Independent auditors' report to the members of Stolt-Nielsen Limited

Report on the audit of the group financial statements

Opinion

In our opinion, Stolt-Nielsen Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 30 November 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Balance Sheet as at 30 November 2021; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

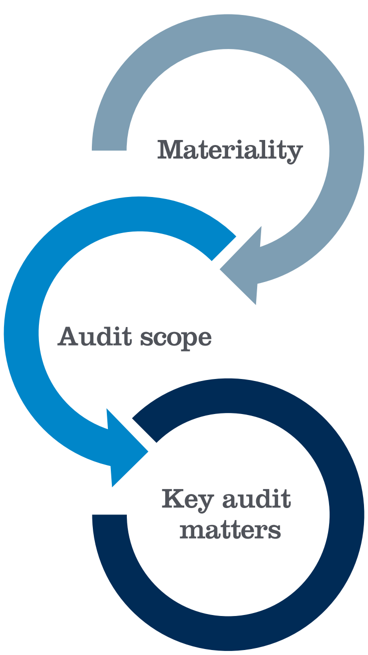
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Materiality:

- Overall materiality: $21.8m (2020: $19.6m) based on 1% of revenue.
- Performance materiality: $16.4m (2020: $14.7m)

Audit Scope:

- Full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and Stolt Tank Containers, the largest trading divisions of the group.
- Full scope audits of Property Plant and Equipment at the Singapore and Houston terminals within the Stolthaven Terminals division.
- Specified procedures over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers entities and the shared service centre in Manila.
- Audit of certain financial statement line items across the group, including Cash and cash equivalents, Restricted cash, Investments in and advances to joint ventures and associates, Long-term debt, Short-term bank loans, Derivative financial instruments, Insurance claim receivables, Income tax expense, Income tax receivable, Income tax payable, Deferred tax assets, Deferred tax liabilities, Right-of-use assets, lease liabilities, Administrative and general expenses, and Employee benefit assets and liabilities.
- The reporting locations subject to audit procedures accounted for 75% of the group's revenue and 67% of the group's total assets.

Key audit matters:

- Accounting for claims
- Voyage revenue recognition

Independent auditors' report to the members of Stolt-Nielsen Limited (*continued*)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulations implemented by the International Maritime Organisation ("IMO") and the International Convention for the Prevention of Pollution from Ships ("MARPOL"), Bribery Act 2010 ("UK") and international tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 1981 (Bermuda). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the application of management bias in accounting estimates or judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed included:

- Inquiring of management, the head of operational audit and the Audit Committee as to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing matters reported on the group's "Speak Up" system and the results of management's investigation of such matters;
- Challenging assumptions and judgements made by management in connection with significant accounting estimates;
- Considering recent correspondence with legal advisors in respect of uncertain legal matters;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations or those posted by unexpected users; and
- Testing material consolidation adjustments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Impairment of assets and the impact of the COVID-19 pandemic, which were key audit matters last year, are no longer included because the group has demonstrated an ability to positively respond to the challenges of the pandemic during 2020 and 2021 and we have seen a relatively low impact of the pandemic on business operations and performance, and in projections of future performance. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accounting for claims Management make judgements about the group's exposure to legal claims, and the amounts recoverable under insurance, in relation to claims associated with incidents involving the MSC Flaminia, Stolt Groenland and Stolt Commitment. At 30 November 2021 there was a provision of $165.5m in relation to these claims, and an associated insurance reimbursement receivable of $162.9m, recorded on the balance sheet. This is considered to be a key audit matter because there is an inherent level of estimation uncertainty in assessing the group's exposure to claims from third parties and the recoverability of amounts from insurance providers. In particular we have focussed our audit effort on assessing management's exposure to claims with reference to guidance received from legal counsel, and assessing whether insurance claim receivables meet the threshold of 'virtually certain' required in order for them to be recognised on the balance sheet. Refer also to notes 19 and 26 in the consolidated financial statements.	**We performed the following procedures:** • Obtained confirmations from the group's insurance providers with respect to the status of insurance claims under their policies. Where direct confirmations were not obtained, we performed alternative procedures including a review of insurance policies and inquiry of 3rd party providers, as well as assessing payments made by the insurance providers to assess the recoverability of amounts recorded. • Obtained the views of both internal and external legal counsel to consider the outcome of prior year litigation, including developments and settlements, and the status of new claims. • Evaluated the group's accounting for insurance claims, amounts recoverable under insurance and cash received to date. We also assessed management's estimate of future settlements of outstanding claims with reference to claims received and representations from external legal counsel. • Assessed the adequacy of the claims related disclosures in the financial statements. Based on the procedures performed, we noted no material issues from our work.
Voyage revenue recognition The Stolt Tankers division reported $1.2bn of revenue in 2021 which is mostly recognised over time using an estimated percentage of completion for voyages in progress at the balance sheet date. This is considered to be a key audit matter due to the complexity of the revenue recognition policies for Stolt Tankers. We have assessed that the revenue in this division carries a higher risk of material error as its calculation is more judgemental in nature. In particular, we focussed our audit effort on the calculation of voyage revenue and costs, and estimates over the percentage of completion of voyages at year end, due to the inherent level of estimation uncertainty in these areas. Refer also to note 3 in the consolidated financial statements.	**We performed the following procedures:** • Assessed the methodology for estimating and reviewing the amount of revenue recognised at the year end and compared this to the relevant accounting guidance under IFRS 15, Revenue from contracts with customers. • Tested key controls across the revenue cycle, including those over key systems and automated calculations of revenue and voyage accruals. • Obtained a sample of voyage contracts to understand the key terms relevant to the recognition of revenue in the year. • Compared the estimated percentage completion at the year end to the actual percentages post year end, and also considered the accuracy of the opening balance sheet position in a similar manner. • Agreed a sample of revenue recorded throughout the year to cash receipts. • Performed subsequent receipts testing for a sample of revenue transactions recorded pre year end. • Tested the run-off of the voyage accruals after year end. • Tested post year end credit notes to assess the accuracy of the year end position. • Tested the voyage revenue cut off by agreeing a sample of revenue accruals and revenue items recorded pre-year end to supporting documentation. • Tested a targeted sample of aged voyage accounting items on the balance sheet to assess the recoverability of the associated assets and adequacy of voyage accruals. Based on the procedures performed, we noted no material issues from our work.

Independent auditors' report to the members of Stolt-Nielsen Limited *(continued)*

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

Stolt-Nielsen Limited has six divisions that operate globally: Stolt Tankers which operates chemical tankers for the transportation of bulk-liquid chemicals, oils, acids and clean petroleum products; Stolthaven Terminals which provides storage for bulk-liquid chemicals, oils, acids and clean petroleum products; Stolt Tank Containers which provides transportation for bulk-liquid chemicals and food-grade products; Stolt Sea Farm which operates farms producing premium fish species; Stolt-Nielsen Gas which focuses mainly on the development of LNG supply chains; and Corporate and Other. The group has a number of subsidiaries, joint ventures and associates, including those within the divisions mentioned and also operates a shared service centre in Manila. Our scoping considerations for the group audit were based both on financial significance and risk.

Using audit teams based in Rotterdam, Houston and Manila, we have performed full scope audits of Stolt Tank Containers and of the Deep Sea Trading and Owning divisions of Stolt Tankers, due to the financial significance of these components. In addition, specified procedures over Stolt Tankers administrative and general expenses and Stolt-Nielsen Inland Tanker Service ("SNITS") revenue were performed alongside desktop review procedures for other fleets.

For Stolthaven Terminals, a full scope audit of Property, Plant and Equipment has been carried out at Stolthaven Houston and Stolthaven Singapore.

For Stolt Sea Farm, specified procedures have been performed over certain material financial statement line items in Stolt Sea Farm Spain by our local team in this territory.

Certain procedures have also been performed at a group level in London over additional items, including Cash and cash equivalents, Restricted cash, Investments in and advances to joint ventures and associates, Long-term debt, Short-term bank loans, Derivative financial instruments, Insurance claim receivables, Income tax expense, Income tax receivable, Income tax payable, Deferred tax assets, Deferred tax liabilities, Right-of-use assets, lease liabilities, Administrative and general expenses, and Employee benefit assets and liabilities, to gain coverage over these financial statement line items as a whole across the group. Procedures were performed on certain processes undertaken by the shared service centre in Manila to the extent that those processes contribute to the financial information of the components as noted above. Work is also performed over centralised functions such as tax, treasury, legal and pensions, as well as the consolidation, by the group team in London.

Where work was performed by teams outside of the UK, we determined the level of independent involvement needed at those local operations to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. We issued formal, written instructions to the teams outside the UK, setting out the work to be performed by each of them and maintained regular communication throughout the audit cycle. These interactions included participating in planning and clearance meetings with our teams in The Netherlands and The United States of America, holding regular video conference calls, as well as reviewing working papers remotely and assessing matters reported.

In total the work performed accounted for 75% of consolidated group revenue and 67% of the group's total assets. At the group level we also carried out analytical and other procedures on the components not covered by the procedures described above.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$21.8m (2020: $19.6m).
How we determined it	1% of revenue.
Rationale for benchmark applied	Based on the benchmarks used in the annual report, we believe that revenue is the primary measure generally used by the shareholders in assessing the performance of the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $1.5m to $10.25m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to $16.4m (2020: $14.7m) for the group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.1m (2020: $1.0m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

Review of management's base case and severe but plausible downside scenario, ensuring the directors have considered all appropriate factors. This included consideration of the future cash flows, the liquidity position of the group, available financing facilities, the timing of contractual debt repayments and committed capital expenditure and the relevant liquidity requirements that exist as part of the contractual arrangements with current lenders.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Independent auditors' report to the members of Stolt-Nielsen Limited *(continued)*

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibility Statement set out on page 146, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants

Watford

March 14, 2022

a. The maintenance and integrity of the Stolt-Nielsen Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b. Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

