabilities		8,076,155	12,189,856
Security deposits		2,252,595	1,857,312
Dividend payable		19,372,894	15,822,568
	$	153,132,337	145,074,653

All of the trade and other payables are contractually or constructively due within twelve (12) months of the reporting date.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		2023	2022
Eastern Caribbean dollars	$	39,785,745	42,922,300
United States dollars		113,346,592	102,152,353
	$	153,132,337	145,074,653

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Notes to Consolidated Financial Statements *(cont'd)*

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(Expressed in Eastern Caribbean Dollars)

13. **Long-term Debt**:

		2023	2022
The Company entered into a loan agreement which resulted in access to loan funds totaling $45,900,000 at a rate of four and a half (4.5%) percent per annum repayable over seven (7) years. The purpose of the loan is to finance the initial phase of the Company's tank expansion program and related ancillary plant and equipment.			
In 2023, the Company made a total principal payment of $7,650,000 (2022: $10,125,000). Interest expense recognised for the year amounted to $386,456 (2022: $730,706).	$	2,475,000	10,125,000
In 2023, the Company entered into a short-term loan agreement which resulted in access to loan funds totaling $16,200,000. This loan is payable within a year at a rate of five and a quarter (5.25) percent. The purpose of the demand loan was to provide working capital support and the term loan is to finance critical capital projects.		16,200,000	-
During the year 2023, the Company made total principal payments of $4,050,000 on the term loan. Interest expense incurred during the year amounted to $360,241.		9,337,500	13,387,500
The loan is secured by way of a charge over land.			
Non-current portion		(2,025,000)	(11,812,500)
Current portion		25,987,500	11,700,000
Accrued interest		137,811	273,070
Total current portion	$	26,125,311	11,973,070

(Expressed in Eastern Caribbean Dollars)

14. **Share Capital:**

		2023	2022
Authorised:			
5,920,000 Ordinary shares of $0.0025 per share par value (2020: 5,920,000 ordinary shares of $0.0025 per share par value). The stated amount is comprised of a single class of ordinary voting shares.	$	14,800	14,800
	$	14,800	14,800

The Company launched an Initial Purchase Offer (IPO), the first in its history during 2021. The offer closed on May 21, 2021. The offeror was the Government of Antigua and Barbuda which had a controlling interest of fifty-one (51%) percent of the issued shares prior to the IPO. The Company did not increase the authorised and issued share capital.

The Government of Antigua and Barbuda offered 301,920 of its shares to the public. Applications exceeded the Government offer by 19,775 shares. The shareholder Fancy Bridge cleared the surplus applications. Following the IPO, the Company's authorised, issued, and outstanding share capital are as follows:

	Authorized	Issued	Outstanding
On December 31, 2021	5,920,000	5,920,000	5,920,000
Acquisition of treasury shares	-	-	(112,500)
December 31, 2022	5,920,000	5,920,000	5,807,500
Sale of treasury shares	-	-	9,217
On December 31, 2023	5,920,000	5,920,000	5,816,717

By way of a Board Resolution dated November 24, 2020, and pursuant to the provisions of the Companies Act, No. 18 of 1995 of the laws Antigua and Barbuda, the number of ordinary shares that the Group is authorized to issue was increased from 592,000 to 5,920,000 shares by declaring a ten (10) to one (1) share split.

The Company acquired 112,500 of its own ordinary shares at a cost of $60.60 per share for a total of $6,817,500. These shares have been recorded as treasury shares in equity. In 2023, the Company issued 9,217 of its treasury shares.

(Expressed in Eastern Caribbean Dollars)

15. **Contributed Surplus:**

		2023	2022
Inclusion of land contributed by Government of Antigua (See Note 11).	$	1	1
Arising as a result of forgiveness of debt and contributions from former shareholders in the period ended December 31, 1969.		35,490,940	35,490,940
Arising on the purchase of the Group by the Government of Antigua and Barbuda from Natomas Company on September 1, 1976.		13,966,243	13,966,243
Arising on acquisition by the Company of The West Indies Oil Company (Dominica) Limited from the Government of Antigua and Barbuda on January 30, 1980 (Note 8).		1,000	1,000
Transfer of contributed surplus to write off the accumulated deficit to January 31, 1980.		(20,831,243)	(20,831,243)
Arising as a result of forgiveness of debt and contributions from former shareholders in April 2015.		100,262,466	100,262,466
	$	128,889,407	128,889,407

(Expressed in Eastern Caribbean Dollars)