(in thousands, except per share data)	Notes	For the years ended November 30, 2021	2020
Operating Revenue	3, 4	**$ 2,181,082**	$ 1,955,136
Operating Expenses	5	**(1,459,706)**	(1,308,904)
		721,376	646,232
Depreciation and amortisation	14, 15, 16	**(295,459)**	(292,262)
Impairment of assets	14, 16	**(10,000)**	(12,394)
Gross Profit		**415,917**	341,576
Share of profit of joint ventures and associates	17	**39,470**	32,437
Administrative and general expenses	5	**(220,464)**	(187,679)
Loss on disposal of assets, net	7	**(3,010)**	(794)
Reversal of impairment on joint venture loan		**–**	3,557
Other operating income		**2,218**	1,640
Other operating expense		**(436)**	(810)
Operating Profit		**233,695**	189,927
Non-Operating (Expense) Income			
Finance expense on lease liabilities	8	**(11,072)**	(9,478)
Finance expense on debt	8	**(116,212)**	(129,884)
Finance income	8	**2,375**	3,695
Foreign currency exchange loss, net		**(2,673)**	(5,258)
Other non-operating expense, net		**(2,902)**	(1,525)
Profit from continuing operations before income tax		**103,211**	47,477
Income tax expense	9	**(24,405)**	(8,321)
Profit from continuing operations		**78,806**	39,156
Loss from discontinued operations	33	**–**	(13,788)
Net Profit		**$ 78,806**	$ 25,368
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**78,806**	26,295
Non-controlling interests		**–**	(927)
		$ 78,806	$ 25,368
Earnings per share:			
Profit from continuing operations attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 1.47**	$ 0.65
Diluted	31	**$ 1.47**	$ 0.65
Net profit attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 1.47**	$ 0.43
Diluted	31	**$ 1.47**	$ 0.43

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in thousands)	Notes	For the years ended November 30, 2021	2020
Net profit		**$ 78,806**	$ 25,368
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on pension schemes	25	**15,542**	10,841
Actuarial gain on pension scheme of joint venture	17	**1,489**	379
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	9	**(2,709)**	(859)
Items that may be reclassified subsequently to profit or loss:			
Net income on cash flow hedges		**4,587**	7,986
Reclassification of cash flow hedges to income statement		**15,085**	(21,824)
Net income (loss) on cash flow hedges held by joint ventures and associates	17	**3,834**	(3,877)
Deferred tax adjustment on cash flow hedges	9	**(689)**	623
Exchange differences arising on translation of foreign operations		**(18,899)**	23,407
Deferred tax on translation of foreign operations	9	**119**	545
Exchange differences arising on translation of joint ventures and associates	17	**(11,354)**	20,642
Change in value of investment in equity instruments	18	**8,681**	(9,133)
Net profit recognised as other comprehensive income		**15,686**	28,730
Total comprehensive income		**$ 94,492**	$ 54,098
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**$ 94,492**	$ 55,025
Non-controlling interests		**–**	(927)
		$ 94,492	$ 54,098

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

(in thousands)	Notes	As of November 30, 2021	2020
ASSETS			
Current Assets:			
Cash and cash equivalents	10	**$ 123,868**	$ 187,767
Restricted cash	10	**6,096**	109
Receivables, net	11	**285,749**	220,264
Insurance claim receivables	11	**58,598**	–
Inventories, net	12	**6,986**	7,741
Biological assets	13	**50,344**	30,129
Prepaid expenses		**76,645**	63,128
Derivative financial instruments	22	**589**	157
Income tax receivable		**987**	5,811
Other current assets		**54,351**	41,542
Total Current Assets		**664,213**	556,648
Property, plant and equipment	14	**2,856,137**	3,020,060
Right-of-use assets	15	**203,048**	189,405
Investments in and advances to joint ventures and associates	17	**611,906**	585,984
Investment in equity instruments	18	**37,873**	26,305
Deferred tax assets	9	**9,238**	13,506
Intangible assets and goodwill	16	**38,967**	40,836
Employee benefit assets	25	**25,370**	17,867
Derivative financial instruments	22	**6,868**	9,242
Insurance claims receivables	19	**162,887**	191,706
Other non-current assets		**19,702**	13,306
Total Non-Current Assets		**3,971,996**	4,108,217
Total Assets		**$ 4,636,209**	$ 4,664,865
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans	23	**$ 40,000**	$ –
Current maturities of long-term debt	24	**490,502**	255,805
Current lease liabilities	15	**43,473**	35,640
Accounts payable	20	**114,607**	92,030
Accrued voyage expenses and unearned revenue		**51,328**	48,601
Dividend payable	30	**26,829**	13,448
Accrued expenses		**197,904**	165,301
Provisions	26	**2,968**	9,376
Income tax payable		**12,534**	8,844
Derivative financial instruments	22	**10,239**	61,814
Other current liabilities		**37,543**	30,992
Total Current Liabilities		**1,027,927**	721,851
Long-term debt	24	**1,695,142**	2,053,336
Long-term lease liabilities	15	**166,977**	157,875
Deferred tax liabilities	9	**68,025**	55,867
Employee benefit liabilities	25	**31,720**	39,365
Derivative financial instruments	22	**7,938**	21,044
Long-term provisions	26	**164,126**	192,948
Other non-current liabilities		**1,425**	3,932
Total Non-Current Liabilities		**2,135,353**	2,524,367
Total Liabilities		**3,163,280**	3,246,218
Shareholders' Equity	30		
Founder's Shares		**14**	16
Common Shares		**58,524**	64,134
Paid-in surplus		**195,466**	314,454
Retained earnings		**1,584,978**	1,532,060
Other components of equity		**(255,002)**	(256,366)
		1,583,980	1,654,298
Less – Treasury shares		**(111,051)**	(235,651)
Total Shareholders' Equity		**1,472,929**	1,418,647
Total Liabilities and Shareholders' Equity		**$ 4,636,209**	$ 4,664,865

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

(in thousands)	Common Shares	Founder's Shares	Paid-in surplus	Treasury shares	Retained earnings	Foreign currency (a)	Hedging (a)	Fair value (a)	Attributable to equity holders of SNL	Non-controlling interests	Total
Balance, December 1, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,507,520**	**$ (177,217)**	**$ (24,468)**	**$ (73,050)**	**$ 1,375,738**	**$ 927**	**$ 1,376,665**
Comprehensive income (loss)											
Net profit (loss)	–	–	–	–	26,295	–	–	–	26,295	(927)	25,368
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–		44,594	–	–	44,594	–	44,594
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	10,361	–	–	–	10,361	–	10,361
Fair value adjustment on equity investments	–	–	–	–	–	–	–	(9,133)	(9,133)	–	(9,133)
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	(17,092)	–	(17,092)	–	(17,092)
Total other comprehensive income (loss)	–	–	–	–	10,361	44,594	(17,092)	(9,133)	28,730	–	28,730
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**36,656**	**44,594**	**(17,092)**	**(9,133)**	**55,025**	**(927)**	**54,098**
Transactions with Shareholders											
Cash dividends paid – $0.25 per Common Share (b)	–	–	–	–	(13,381)	–	–	–	(13,381)	–	(13,381)
Cash dividends paid – $0.005 per Founder's Share (b)	–	–	–	–	(67)	–	–	–	(67)	–	(67)
Forgiveness of subsidiary's loan by non-controlling interest	–	–	–	–	1,332	–	–	–	1,332	–	1,332
Transfer of treasury shares	–	–	164,646	(164,646)	–	–	–	–	–	–	–
Total transactions with shareholders	**–**	**–**	**164,646**	**(164,646)**	**(12,116)**	**–**	**–**	**–**	**(12,116)**	**–**	**(12,116)**
Balance, November 30, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**	**$ –**	**$ 1,418,647**
Comprehensive income (loss)											
Net profit	–	–	–	–	78,806	–	–	–	78,806	–	78,806
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–	–	(30,134)	–	–	(30,134)	–	(30,134)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	14,322	–	–	–	14,322	–	14,322
Fair value adjustment on equity investments	–	–	–	–	–	–	–	8,681	8,681	–	8,681
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	22,817	–	22,817	–	22,817
Total other comprehensive income (loss)	–	–	–	–	14,322	(30,134)	22,817	8,681	15,686	–	15,686
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**93,128**	**(30,134)**	**22,817**	**8,681**	**94,492**	**–**	**94,492**
Transactions with shareholders											
Cash dividends paid – $0.75 per Common Share (c)	–	–	–	–	(40,143)	–	–	–	(40,143)	–	(40,143)
Cash dividends paid – $0.005 per Founder's Share (c)	–	–	–	–	(67)	–	–	–	(67)	–	(67)
Cancellation of shares	(5,610)	(2)	(118,988)	124,600	–	–	–	–	–	–	–
Total transactions with shareholders	**(5,610)**	**(2)**	**(118,988)**	**124,600**	**(40,210)**	**–**	**–**	**–**	**(40,210)**	**–**	**(40,210)**
Balance, November 30, 2021	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,584,978**	**$ (162,757)**	**$ (18,743)**	**$ (73,502)**	**$ 1,472,929**	**$ –**	**$ 1,472,929**

a. Other components of equity on the balance sheet of $255.0 million and $256.4 million at November 30, 2021 and 2020, respectively, are composed of foreign currency, hedging and fair value.

b. The $13.4 million is the 2020 interim dividend for Common Shares and $0.1 million for Founder's Shares.

c. The $40.1 million is the 2020 final and 2021 interim dividends for Common Shares and 0.1 million for Founder's Shares.

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in thousands)	Notes	For the years ended November 30, 2021	2020
Cash generated from continuing operations	32	**$ 448,416**	$ 493,275
Interest paid		**(120,807)**	(130,465)
Debt issuance costs		**(3,379)**	(3,220)
Interest received		**2,400**	1,991
Income taxes paid		**(2,803)**	(5,212)
Net cash generated from operating activities – Continuing operations		**323,827**	356,369
Net cash used for operating activities – Discontinued operations		**–**	(3,589)
Cash flows from investing activities			
Capital expenditures	14	**(185,486)**	(140,748)
Purchase of intangible assets	16	**(4,688)**	(4,752)
Investment in joint venture and associate	17	**(21,173)**	(15,000)
Proceeds from sales of assets	14	**29,741**	14,567
Repayment of advances to joint ventures and associates, net	17	**4,570**	4,907
Acquisition of shares of Golar LNG, Limited	18	**(3,000)**	–
Other, net		**(565)**	(584)
Net cash used in investing activities – Continuing operations		**(180,601)**	(141,610)
Net cash provided by investing activities – Discontinued operations		**–**	3,456
Cash flows from financing activities			
Increase in short-term bank loans	23	**40,000**	–
Proceeds from issuance of long-term debt	24	**141,950**	288,530
Repayment of long-term debt	24	**(312,827)**	(396,016)
Principal payments on leases	15	**(43,432)**	(39,754)
Dividends paid	30	**(26,829)**	(13,465)
Net cash used in financing activities		**(201,138)**	(160,705)
Net (decrease) increase in cash and cash equivalents		**(57,912)**	53,921
Effect of exchange rate changes on cash and cash equivalents		**(5,987)**	(2,305)
Cash and cash equivalents at beginning of year		**187,767**	136,151
Cash and cash equivalents at end of year		**$ 123,868**	$ 187,767

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. General Information

Stolt-Nielsen Limited (the "Company" or "SNL") and its subsidiaries (collectively, the "Group"), through its divisions, Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers ("STC"), is engaged in the worldwide transportation, storage and distribution of bulk liquid chemicals, edible oils, acids, and other specialty liquids. The Group is also engaged in the seafood business, which is carried out through Stolt Sea Farm ("SSF"), which produces, processes and markets turbot and sole. Furthermore, the Group has investments in the gas industry through its 47.2% holding of Avenir LNG Limited ("Avenir LNG") and its 2.5% holding of Golar LNG Limited at November 30, 2021. Avenir LNG sources, ships, stores, distributes and sells liquefied natural gas ("LNG") to industries and communities that lack access to a natural gas grid. Golar LNG Limited is one of the world's largest independent owners and operators of marine-based LNG midstream infrastructure, and is active in liquefaction, transportation and regasification.

The Company is a limited liability holding company incorporated in Bermuda on June 11, 2010. The Company is listed on the Oslo Stock Exchange under the ticker symbol SNI and the registered address is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with the registration number EC 44330.

2. Summary of Significant Accounting Policies

Basis of preparation

The Consolidated Financial Statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union ("IFRS") and interpretations issued by the IFRS Interpretations Committee. Accounting policies have been applied on a consistent basis with the prior year, except when new accounting policies have been adopted.

The Consolidated Financial Statements are prepared and published according to the provisions of Bermuda company law.

The presentation currency used in these Consolidated Financial Statements is the US dollar. The functional currency of the Company is the US dollar.

Going concern

Notwithstanding the Group having net current liabilities of $363.7 million, management is of the opinion that the Group's cash flows from operations plus committed new financing will continue to provide the cash necessary to fully repay the USD bond of $175.0 million due in September 2022 and balloon payments on two tank container financings of $138.2 million in May and November 2022 and satisfy the Group's working capital requirements and capital expenditures commitments, as well as make scheduled debt repayments, remain in compliance with the Group's financial covenants and satisfy the Group's other financial commitments for the 12 months from the date of this report. On February 16, 2022, management finalized a new $415.0 million senior secured credit facility secured by 19 of the Group's chemical tankers. This senior secured facility is replacing the current committed revolving credit facility maturing in October 2022 and $181.0 million of floating-rate term loans, all secured by certain of the Group's ships. In addition, on March 2, 2022, the Group closed on a $128.0 million fixed-rate borrowing agreement using a group of tank containers as collateral. Cash will be drawn on this facility subsequent to the balloon payment in May 2022 of one of the tank container financings.

The Covid-19 pandemic has resulted in significant disruptions in global economic activities, causing the operations of the Group, its customers, suppliers and other stakeholders to be impacted. The Group has attempted to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees in mind.

The Group has considered Covid-19's impact on the Group's liquidity in connection with the use of a going concern basis of presentation in the preparation of the Consolidated Financial Statements. While the scale and duration, as well as the impact, of Covid-19 remain uncertain, having considered various downside scenarios, management is of the opinion that the Company's cash flows from operations, projected financing and available credit facilities will continue to provide the cash necessary to satisfy the Company's working capital requirements, scheduled debt repayments and committed capital expenditures for the next 12 months. Therefore, the Group continues to adopt the going concern basis in preparing the Consolidated Financial Statements.

Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis except for derivative financial instruments, financial instruments measured at fair value through other comprehensive income, defined benefit plan assets and biological assets, all of which are stated at their fair value.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where a parent entity is either exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those that significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary, and the ability to appoint key management personnel, are decisions that demonstrate that the Group has existing rights to direct the relevant activities of a subsidiary. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control begins until the date that control ceases. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Foreign currency

(i) Foreign currency transactions

The individual Financial Statements of all Group companies are presented in the functional currency of the primary economic environment in which the subsidiaries and equity method investees operate.

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated, while non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the dates the fair values were determined.

Foreign exchange differences arising on translation are recognised in the income statement, except for those differences arising from hedging and monetary balances with foreign operations where settlement is not planned and unlikely to occur, which are recorded in other comprehensive income. Differences related to hedging of operating expenses are recorded in operating expenses.

(ii) Foreign operations

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates the foreign exchange rates at the dates of the transactions. The differences are recorded in other comprehensive income.

Other significant accounting policies

Accounting policies for individual balance sheet and income statement accounts are included in the respective footnotes.

New standards that are not yet effective

There are no standards that are not yet effective that are expected to have a material effect on the Group's financial statements.

Accounting policies that became effective during the year

There are no new accounting policies that have become effective during the year that have had a material effect on the Group's financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In connection with the preparation of the Consolidated Financial Statements, management has made assumptions and estimates about future events, and applied judgements that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that management believes to be relevant at the time the Consolidated Financial Statements are prepared. Actual results may differ from these estimates. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgements to ensure that the Consolidated Financial Statements are presented fairly and in accordance with IFRS and Bermuda company law, applied on a consistent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the change affects both as per IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting estimates and judgements are those that have a significant risk of having a material impact on the Consolidated Financial Statements. Management believes the following areas are the significant judgements and estimates used in the preparation of the Consolidated Financial Statements:

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Voyage revenue and costs		
The Group generates a majority of its revenues through its tanker segment from the transportation of liquids by sea and inland waterways under contracts of affreightment or through contracts on the spot market. Tankers recognise the majority of their operating revenue over time on a prorated basis based on the time cargo is loaded to its estimated dispatch. When calculating the voyage revenue and costs, this recognition is first based on 'budgeted voyage legs' that are reviewed and updated annually. After the voyage legs have begun, they are updated for actual results and the latest updated estimates.	In applying the percentage of completion method, the revenues and expenses for voyages still in progress at the end of the reporting period are estimated and prorated over the period of the service provided for each active contract. For each voyage leg, estimates are made of revenues and related costs based on available actual information, current market parameters such as fuel cost and customer contract portfolios, and relevant historical data, such as port costs. Revenue and cost estimates are updated continually throughout the voyage to account for changes in voyage patterns, to include the most up-to-date data and to finalise revenues and expenses.	The accrued voyage and prepaid voyage expense accounts are used to adjust revenues billed and vendor invoices received to the appropriate amounts to be recognised based on the percentage of completion method of accounting. Management does not believe there would be a material change if the percentage of completion method was based on full voyages or other criteria. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or understated. At November 30, 2021 and 2020, the accrued voyage expense account was \$51.3 million and \$48.6 million, respectively, of which \$29.1 million and \$26.8 million related to contract liabilities for unearned revenues. Prepaid expenses included \$11.9 million and \$13.7 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2021 and 2020, respectively.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Depreciation and residual values		
Ships, barges, tank containers and terminals are depreciated on a straight-line basis over their estimated useful lives, after reducing for the estimated residual value. Estimated useful lives are based on past experience, expected future performance and management's estimate of the period over which the asset will provide economic benefit. For ships and barges, residual values are estimated based on the steel price, the estimated light displacement tonnage of the fleet and current trends in the price of recycling of ships. For the majority of the fleet, the steel price used is the average steel price for the last three years. For ships expected to be recycled in the next three years, the steel price at the previous year end date is used. The evaluation of residual values and estimated useful lives for tank containers is based on the steel price of different grades of steel. In the case of terminals, the lives of terminals can range up to 40 years and the prices of steel and construction costs can vary across different terminals. If there is a material change in the estimated life of the terminal or price of steel, then the estimates are revised. Both estimated useful lives and the residual values are evaluated annually, and the effect of any change is considered as a revision of accounting estimates, and the effect is reflected in the future depreciation charge.	In order to achieve component accounting, the Group uses the weighted average useful economic life of the asset. In the case of ships, in the past, estimated useful lives of the components of the ships range from an estimated 25 to 30 years. However, actual lives of the components of ships or barges may be different depending on many factors such as quality of maintenance and repair and the type of product carried by the ships or barges which may result in a shorter or longer life. Future useful lives could be reduced based on customer preferences, new technological advances, governmental and industry regulations, and the effects of climate change. In the case of tank containers, the estimated useful life ranges between 10 and 20 years, depending on the supplier and the quality of steel used. Residual values are difficult to estimate given the long lives of ships, barges and tank containers, the uncertainty as to future economic conditions and the price of steel, which is considered as the main determinant of the residual price.	If the estimated economic useful life has to be reduced in future periods, an impairment loss or additional depreciation expense could result. A decrease in the useful life of the ship, barge, terminal or tank container or fall in the residual value would have the effect of increasing the annual depreciation charge and potentially resulting in an impairment loss. If the residual value is overestimated, this would reduce the annual depreciation and overstate the value of the assets. See Note 14 for further details.

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Review of impairment triggers		
Under IAS 36, Impairment of Assets, external and internal sources of information are to be reviewed for potential triggers of asset impairment for each Cash Generating Unit ("CGU") in the business segments. External triggers include: • Observable indications of declining value of the CGU beyond normal use. • Adverse changes in the CGU's technological, market, economic or legal environment. • Increase in market interest rates which would affect the discount rate used in calculating the asset's value in use. • Carrying value of the net assets of the entity was more than its market capitalisation. Internal triggers include: • Evidence of obsolescence or physical damage of the CGU's assets. • Significant adverse changes which have changed or will change how the CGU's assets are used. • Indications, through review of internal reports, that the economic performance of a CGU's assets are or will be worse than expected. • Other specific risks within each CGU. At November 30, 2021, the book equity of the Group was more than its market capitalisation. However, the market capitalisation has increased from the prior year. No unrecorded impairment was noted in the prior year, the discount rate expected to be applied for future cash flows has decreased, there was no change in the CGU assessment, and, except in one case, the expected cash flows had not deteriorated materially nor had any other external or internal trigger been noted. Therefore, no further testing was required for any of the CGUs other than the Australia terminals CGU, which is discussed below.	There is significant judgement required to determine whether an external or internal trigger has been met. Uncertainties related to impairment triggers include: • Effect of future technological advances on the value of our assets. • Determination of the future effects of climate change on asset values. • Effect of current and expected future changes to the political environments in which the CGUs operate. • Changes in rules and regulations (for example, taxes on carbon usage). • Effect of market capitalisation, which has increased from the prior year but which is still less than the net assets of the entity. • Evaluation of factors related to the discount rate.	If the judgement applied in determining whether there was an impairment trigger was incorrect or the fact pattern on which it was based changes, this could result in an impairment test being required and, possibly, an impairment being reflected in the Consolidated Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Impairment of Australia terminals' assets		
The Australia CGU with a net book value of assets of $136.9 million has had a deterioration of results over the past several years and had a further reduction of its expected future results from the prior year projections. The recoverable amount for the Australia terminals business was determined based on the Value in Use ("VIU"). The recoverable amount was based on a discounted cash flow basis using board approved projections in the five-year plan carried over into perpetuity using growth rates of 2.4% and a risk-adjusted weighted average cost of capital. As a result of the impairment review, the plant, property and equipment was impaired by $10.0 million.	Calculating the net present value of the future cash flows requires assumptions to be made in respect of highly uncertain matters. Based on management judgement and past experience, the following key assumptions were used in the projections: • Future escalation of price and cost increases based on expected contracts. • Customer rates on existing and future contracts and the spot market. • Future capital expenditures. • Expected utilisation rates and throughput volumes. • Determination of the future effects of climate change on asset values. • Pre-tax discount rate of 6.9% based on the weighted average cost of capital, specific for Australia. • An average growth rate for revenues and costs in perpetuity of 2.4%.	If the judgement applied in determining the recoverable amount of the terminal assets is incorrect or the fact pattern on which it is based changes, this could result in a different impairment being reflected in the Consolidated Financial Statements. For example, an increase of 1.0% in the discount rate would result in a further impairment of $26.6 million.