16. **Revaluation Surplus:**

		2023	2022
Valuation of land held for development as of December 31, 1992.	$	80,604,808	80,604,808
Valuation of land used in terminal operations as of December 31, 1992.		25,077,052	25,077,052
Valuation of land used in terminal operations as of December 31, 2015 (see Note 11).		23,174,000	23,174,000
Valuation of land used in terminal operations as of December 31, 2013 (see Note 11).		6,098,000	6,098,000
Valuation of land used in terminal operations as of December 31, 2005 (See Note 11).		5,414,949	5,414,949
Valuation of land held for development as of December 31, 2015 (see Note 9).		(18,244,155)	(18,244,155)
Release on transfer of land held for development as of December 31, 2015 (see Note 9).		(48,870,000)	(48,870,000)
Release on sales of land held for development.		(4,358,235)	(4,358,235)
Valuation of land held used in operations as of December 31, 2018		812,261	812,261
	$	69,708,680	69,708,680

17. **Other Operating Income:**

	Notes		2023	2022
Storage fees		$	15,422,975	15,773,940
Port charges			11,142,325	3,512,070
Freight income			4,001,044	4,460,942
Transmission fees			2,790,567	2,942,824
Laboratory fees			1,951,621	2,170,107
Miscellaneous income			1,631,080	273,783
Berthing fees			1,594,350	842,458
Bunkering income			1,279,463	188,361
Agency fees			982,530	699,840
Rental income			340,649	394,460
Warehouse rental	10		255,750	271,984
Convenience store income			212,528	179,400
Gain on disposal of fixed asset			80,109	100,919
		$	41,684,991	31,811,088

(Expressed in Eastern Caribbean Dollars)

18. **Selling, General and Administrative Expenses:**

		2023	2022
Payroll and related costs	$	17,577,589	16,252,103
Port charges		16,640,644	5,963,658
Product haulage		5,859,298	5,720,262
Insurance		4,971,334	4,555,245
Repair and maintenance		2,235,880	1,635,361
Utilities		1,997,736	1,814,240
Bank and other charges		1,446,403	1,454,979
Rent		1,180,997	797,839
Dues and subscriptions		665,585	627,301
Legal and professional fees		558,938	312,555
Security		539,189	698,825
Direct purchases		522,106	374,270
Fuel Usage		507,308	463,402
Directors' fees		395,000	354,000
Other operating expenses		394,468	554,345
Uniform		367,250	177,283
Advertising and promotion		342,717	234,139
Travel and entertainment		215,064	140,758
Donations		183,909	383,415
Inspection		179,890	140,959
Office expenses		172,117	134,282
Training		170,642	105,913
Loss on disposal of consumables		113,400	52,050
Storage fees		86,848	205,763
Freight and duty		367	810
License and taxes		-	14,139
	$	57,324,679	43,167,896

(Expressed in Eastern Caribbean Dollars)

19. **Taxation:**

Reconciliation of income tax calculated at applicable tax rate with income tax expense as follows:

		2023	2022
Tax (receivable)/payable			
Balance, beginning of year	$	1,114,398	(1,147,340)
Income and withholding taxes		10,759,901	11,779,738
Taxes paid		(8,636,000)	(9,518,000)
Corporate tax set off against value added tax		-	-
Balance, end of year	$	3,238,299	1,114,398
Net income for the year before taxation	$	37,551,924	32,222,345
Income tax expense calculated at the statutory rate		9,383,481	8,470,085
Tax effect of permanent differences		1,818,606	2,138,657
Tax effect on capital balancing allowance		(3,117,068)	(3,105,268)
Tax effect on losses (utilized)/not utilized		(221,538)	(247,621)
Current tax income		7,863,481	7,255,853
Withholding tax		52,873	18,000
Special tax on net income		2,879,454	4,505,885
Total income and withholding taxes	$	10,795,808	11,779,738

		2023	2022
Deferred Tax Liability			
Beginning of year	$	5,264,804	4,251,459
Deferred tax movement		1,022,047	1,013,346
Balance, end of year	$	6,286,851	5,264,805

		2023	2022
Deferred tax asset			
Beginning of year	$	50,256	50,256
Deferred tax movement			-
Balance, end of year	$	50,256	50,256

The deferred tax liability balance arises from decelerated tax and depreciation and is recognised using the statutory tax rate of twenty-five (25%) percent.

(Expressed in Eastern Caribbean Dollars)

19. **Taxation:** *(cont'd)*

Special tax on net income
In accordance with the Antigua and Barbuda Income Tax Amendment (ACT) of 2019, an additional tax of ten (10%) percent is charged on the net income of the Parent Company. This tax on net income is effective from January 1, 2020, to December 31, 2021.

20. **Dividends:**

On July 20, 2023, the Company declared dividends in the amount of $13,263,218 representing sixty-one (61%) percent of the consolidated earnings in respect of the 2022 financial year. (2022: $11,880,778 in respect of 2021 financial year). Dividend payments made during the year ended December 31, 2023, amounted to $9,712,898 (2022: $9,010,242).

21. **Land Lease**

The Company leases land from the Government of Antigua and Barbuda on which certain pipelines have been installed. As of December 31, 2023, this lease had forty-eight (48) years remaining. The Company has a waiver for the annual rental amount of EC$5,000. The Company has determined that the lease does not meet the requirements of IFRS 9- *Leases*.