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Investments in joint ventures and associates		
The Consolidated Financial Statements include the Group's results and all other entities in which the Group has control, except where control over the operations is limited by significant participating interests held by another investor. The Group has $611.9 million in investment and advances in joint ventures and associates. Determination of whether an entity is an investment in a joint venture or associate is based on certain relevant activities such as the ability to approve the operating and capital budgets of an entity and the ability to appoint key management personnel.	There are a number of areas where significant judgement is exercised to establish whether an entity needs to be consolidated or reported under the equity method of accounting. To establish whether an entity is a consolidated subsidiary, a joint venture or an associate, key areas of judgement include: • Qualitative analysis of an entity including review of, among other factors, its capital structure, contractual terms, key decisions requiring unanimous approval, related party relationships and the design of the entity. • Rights of partners regarding significant business decisions, including disposals and acquisitions of assets. • Board and management representation and ability to appoint key management personnel. • Potential voting rights. • Ability to make financing decisions. • Approval of operating and capital budgets and contractual rights of other shareholders. The exercise of judgement in these areas determines whether a particular entity is consolidated as a subsidiary or accounted for under the equity method throughout the lease term.	If the judgement applied in determining the accounting treatment of an entity is incorrect or the fact pattern on which it is based changes, such entities may need to be consolidated or accounted for as an investment at cost. For example, it is possible that an investment is accounted for as a joint venture or associate using the equity method despite having an ownership interest exceeding 50%, where the investor does not exercise direct or indirect control over the investee. To the extent that the Group is deemed to control these entities, the entities would have to be consolidated. This would affect the balance sheet, income statement, statement of cash flows and debt covenants. See Note 17 for further details.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

<table>
<tr><th>Critical accounting judgement or estimation</th><th>Sources of estimation uncertainty</th><th>Effect if actual results differ from assumptions</th></tr>
<tr><td colspan="3">Insurance claims receivable and Provisions</td></tr>
<tr><td>The Group is exposed to substantial risks that are inherent in the industries the Company's businesses operate in and which may result in third-party claims and increased expenses. These may include marine disasters, such as collisions and other problems involving the Group's ships, as well as injuries, death, third-party property damage, explosions and other similar circumstances or events.

For reported claims and incidents, the Group has established provisions for expected future losses and legal expenses on third-party claims. At November 30, 2021, Short-term and Long-term provisions for claims were $165.5 million.

The Group has obtained customary levels of insurance for liabilities arising from operations, including loss of or damage to third-party property and death or injury to employees or third parties.

A receivable is recorded for the claims where it is virtually certain that the Group will receive reimbursement. At November 30, 2021, the long-term Insurance claims receivable for third-party claims was $162.9 million.</td><td>The provisions for claims is based on the following key judgements and estimations:
• Historical trends and patterns of loss payments.
• Replacement costs and inflation.
• Results of litigation.
• Economic location and public attitudes.
• Relevant law and interpretation of case law.
• Applicable insurance company estimates.

When determining whether or not the Group will, with virtual certainty, be reimbursed for claims, the following information will be considered:
• Obligation of the insurance company or underwriter under the insurance policy.
• Historical payout of applicable insurance company on the current and any similar prior claim.
• Public or regulatory rating of underwriter or insurance companies.
• On multi-layered (primary and excess) policies, payments by the previous layer.</td><td>Amounts ultimately paid for losses and legal costs can vary significantly from the level of reserves originally set. If the judgement applied is incorrect or changes over time, this could result in future losses in the Consolidated Financial Statements.

See Notes 19 and 26 for further details.</td></tr>
<tr><td colspan="3">Pensions and other post-retirement benefits</td></tr>
<tr><td>The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. At November 30, 2021, the Employee benefit asset was $25.4 million and Employee benefit liability was $31.7 million. Net periodic pension costs and accumulated benefit obligations are determined in accordance with IAS 19R, Employee Benefits, using a number of estimates including the discount rate to apply to future benefit payments, the rate of compensation increases, retirement ages and mortality rates. These estimates have a significant impact on the amounts reported. The Group's pension cost consists of service costs and interest costs.</td><td>Management considers a number of factors in developing the pension assumptions, including an evaluation of relevant discount rates, expected return on assets, mortality, expected changes in wages and retirement benefits, analyses of current market conditions and input from actuaries and other consultants.</td><td>A 0.25% increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $7.7 million, and a 0.25% decrease in discount rate assumption would result in an increase of $8.0 million in the defined benefit obligation.

The effect of a 1% change in the assumed healthcare cost trends on the accumulated post-retirement benefit obligation at the end of 2021 would have a negligible impact, owing to steps taken on the US Retirement Healthcare Plan to mitigate the risk.

If more than one of these assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption were changed in isolation.

See Note 25 for further details and further scenarios.</td></tr>
</table>

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Right-of-use assets and Lease liabilities		
Key judgements in adopting IFRS 16, Leases ("IFRS 16") include whether to include extension options on leases, the discount rate to use to calculate the initial right-of-use asset and lease liability and determining the portion of lease payments representing non-lease services.	In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended and does not require the lessor to agree on new terms. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As the rate implicit in the lease is not known, management uses the Group's incremental borrowing rate for all leases. The incremental borrowing rate is determined based on a series of inputs including: the risk free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group. For time charters of a ship, the time charter payment must be split between the lease of a specific ship and the cost for crew, maintenance and other operating expenses. The Group has based the non-lease component on the cost to perform the same work for ships of similar classes as the ship under contract.	If the discount rate were to decrease by 1%, the right-of-use asset and lease liability would increase by $11.0 million. If the percent of the time charter allocated to the service component decreased by 1%, the right-of-use asset and lease liability would have increased by $0.6 million and operating expenses would have decreased by approximately $0.2 million in the year. See Note 15 for further details.

3. Business and Geographic Segment Information

The Group has five reportable segments: Tankers, Terminals, Tank Containers, Stolt Sea Farm and Stolt-Nielsen Gas. The nature of these segments is described in Note 1. Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision makers in deciding how to allocate resources and in assessing performance. The Company's Executive Management team has been identified as the chief operating decision makers as they direct the allocation of resources to operating segments based on the net profit (loss) of each respective segment.

The "Corporate and Other" category includes Stolt Bitumen, corporate-related items and the results of other insignificant operations not reportable under other segments.

The basis of measurement and accounting policies of the reportable segments are the same as those described in Note 2 and in the footnotes that support the financial statements. Inter-segment sales and transfers are not significant and have been eliminated and not included in the following table. Indirect costs and assets have been apportioned between the segments of the Group on the basis of corresponding direct costs and assets.

The following tables show the summarised financial information, in US thousand dollars, for each reportable segment:

For the year ended and as of November 30, 2021	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (a)	Total
Operating revenue	$ 1,165,617	$ 243,592	$ 662,443	$ 108,568	$ –	$ 862	$ 2,181,082
Depreciation, amortisation and impairment (b)	(175,364)	(72,392)	(43,667)	(7,268)	–	(6,768)	(305,459)
Share of profit of joint ventures and associates	9,066	29,885	467	–	52	–	39,470
Operating profit (loss)	68,817	62,259	81,597	24,440	2,096	(5,514)	233,695
Finance expense (c)	(62,146)	(38,617)	(14,810)	(3,299)	(5,280)	(3,132)	(127,284)
Finance income	231	325	529	–	–	1,290	2,375
Profit (loss) from continuing operations before income tax	7,350	24,167	63,803	20,027	(3,295)	(8,841)	103,211
Income tax expense	(1,518)	(9,641)	(5,778)	(6,212)	–	(1,256)	(24,405)
Net profit (loss)	5,832	14,526	58,025	13,815	(3,295)	(10,097)	78,806
Balance Sheet							
Capital expenditures (d)	122,933	42,566	13,511	6,878	–	3,519	189,407
Investments in and advances to joint ventures and associates	233,184	273,913	25,312	–	79,497	–	611,906
Intangible assets and goodwill	7,276	531	18,016	265	–	12,879	38,967
Segment assets	2,247,553	1,308,142	590,411	143,800	113,690	232,613	4,636,209

a. Corporate and Other includes Stolt Bitumen.

b. Includes impairment losses of $10.0 million for Terminals.

c. Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base.

d. Capital expenditures include additions to property, plant and equipment, net of grant receipts, drydocking, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

Notes to the Consolidated Financial Statements *(continued)*

For the year ended and as of November 30, 2020	Tankers	Terminals (a)	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (b)	Total
Operating revenue	$ 1,113,095	$ 238,527	$ 520,631	$ 79,747	$ –	$ 3,136	$ 1,955,136
Depreciation, amortisation and impairment (c)	(179,222)	(70,949)	(39,064)	(7,734)	–	(7,687)	(304,656)
Share of profit (loss) of joint ventures and associates	10,851	26,054	(1,403)	–	(3,065)	–	32,437
Operating profit (loss)	84,643	68,794	51,188	(8,350)	(4,015)	(2,333)	189,927
Finance expense (d)	(71,246)	(40,420)	(15,411)	(3,600)	(5,225)	(3,460)	(139,362)
Finance income	595	606	478	–	–	2,016	3,695
Profit (loss) from continuing operations before income tax	11,710	29,458	34,737	(13,230)	(9,408)	(5,790)	47,477
Income tax (expense) benefit	(1,904)	(6,510)	1,221	2,401	–	(3,529)	(8,321)
Profit (loss) from continuing operations	9,806	22,948	35,958	(10,829)	(9,408)	(9,319)	39,156
Net profit (loss)	9,806	22,948	35,958	(24,617)	(9,408)	(9,319)	25,368
Balance Sheet							
Capital expenditures (e)	61,906	56,364	7,485	1,914	–	4,452	132,121
Investments in and advances to joint ventures and associates	224,090	276,669	25,906	–	59,319	–	585,984
Intangible assets and goodwill	6,505	743	17,225	347	–	16,016	40,836
Segment assets	2,288,717	1,347,752	534,389	123,508	80,536	289,963	4,664,865

a. Terminals operating profit includes $3.6 million reversal of impairment on a terminal joint venture loan.

b. Corporate and Other includes Stolt Bitumen.

c. Includes impairment losses of $12.4 million for Terminals.

d. Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base.

e. Capital expenditures include additions to property, plant and equipment, net of grant receipts, drydocking, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

The following table sets out operating revenue by country for the reportable segments. Tankers, Terminals and Tank Containers' operating revenue is allocated on the basis of the country in which the cargo is loaded. Tankers and Tank Containers operate in a significant number of countries. Revenues from specific foreign countries which contribute significantly to total operating revenue are disclosed separately. SSF operating revenue is allocated on the basis of the country in which the sale is generated.

(in thousands)		For the years ended November 30, 2021		2020
Operating Revenue:				
Tankers:				
US	**$**	**412,654**	$	430,491
South America		**27,385**		30,961
The Netherlands		**90,166**		83,580
Belgium		**62,086**		62,241
Other Europe		**70,043**		81,362
South Korea		**34,311**		37,076
Malaysia		**61,281**		58,119
Indonesia		**58,788**		49,490
Other Asia		**114,386**		56,645
Saudi Arabia		**64,912**		85,418
Other Middle East		**92,897**		65,547
Africa		**74,669**		72,165
Other		**2,039**		–
	$	**1,165,617**	$	1,113,095
Terminals:				
US	**$**	**138,357**	$	136,198
Singapore		**37,107**		34,337
Australia and New Zealand		**15,529**		16,298
Brazil		**18,951**		20,377
United Kingdom		**20,579**		18,504
The Netherlands		**13,069**		12,813
	$	**243,592**	$	238,527
Tank Containers:				
US	**$**	**106,675**	$	109,661
South America		**34,556**		30,452
France		**55,894**		51,063
The Netherlands		**40,703**		34,839
Italy		**18,916**		17,022
Germany		**21,859**		17,241
Other Europe		**33,135**		23,255
Singapore		**90,397**		55,849
Japan		**22,580**		16,955
China		**127,888**		75,029
India		**27,902**		18,424
Other Asia		**54,277**		41,755
Middle East		**17,427**		14,422
Other		**10,234**		14,664
	$	**662,443**	$	520,631
Stolt Sea Farm:				
US	**$**	**3,685**	$	2,156
Spain		**51,994**		37,516
France		**9,968**		7,891
Italy		**20,318**		15,567
Germany		**4,371**		4,271
Other Europe		**17,822**		11,989
Other		**410**		357
	$	**108,568**	$	79,747

There were no customers of Tankers, Terminals, Tank Containers or SSF segments that accounted for more than 10% of the consolidated operating revenue for the years ended November 30, 2021 and 2020.

Notes to the Consolidated Financial Statements *(continued)*

The following table sets out the key elements of sources of revenue:

For the year ended November 30, 2021 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Revenue recognised over time:						
Freight revenue	$ 1,014,550	$ –	$ 519,786	$ –	$ –	$ 1,534,336
Storage and throughput revenue	–	162,446	–	–	–	162,446
	1,014,550	162,446	519,786	–	–	1,696,782
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	151,067	–	142,657	–	–	293,724
Turbot and sole	–	–	–	108,568	–	108,568
Railcar revenue	–	19,583	–	–	–	19,583
Utility revenue	–	24,578	–	–	–	24,578
Dock, product handling and other revenue	–	36,985	–	–	862	37,847
	151,067	81,146	142,657	108,568	862	484,300
	$ 1,165,617	**$ 243,592**	**$ 662,443**	**$ 108,568**	**$ 862**	**$ 2,181,082**

For the year ended November 30, 2020 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Revenue recognised over time:						
Freight revenue	$ 1,009,253	$ –	$ 397,229	$ –	$ –	$ 1,406,482
Storage and throughput revenue	–	161,384	–	–	–	161,384
	1,009,253	161,384	397,229	–	–	1,567,866
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	103,842	–	123,402	–	–	227,244
Turbot and sole	–	–	–	79,747	–	79,747
Railcar revenue	–	20,263	–	–	–	20,263
Utility revenue	–	22,407	–	–	–	22,407
Dock, product handling and other revenue	–	34,473	–	–	3,136	37,609
	103,842	77,143	123,402	79,747	3,136	387,270
	$ 1,113,095	**$ 238,527**	**$ 520,631**	**$ 79,747**	**$ 3,136**	**$ 1,955,136**

The following table sets out non-current assets excluding long-term deferred income tax assets and long-term pension assets by country for the reportable segments. Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, investments in and advances to joint ventures and associates, investment in equity instruments and certain other non-current assets.

Non-current assets by country are only reportable for the Terminals and Sea Farm operations. Stolt Tankers, Tank Container and Stolt-Nielsen Gas operations operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries. The total net book value of non-current assets for Tankers amounted to $1,896.4 million and $2,023.0 million for the years ended November 30, 2021 and 2020, respectively. For Tank Containers, the total net book value of non-current assets amounted to $421.0 million and $418.7 million, for the years ended November 30, 2021 and 2020, respectively. For Stolt-Nielsen Gas, the net book value of non-current assets amounted to $111.0 million and $80.5 million, for the years ended November 30, 2021 and 2020, respectively.

(in thousands)	As of November 30, 2021	2020
Non-current Assets:		
Terminals:		
US	**$ 440,387**	$ 439,330
The Netherlands	**64,131**	69,509
Singapore	**216,994**	232,821
Australia and New Zealand	**137,470**	148,321
United Kingdom	**83,657**	86,072
Brazil	**34,793**	35,375
South Korea	**121,029**	119,267
Belgium	**105,372**	110,781
China	**39,689**	37,531
Other	**7,823**	9,089
	$ 1,251,345	$ 1,288,096
Stolt Sea Farm:		
Spain	**$ 42,046**	$ 43,166
Norway	**1,053**	1,197
Portugal	**10,908**	10,903
Iceland	**12,244**	12,614
France	**1,539**	1,969
	$ 67,790	$ 69,849

The Group has no material revenues or non-current assets in Bermuda, its country of domicile.

4. Operating Revenue

Accounting policy

Operating revenue is recognised when performance obligations are met, which transfer the control of goods or provide services to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of discounts and sales taxes.

Costs to obtain a contract are immediately expensed when the related revenue is expected to be recognised within one year.

(i) Tankers

Revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract of affreightment or spot contract and such services are performed over time. For voyages in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised voyages. The Group recognises a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the balance sheet date. Demurrage and other revenues are uncertain elements of revenue and are recognised when incurred and generally invoiced at the end of the month.

The Group operates the Stolt Tankers Joint Service (the "Joint Service"), an arrangement in which the Group acts as the principal for the delivery of services and provides the coordinated marketing, operation and administration of deep-sea intercontinental parcel tankers owned or chartered by the Group. As the Group acts as the principal in the arrangement, all revenue relating to the Joint Service is recognised on a gross basis in the income statement. Certain ships that are not owned by the Group are time chartered by the Group from participants in the Joint Service. The time charter expense is calculated based upon the combined operating revenue of the ships which participate in the Joint Service less combined voyage expenses, overhead costs, and commissions to outside brokers and upon each ship's cargo capacity, its number of operating days during the period, and its assigned earnings factor.

(ii) Terminals

Tank storage rentals, including minimum guaranteed throughputs, are recognised over the contractual period during which the services are rendered. These charges are mostly due at the beginning of the month to which such charges relate. Revenues from additional throughput fees, ancillary fees, and railcar storage, loading, switching and other fees based on actual usage are recognised at the point in time when those services are delivered.

Notes to the Consolidated Financial Statements *(continued)*

(iii) Tank Containers

Transportation revenue is recognised upon delivery of services in accordance with the agreement with customers and is recognised over time using a measure of progress. For tank container movements in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised movements. The Group recognises a percentage of the estimated revenue for the movement using the percentage of effort ('input method') required at origin and destination. Demurrage and other revenues are uncertain elements of revenue and are recognised when incurred and generally invoiced at the end of the month.

(iv) SSF

Revenues are recognised when performance obligations are satisfied by transferring control of a good or service to the customer. Where the terms of sale are free on board, revenue is recognised on dispatch of products to the customer. Revenue is recognised on delivery where the terms of sale include costs, insurance, freight and destination duty paid. The amount recorded as revenue includes all amounts recognised according to the terms of sale, including shipping and handling costs billed to customers, and after deductions for claims or returns of goods, rebates and allowances against the price of goods.

An analysis of the Group's revenue for the year (excluding finance income – see Note 8), is as follows:

	For the years ended November 30,			
(in thousands)		**2021**		2020
Revenue from the rendering of services	**$**	**2,072,514**	$	1,875,389
Revenue from the sale of goods		**108,568**		79,747
	$	**2,181,082**	$	1,955,136

Revenue generated by Tankers under contracts of affreightment was approximately 62% and 71% of the tanker division's total revenue for the years ended November 30, 2021 and 2020, respectively. All other revenue generated is from spot contracts.

Payment terms generally do not have a financing element. Variable consideration is limited to that related to variable costs which are contractually passed on to the customer and uncertain revenues such as demurrage.

5. Operating Expenses

Accounting policy

(i) Tankers

Tankers operating expenses include costs directly associated with the operation and maintenance of the parcel tankers and barges. These types of costs include time charter costs, the service element of leases, bunker fuel costs, port costs, manning costs (for example, ship personnel and benefits), sublet costs, repair and maintenance of tankers, commission expenses, barging and trans-shipment costs, canal transit costs, insurance premiums and other ship owning expenses (for example, agency fees, provisions, ship supplies, cleaning, cargo survey costs and foreign exchange hedging costs).