22. **Earnings Per Share:**

Earnings per share is calculated by diving the net income attributed to equity holders of the Company for the years by the weighted average number of common shares in issue during the year.

	2023	2022
Profit attributable to ordinary shareholders	25,735,105	19,429,261
Weighted average number of ordinary shares in issue	5,816,717	5,807,500
	4.42	3.35

23. **Investment in debt security:**

The Company purchased a Government of Antigua seven (7) year 7.25% treasury bond security in December 2022. The security has a face value of EC$5,000,000 generating amortised interest income of EC$1,677,242.19 over its tenure ending December 21st, 2029. The security is listed on the Eastern Caribbean Securities Exchange government securities market.

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WEST INDIES OIL CO. LTD.
INNOVATIVE ENERGY SOLUTIONS

MANAGEMENT PROXY CIRCULAR

The Companies Act 1995, Section 141

COMPANY NAME

The West Indies Oil Company Limited

Company No: 168, incorporated March 24, 1961

THE MEETING

The Annual General Meeting of shareholders of The West Indies Oil Company Limited to held at the John E St. Luce Financial Centre and virtually via live stream to all shareholders of record as of September 20th, 2024. The meeting will be held on Thursday October 10th, 2024, at 4:00 PM.

MANAGEMENT SOLICITATION

It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and in the absence of a specific direction, at the discretion of the proxyholder in respect of any other resolution.

DIRECTORS STATEMENTS PURSUANT TO SUBSECTION 74 (2)

No statement has been received from any Director pursuant to section 74(2) of the Companies Act, 1995.

AUDITOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 170(1)

No statement has been received from the Auditors of the Company pursuant to Section 170(1) of the Companies Act, 1995.

SHAREHOLDER'S PROPOSAL SUBMITTED PURSUANT TO SECTIONS 114(A) AND 115(2)

No proposal has been received from any Shareholder pursuant to Sections 114(A) and 115(2), and within the rules stipulated by Section 117 of the Companies Act, 1995.

DATE	NAME AND TITLE	SIGNATURE
September 06th, 2024	Carlton Bramble *Corporate Secretary* *The West Indies Oil Company Limited*	

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WEST INDIES OIL CO. LTD.
INNOVATIVE ENERGY SOLUTIONS

SHAREHOLDER PROXY FORM

The Companies Act 1995, Section 141

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I/(We) being a shareholder/ (shareholders) of The West Indies Oil Company Limited, hereby appoint Raul LiCausi, or failing him, Hilroy R Humphreys, Directors of the Company OR

BLOCK LETTERS

____

BLOCK LETTERS

of ____________________

as my/our proxy to vote for me/us on my/our behalf as indicated below on the Resolutions to be proposed at the Annual Meeting of the Company, to be held on August 15th, 2024, and at any adjournment thereof.

Dated this _____ day of ________ 2024.

Name __________ Signature __________

Name __________ Signature __________

Please indicate with an 'X' in the spaces below how you wish your proxy to vote on the Resolutions referred to. If no such Indication is given, the proxy will exercise his discretion as to how he votes or whether he abstains from voting.

RESOLUTIONS	FOR	AGAINST
BE IT RESOLVED THAT		
1. The audited financial statements for the year ended December 31, 2023 and the reports of the Auditor atnd Directors thereon be received.		
2. The directors to be elected be elected en bloc.		
3. The firm of BDO Chartered Accountants, be appointed Auditors and the Directors be authorised to fix their remuneration.		
4. The directors be authorised to invite tenders for the audit of financial statements for the fiscal year ended December 31, 2025 and recommend for approval by the members the auditor of the financial statements for the said fiscal year.		

APPOINTING A PROXYHOLDER TO REPRESENT YOU AND VOTE AT THE MEETING

The form of proxy or voting instruction form appoints Raul LiCausi or Hilroy R Humphreys, each a director of The West Indies Oil Company Limited (WIOC), as your proxyholder, which gives them the authority to vote your shares at the applicable meeting or any adjournment of the meeting.

You can choose another person or company, including a person who is not a shareholder, as your proxyholder to vote your shares online or in person at the meeting or any adjournment of the said meeting. To do this, you must appoint that person as proxyholder as described in the voting instructions attached.

If the proxyholder will be **attending the meeting online**, you must register this proxyholder online at corporate@westindieoil.com no later than 4:00 p.m. on Monday, October 7, 2024, for WIOC to email the proxyholder with a username. **Failure to register the proxyholder will mean the proxyholder will be unable to register online as a participant, vote, or ask questions online.**

If the proxyholder will be **attending the meeting in person**, they will need to check in at the registration desk when they arrive at the meeting.

RETURN TO:

Corporate Secretary
The West Indies Oil Company Limited
P.O. Box 230
St. John's
ANTIGUA, WEST INDIES
Email: corporate@westindiesoil.com

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