(ii) Terminals

Operating expenses of Terminals consist of costs directly associated with the operation and maintenance of the terminals. These types of costs include labour and employee benefit costs, utilities, rail car hire expenses, real estate taxes for sites, maintenance and repair costs, regulatory expenses, disposal costs, storage costs and other operating expenses (for example, insurance, survey costs, cleaning, line haul, rail costs and tank car hire costs).

(iii) Tank Containers

Operating expenses of Tank Containers consist of costs directly associated with the operation and maintenance of the tank containers. These types of costs include ocean and inland freight charges, short-term tank rental expenses, cleaning and survey costs, additional costs (services purchased and charged through to customers), maintenance and repair costs, storage costs, insurance premiums and other operating expenses (for example, depot expenses, agency fees and refurbishing costs).

(iv) SSF

SSF operating expenses include production cost of goods sold ('PCOGS'), which are costs incurred for the production of juvenile fish and the subsequent growing of juvenile fish into adult fish ready for market. These PCOGS include costs to produce eggs for fertilisation, onsite labour/personnel costs, feed costs, energy costs, contract grower fees, repair and maintenance costs, oxygen costs and veterinary fees. Other costs included within operating expenses are costs of fish purchased from third parties, freight costs to customers, all primary and secondary processing and packaging costs, distribution and handling costs, storage, import duties, inventory write downs, mortality losses and fair value movements.

Operating expenses comprised the following:

(in thousands)	For the years ended November 30, 2021	2020
Ocean and inland freight charges	**$ 285,579**	$ 203,595
Bunker fuel costs	**243,512**	211,650
Operating employees' benefit expenses	**194,905**	184,771
Charter and lease expenses	**160,181**	137,611
Port charges	**143,072**	143,678
Maintenance and repairs	**61,928**	61,684
Cleaning costs	**44,291**	38,062
Tank container ancillary billable costs	**39,272**	31,213
Purchase of biological assets	**31,351**	22,397
Repositioning of tank containers	**28,756**	23,683
Ship supplies and provisions	**28,305**	25,697
Storage and other tank container move-related costs	**28,282**	30,989
Facilities and utilities	**25,879**	24,398
Expenses related to biological assets	**22,558**	22,748
Commissions	**22,416**	27,225
Sublet expenses	**20,796**	12,172
Service element of leases	**19,759**	19,929
Insurance	**30,036**	31,941
Insurance capital distribution	**(12,500)**	–
Voyage costs	**13,534**	14,549
Barging and trans-shipments	**10,544**	4,993
Owning costs	**9,999**	6,532
Regulatory costs	**5,536**	4,373
Rail expenses	**4,533**	4,889
Biological assets market valuation adjustment	**(17,379)**	4,985
Bunker hedge (gain) loss (Note 22)	**(100)**	2,613
Other expenses	**14,661**	12,527
Total operating expenses	**$ 1,459,706**	$ 1,308,904

An analysis of administrative and general expenses is as follows:

(in thousands)	For the years ended November 30, 2021	2020
Administrative and general employees' benefit expenses	**$ 172,207**	$ 148,669
Information systems	**15,068**	14,662
Professional fees	**12,966**	7,269
Office expenses	**6,107**	5,843
Legal fees	**3,874**	964
Management fee to joint venture	**1,731**	–
Travel and entertainment expenses	**1,460**	2,003
Investor relations and publicity	**978**	1,129
Communication expenses	**929**	1,202
Office lease expenses	**856**	1,766
Bank non-interest fees	**1,441**	1,505
Other	**2,847**	2,667
Total administrative and general expenses	**$ 220,464**	$ 187,679

Notes to the Consolidated Financial Statements *(continued)*

An analysis of employee benefit expenses included in operating expenses and administrative and general expenses is as follows:

(in thousands, except employee data)	For the years ended November 30, 2021	2020
Salaries	**$ 265,621**	$ 254,183
Social security expenses	**21,677**	18,437
Pension expenses for defined contribution plans (Note 25)	**19,476**	17,765
Profit sharing and long-term incentive programmes	**8,857**	4,233
Travel of seafarers and relocation	**14,446**	11,673
Medical and life insurance	**11,065**	10,328
Training	**4,768**	4,187
Temporary and contract employees	**11,192**	9,104
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	**2,284**	(17)
Expatriate expenses	**1,453**	1,497
Other benefits	**6,273**	2,050
Total employee benefit expenses	**$ 367,112**	$ 333,440

Average number of employees:	2021	2020
Tankers*	**4,635**	4,605
Tank Containers	**776**	743
Terminals	**579**	581
Stolt Sea Farm	**448**	459
Other	**73**	66
Total average number of employees	**6,511**	6,454

* Including seafarers working on joint venture or third-party ships.

6. Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

(in thousands)	For the years ended November 30, 2021	2020
Fees payable to the Group auditors and associates for the audit of the consolidated financial statements and subsidiary statutory audits	**$ 2,773**	$ 2,987
Fees payable to the Group auditors and associates for other services as detailed below	**181**	729
Total fees	**$ 2,954**	$ 3,716

	2021	2020
Assurance support	**$ –**	527
Tax services	**24**	$ 62
Half-year reviews	**100**	100
Other	**57**	40
Total non-audit fees	**$ 181**	$ 729

The audit and non-audit fees relate to PricewaterhouseCoopers LLP and its associate firms.

7. Loss on Disposal of Assets, net

Loss on disposal of assets, net, comprised the following:

(in thousands)	For the years ended November 30, 2021	2020
Loss on sale of ships	**$ (4,877)**	$ (993)
(Loss) gain on sale of tank containers	**(2,063)**	522
Gain on sale of land	**3,217**	–
Gain (loss) on sale of other assets	**713**	(323)
	$ (3,010)	$ (794)

During 2021, loss on sale of ships includes $13.0 million on the loss on the *Stolt Groenland*, net of insurance proceeds, partially offset by gains on the recycling of *Stolt Selje* and *Stolt Spruce* and sale of *Stolt Transporter*.

During 2020, Tankers recorded a loss of $1.0 million on the sale of *Stolt Razorbill* and recycling of *Stolt Vestland*.

8. Finance Expenses and Income

Accounting policy

(i) Finance expenses

Finance expenses are recognised in the income statement as they accrue, using the effective interest method.

For finance leases, lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Finance income

Finance income is recognised in the income statement as it accrues, using the effective interest method.

(in thousands)	For the years ended November 30, 2021	2020
Finance expense on debt		
Interest on loans	**$ 93,351**	$ 103,631
Amortisation of debt issuance costs	**7,315**	7,290
Realised loss on interest rate swaps (Note 22)	**10,654**	13,497
Commitment fees	**4,299**	3,436
Financial loss on early retirement of bonds	**–**	2,700
Other interest expense	**1,345**	461
Total interest expense	**116,964**	131,015
Less interest capitalised to property, plant and equipment	**(752)**	(1,131)
	$ 116,212	$ 129,884
Finance expense on lease liabilities		
Interest on lease liabilities	**$ 11,072**	$ 9,478
Finance income		
Interest from joint ventures	**$ 1,500**	$ 2,460
Interest on bank deposits	**731**	736
Other	**144**	499
	$ 2,375	$ 3,695

The average interest rates used to capitalise interest to property, plant and equipment were 5.1% and 5.4% for 2021 and 2020, respectively.

Notes to the Consolidated Financial Statements *(continued)*

9. Income Tax

Accounting policy

Income tax represents the sum of current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax treatment follows the accounting treatment for the underlying item.

Current tax is the sum of tax payable in respect of the taxable profit for the current year and any adjustment to tax payable in respect of previous years. Taxable income differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Group operates in many territories with complex and varied tax systems. Management exercises judgement in relation to the level of provision required in respect of uncertain tax positions. For positions not agreed with tax authorities where different interpretations of legislation could lead to a range of outcomes, judgements are made for each position considering particular circumstances and advice obtained.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used in the calculation of taxable income. The following temporary differences are not provided for: the initial recognition of goodwill for which no tax deduction is available; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries and joint ventures if it is probable that the temporary difference will not reverse in the foreseeable future and the Group can control the reversal. 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 or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and recognised only to the extent that it is probable that sufficient future taxable income will be available to allow the asset to be utilised based on Board-approved budgets and up-to-date expectations of future trading. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off. Current tax assets are set off against current tax liabilities when they relate to income taxes levied by the same taxation authority. The Group intends to settle its current tax assets and liabilities on a net basis. The Company is incorporated in Bermuda, which is a non-taxable jurisdiction.

The following tables present the components of the income tax expense for the years ended November 30, 2021 and 2020:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Current income tax expense	**$ 10,789**	$ 6,374
Adjustments in respect of prior years	**79**	(3,894)
	10,868	2,480
Deferred income tax expense	**11,495**	1,359
Adjustments in respect of prior years	**2,042**	4,482
	13,537	5,841
Total income tax expense	**$ 24,405**	$ 8,321

The following reconciles the actual income tax expense to income taxes computed at the Bermuda statutory tax rate of nil:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Profit from continuing operations before income tax expense	**$ 103,211**	$ 47,477
Loss from discontinued operations before income tax expense	**–**	(13,788)
Profit before income tax expense	**103,211**	33,689
Tax at the Bermuda statutory tax rate	**–**	–
Differences between the Bermuda and other tax rates	**8,589**	4,388
Non-taxable income and disallowed expenses	**6,647**	67
Impact of change in UK corporate tax rates	**1,271**	–
Provision for uncertain tax positions	**2,675**	–
Changes in the recognition of tax losses	**2,798**	3,652
Adjustments in respect of prior years	**2,121**	588
Other differences, net	**304**	(374)
Total income tax expense	**$ 24,405**	$ 8,321

Substantially, all of the Group's international shipping operations are carried out in subsidiaries incorporated in the Netherlands, which imposes income tax on a fixed profit calculated by reference to the deadweight tonnage of the ships in the fleet rather than on the operating profits of the business. Based on the calculation, the Group incurred tax in the Netherlands of $0.5 million for both the years ended November 30, 2021 and 2020 which is included in Income tax expense.

The following are the major deferred tax (liabilities) assets recognised and the movement thereon:

(in thousands)	Accelerated tax depreciation	Retirement benefit obligations	Tax losses	Derivatives	Other	Total
Balance, December 1, 2019	**$ (77,459)**	**$ 9,362**	**$ 30,468**	**$ 585**	**$ (157)**	**$ (37,201)**
Credit (charge) to income statement	763	(48)	(8,123)	–	1,567	(5,841)
(Charge) credit to Other comprehensive income	–	(859)	–	623	545	309
Exchange differences	(10)	(21)	387	63	(47)	372
Balance, November 30, 2020	**$ (76,706)**	**$ 8,434**	**$ 22,732**	**$ 1,271**	**$ 1,908**	**$ (42,361)**
(Charge) credit to income statement	(12,826)	146	3,818	–	(4,675)	(13,537)
(Charge) credit to Other comprehensive income	–	(2,709)	–	(689)	119	(3,279)
Exchange differences	306	38	(267)	–	313	390
Balance, November 30, 2021	**$ (89,226)**	**$ 5,909**	**$ 26,283**	**$ 582**	**$ (2,335)**	**$ (58,787)**

Notes to the Consolidated Financial Statements *(continued)*

Certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to set off. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As of November 30,	
(in thousands)	**2021**	2020
Deferred tax liabilities	**$ (68,025)**	$ (55,867)
Deferred tax assets	**9,238**	13,506
	$ (58,787)	$ (42,361)

The following is an analysis of the deferred taxes as of November 30, 2021 that are expected to be recovered or settled less than and more than twelve months after November 30, 2021:

(in thousands)	Less than 12 Months	More than 12 Months	Total
Deferred tax liabilities	$ (566)	$ (67,459)	$ (68,025)
Deferred tax assets	1,615	7,623	9,238
	$ 1,049	$ (59,836)	$ (58,787)

As of November 30, 2021, the Group has unused national corporate tax losses of $75.6 million (2020: $84.8 million) and unused regional tax losses of $35.1 million (2020: $48.1 million) available for offset against future profits. A deferred tax asset of $28.3 million at November 30, 2021 (2020: $23.1 million) has not been recognised in respect of losses carried forward at the balance sheet date. These losses have arisen in Group companies where profits are not forecast for the foreseeable future.

Deferred income tax liabilities of $15.6 million at November 30, 2021 (2020: $52.1 million) have not been recognised for the withholding tax and other taxes that would be payable on the undistributed earnings of certain subsidiaries. Such amounts are considered permanently reinvested, which means that the deferred income tax liabilities will not be realised in the foreseeable future. Undistributed earnings totalled $0.3 billion at November 30, 2021 (2020: $0.8 billion).

The Group's income tax provisions are made in line with Group accounting policy. However, amounts asserted by tax authorities could be greater or less than the amounts accrued and reflected in the Group's consolidated balance sheet. Accordingly, provisions have been made to reflect uncertainties in tax positions. Provisions made for uncertain tax positions may be revised in future periods as underlying matters are resolved or as they develop.

10. Cash and Cash Equivalents and Restricted Cash

Accounting policy

Cash and cash equivalents comprise cash balances and short-term time deposits with an original duration of less than three months, which are subject to an insignificant risk of changes in value.

	As of November 30,	
(in thousands)	**2021**	2020
Cash deposit	**$ 111,639**	$ 116,808
Short-term time deposits	**12,229**	70,959
Cash and cash equivalents	**$ 123,868**	$ 187,767
Restricted cash	**$ 6,096**	$ 109

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. At November 30, 2021 and 2020, respectively, $6.1 million and nil were placed as collateral for a derivative instrument and included in restricted cash.

11. Receivables, Net

Accounting policy

Trade and other receivables are recognised initially at transaction price and are subsequently stated at amortised cost, less allowances for expected credit losses. The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount is recognised as an impairment loss or a reversal of an impairment loss in the Consolidated income statement. Trade and other receivables are written off (either partially or in full) when there is no reasonable expectation of recovery.

Contract assets represent the right to receive consideration for goods or services transferred to the customer. If the Group partially satisfies its performance obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional on further performance obligations being satisfied.

A trade receivable represents the Group's right to an amount of consideration where all performance obligations have been satisfied. Accrued revenue are trade receivables which have not yet been invoiced to customers.

Expected credit losses on trade receivables are calculated by using the provision matrix approach. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Provision for expected credit losses is made when the Group does not expect to collect all amounts due. Changes in estimation basis or in economic conditions could lead to a change in the level of provision recorded and, consequently, on the charge or credit to profit or loss.

Impairment on receivables is measured as lifetime expected credit losses.

	As of November 30,	
(in thousands)	**2021**	2020
Customer trade receivables	**$ 270,765**	$ 216,473
Contract assets	**15,068**	9,693
Accrued revenue	**6,313**	7,562
Withholding tax	**5,000**	–
Interest	**1,227**	850
Other	**7,505**	3,916
	305,878	238,494
Allowance for impairment on customer trade and accrued receivables	**(20,129)**	(18,230)
Receivables, net	**$ 285,749**	$ 220,264
Insurance claims receivables	**$ 58,598**	$ –

Increase in customer trade receivables is due to additional activity at STC. See Note 21 for an analysis of the credit risk of receivables.

Contract assets

A contract asset has been recorded for STC's transportation revenue which has been earned but not yet invoiced. Contract assets are typically invoiced within a month of any accrual.

	As of November 30, 2021		As of November 30, 2020	
	<1 year	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 9,693**	**$ –**	$ 6,806	$ –
Transfer to trade receivables	**(514,411)**	**–**	(394,342)	–
Revenue recognised (current year performance obligations)	**519,786**	**–**	397,229	–
Balance, November 30	**$ 15,068**	**$ –**	$ 9,693	$ –

Notes to the Consolidated Financial Statements *(continued)*

12. Inventories, Net

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of items transferred from biological assets to inventory is the fair value less costs to sell at the date of harvest.

Inventories as of November 30, 2021 and 2020 consisted of the following:

November 30, 2021 (in thousands)	Terminals	SSF	Other	Total
Raw materials	**$ –**	**$ 235**	**$ 8**	**$ 243**
Consumables	**447**	**–**	**1,941**	**2,388**
Finished goods	**–**	**4,355**	**–**	**4,355**
	$ 447	**$ 4,590**	**$ 1,949**	**$ 6,986**

November 30, 2020 (in thousands)	Terminals	SSF	Other	Total
Raw materials	$ –	$ 207	$ 8	$ 215
Consumables	712	–	1,531	2,243
Finished goods	–	5,283	–	5,283
	$ 712	$ 5,490	$ 1,539	$ 7,741

The cost of inventory included in operating expenses in 2021 and 2020 was $72.6 million and $60.5 million for Stolt Sea Farm, $6.4 million and $5.8 million for Stolt Tank Containers and $0.3 million and nil for Stolthaven Terminals, respectively. Inventory was written down by nil and $1.0 million in the years ended November 30, 2021 and 2020, respectively. Bunkers of $35.9 million and $21.0 million were included in prepaid expenses at November 30, 2021 and 2020, respectively.

13. Biological Assets

Accounting policy

During 2021, Biological assets primarily comprised turbot and sole, which include fish with and without an active market for sale ('mature' and 'juvenile' fish), which are farmed by the Group.

(i) Turbot and sole

Turbot is considered 'mature' when it weighs more than 300 grams, while juvenile turbot weighs less than 300 grams. Sole is considered mature at 200 grams. All mature turbot and sole are held at fair value less costs to sell and costs related to packaging. Gains and losses from changes in fair value are recognised in the income statement. Fair value is determined on the basis of quoted prices in the principal market for the fish, where such information is available. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

Juvenile turbot and sole are carried at cost less provision for impairment, as management does not believe that reliable fair values exist. This approach is used to measure juvenile turbot and sole for the following reasons:

- *There is no active market for juvenile turbot or sole.*
- *A non-active market price based on discounted cash flows requires a number of variables and assumptions which historically cannot be reliably determined. Key variables and assumptions for turbot and sole include mortality rate, time to maturity, rate of growth and market price at the point of harvest. Given the specific circumstances for juvenile assets, any assumptions are subjective.*
- *The extent of these uncertainties also results in difficulty in determining the appropriate discount rate.*

A fair value adjustment is made at the point when previously juvenile turbot and sole is considered to mature. These fair value adjustments are recognised in the income statement.

After harvest, the produce from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory.

(ii) Sturgeon

Sturgeon are 'mature' when they reach 3 kilograms per fish. The fair value of mature sturgeon is estimated at market value less costs to sell and costs related to packaging estimated based on the meat price of sturgeon and its weight.

Sturgeon and caviar that the sturgeon produces are fair valued at the point of harvest. After harvest, the caviar produced from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

There is no active market for juvenile sturgeon. They are therefore carried at cost less provision for impairment for the same reasons as those stated above for the juvenile turbot and sole.

In October 2020, the Group sold Sterling Caviar, Inc. ("Caviar"), which was the Group's only business producing and marketing sturgeon and caviar. Caviar has been treated as a discontinued operation for the year ended and as of November 30, 2020. See Note 33 for further disclosures.

Biological assets in the balance sheet

	As of November 30,	
(in thousands)	**2021**	2020
Turbot and sole	**$ 50,344**	$ 30,129
	$ 50,344	$ 30,129

Biological assets are the work in process: live turbot and sole that are in the process of production. The biological assets are transferred to inventory after being harvested.

Reconciliation of changes in book value of turbot and sole

(in thousands)	**2021**	2020
Balance at December 1,	**$ 30,129**	$ 33,766
Increases owing to production and purchases	**47,111**	41,529
Gain (loss) from change in fair value	**17,379**	(3,748)
Effect of changes in foreign currency rates	**(2,002)**	1,623
Decreases owing to mortalities	**(866)**	(1,688)
Transfer to inventory	**(41,407)**	(41,353)
Balance at November 30,	**$ 50,344**	$ 30,129

Notes to the Consolidated Financial Statements *(continued)*

Reconciliation of changes in book value of sturgeon

(in thousands)		**2021**		2020
Balance at December 1,	**$**	**–**	$	8,432
Increases owing to production and purchases		**–**		5,039
Loss from change in fair value		**–**		(553)
Decreases owing to mortalities		**–**		(393)
Transfer to inventory		**–**		(3,905)
Business disposal		**–**		(8,620)
Balance at November 30,	**$**	**–**	$	–

Fair value adjustments on biological assets in the income statement in continuing operations

	For the years ended November 30,			
(in thousands)		**2021**		2020
Work in process, turbot and sole	**$**	**17,379**	$	(3,748)
Finished goods		**–**		(1,237)
Total fair value adjustment recognised in operating expenses	**$**	**17,379**	$	(4,985)

Fair value adjustments on biological assets in the income statement in discontinued operations

	For the years ended November 30,			
(in thousands)		**2021**		2020
Work in process, sturgeon	**$**	**–**	$	(553)
Total fair value adjustment recognised in discontinued operations	**$**	**–**	$	(553)

Value of biological assets at fair value

	As of November 30,			
(in thousands)		**2021**		2020
Work in process, turbot and sole	**$**	**46,411**	$	26,527
Total assets held at fair value included in the balance sheet	**$**	**46,411**	$	26,527

Volumes of biomass (in tonnes)

	For the years ended and as of November 30,	
(in tonnes)	**2021**	2020
Volume of biomass harvested during the year (live weight)	**5,732**	5,959
Volume of biomass in the water at year end (live weight)	**4,039**	3,409

Value of juvenile biological assets at cost

	As of November 30,			
(in thousands)		**2021**		2020
Turbot and sole	**$**	**3,933**	$	3,602
Total assets held at cost included in the balance sheet	**$**	**3,933**	$	3,602

The income statement impact relating to the change in carrying value when juvenile assets have reached maturity is immaterial for the years ended November 30, 2021 and 2020.

The Group is exposed to risks arising from fluctuations in the price of turbot and sole and monitors the effect of price changes on profitability.

14. Property, Plant and Equipment

Accounting policy

(i) Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction of significant assets are added to the cost of such assets until they are ready for their intended use. The cost of ships includes the contract price, pre-delivery costs incurred during the construction of newbuildings, borrowing costs and any material expenses incurred upon acquisition such as improvements and delivery expenses to prepare the ships for their initial voyage.

(ii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land and assets under construction are not depreciated. Property, plant and equipment is depreciated to a residual value which reflects management's estimate of scrap value or otherwise recoverable value at the end of the estimated useful life of the asset. Residual values and economic lives are reviewed annually.

(iii) Subsequent costs – drydocking costs

Upon acquisition of a ship, the estimated cost of each component of drydocking is deducted from the initial cost of the ship and separately capitalised and depreciated over its estimated life. Ships drydock every five years thereafter. After a ship is 15 years old a shipping society classification intermediate survey is performed between the second and third year of the five-year drydocking period. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs, and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey based on the estimated life of each component of the drydocking. The residual value of the drydocking components is zero. The Group expenses costs related to routine repairs and maintenance incurred during drydocking that do not improve or extend the useful lives of the ships. If the drydock results in an extension of the life of a ship, then the estimated useful life of the ship is changed accordingly.

(iv) Impairment of tangible and intangible assets with finite useful lives

Tangible assets and intangible assets with finite lives are tested for impairment if there are indications of impairment. The carrying amounts of the Group's tangible and finite-lived intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Ship newbuildings and other assets under construction are tested for impairment when there is an indication of impairment.

The Group measures the recoverable amount of assets by comparing their carrying amount with the higher of their fair value less costs of disposal ("FVLCD") or value in use ("VIU").

FVLCD is determined as the amount that would be obtained from the sale of the asset in an orderly transaction between market participants. FVLCD is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion projects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate rate to arrive at a net present value of the asset.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. VIU is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different from those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

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 income statement.

An impairment loss, other than for goodwill, is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Notes to the Consolidated Financial Statements *(continued)*

(v) Estimated useful lives

The estimated useful lives are as follows:

	Average Years
Buildings	15 to 50
Ships and barges	25 to 30
Tank containers	10 to 20
Plant and equipment:	
Terminal tanks and structures	10 to 30
Terminal other support equipment and other assets	5 to 20
SSF transportation equipment	4 to 5
SSF operating equipment and other assets	5 to 15
Other assets	5 to 20
Leasehold improvements	5 to 10

Average years exclude immaterial assets.

(vi) Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

The below table shows owned property, plant and equipment.

Cost (In thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2019	**$ 58,435**	**$ 128,761**	**$ 3,270,821**	**$ 494,922**	**$ 1,426,252**	**$ 8,555**	**$ 108,743**	**$ 5,496,489**
Additions	34	3,553	–	1,328	3,649	1,462	125,181	135,207
Grant receipts	–	(1,689)	–	–	(2,945)	–	(2,390)	(7,024)
Disposals and retirements	–	(532)	(131,383)	(14,216)	(27,837)	(263)	(886)	(175,117)
Sale of Caviar division	(86)	(2,047)	–	–	(6,688)	–	(977)	(9,798)
Net foreign exchange differences	1,693	4,992	4,800	1,173	17,487	135	1,893	32,173
Transfers	(2,082)	6,369	49,077	–	83,092	5	(136,461)	–
Reclasses and other	(290)	238	(425)	(771)	960	(220)	(25)	(533)
Balance at November 30, 2020	**$ 57,704**	**$ 139,645**	**$ 3,192,890**	**$ 482,436**	**$ 1,493,970**	**$ 9,674**	**$ 95,078**	**$ 5,471,397**
Additions	1,756	3,201	75,074	3,142	8,819	168	93,168	185,328
Grant receipts	–	(179)	–	–	(497)	–	–	(676)
Disposals and retirements	–	(2,917)	(174,864)	(9,818)	(15,647)	(351)	(3,783)	(207,380)
Net foreign exchange differences	(766)	(3,124)	(2,941)	196	(19,777)	(486)	(1,509)	(28,407)
Transfers	–	5,350	52,756	–	58,275	–	(116,381)	–
Reclasses and other	(7)	–	6	1	(370)	(134)	875	371
Balance at November 30, 2021	**$ 58,687**	**$ 141,976**	**$ 3,142,921**	**$ 475,957**	**$ 1,524,773**	**$ 8,871**	**$ 67,448**	**$ 5,420,633**

Accumulated depreciation and impairment (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2019	**$ –**	**$ 49,927**	**$ 1,525,166**	**$ 222,887**	**$ 552,843**	**$ 6,541**	**$ –**	**$ 2,357,364**
Depreciation expense	–	5,915	158,059	18,771	63,869	401	–	247,015
Sale of Caviar division	–	(818)	–	–	(5,081)	–	–	(5,899)
Disposals and retirements	–	(520)	(120,619)	(10,960)	(26,130)	(263)	–	(158,492)
Net foreign exchange differences	–	1,027	3,165	310	6,900	(51)	–	11,351
Reclasses and other	–	176	(394)	(41)	229	28	–	(2)
Balance at November 30, 2020	**$ –**	**$ 55,707**	**$ 1,565,377**	**$ 230,967**	**$ 592,630**	**$ 6,656**	**$ –**	**$ 2,451,337**
Depreciation expense	–	2,992	153,253	18,144	69,153	699	–	244,241
Impairment expense	–	–	–	–	10,000	–	–	10,000
Disposals and retirements	–	(1,988)	(104,040)	(7,729)	(13,495)	(347)	–	(127,599)
Net foreign exchange differences	–	(712)	(2,031)	132	(10,666)	(630)	–	(13,907)
Reclasses and other	–	(397)	681	(360)	725	(225)	–	424
Balance at November 30, 2021	**$ –**	**$ 55,602**	**$ 1,613,240**	**$ 241,154**	**$ 648,347**	**$ 6,153**	**$ –**	**$ 2,564,496**
Net book value:								
At November 30, 2020	**$ 57,704**	**$ 83,938**	**$ 1,627,513**	**$ 251,469**	**$ 901,340**	**$ 3,018**	**$ 95,078**	**$ 3,020,060**
At November 30, 2021	**$ 58,687**	**$ 86,374**	**$ 1,529,681**	**$ 234,803**	**$ 876,426**	**$ 2,718**	**$ 67,448**	**$ 2,856,137**

During the year ended November 30, 2021, the Group had additions of property, plant and equipment of $185.3 million. Cash spent during the year was $185.5 million and primarily reflected i) $103.1 million on tankers capital expenditures, ii) $43.7 million on terminal capital expenditures , iii) $18.2 million on drydocking of ships , iv) $13.7 million on the purchase of tank containers and construction at depots, and v) $7.7 million on Stolt Sea Farm capital expenditures. Interest of $0.5 million was capitalised on the new construction of terminals. Tankers capital expenditures include the purchase of three second-hand ships from Chemical Transportation Group ("CTG") and a deposit of $8.1 million for a barge newbuilding.

During the year ended November 30, 2020, the Group had additions of property, plant and equipment of $135.2 million. Cash spent during the period was $147.5 million and primarily reflected i) $59.3 million on terminal capital expenditures, ii) $22.1 million on drydocking of ships, iii) $46.0 million on tankers capital expenditures, iv) $7.8 million on the purchase of tank containers and construction at depots, and v) $12.3 million on Stolt Sea Farm capital expenditures. Interest of $1.1 million was capitalised on the new construction of terminals. Tankers capital expenditures include deposits of $8.2 million on the second-hand ships from CTG.

Proceeds of $29.7 million were received from the sale of ships, sale of land and retirement of tank containers and other assets during the year ended November 30, 2021.

During the fourth quarter of 2021, management determined that the repairs of the *Stolt Groenland*, which had an explosion onboard in 2019, would not be viable. As a result, the Group entered into a settlement agreement with its hull and machinery insurers for which the settlement was received after the year end. This resulted in a loss of $13.0 million, net of insurance proceeds, which has been included in Loss on disposal of assets. A related receivable from the insurers is included in Insurance claim receivables. The portion of the term loan which was secured by the *Stolt Groenland* has been reclassed as Current portion of long-term debt of $30.5 million at November 30, 2021 and repaid subsequent to year end.

Certain property, plant and equipment assets have been pledged as security on loans. See Note 23 for additional details.

Plant and equipment principally includes assets of the Terminal and Stolt Sea Farm businesses.

Notes to the Consolidated Financial Statements *(continued)*

Impairment of non-current assets

See Note 2 for further discussion of impairment.

Terminals

The Group booked an impairment of $10.0 million on the property, plant and equipment for the Australia business segment in the year ended November 30, 2021. The impairment testing was performed using projected, board-approved future cash flows based on VIU. The recoverable amount was based on a discounted cash flow basis using approved projections in the five-year plan and with a risk adjusted weighted average cost of capital.

15. Right-of-use assets and lease liabilities

Accounting policy

(i) Right-of-use assets

Right-of-use assets are measured initially at cost based on the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

Subsequent to initial recognition, the Group depreciates the right-of-use assets over the term of the lease or, if shorter, the leased asset's remaining economic life.

(ii) Lease liabilities

In respect of leases of low-value items and those that are less than 12 months, the Group recognises an expense on a straight-line basis over the life of the lease. For all other leases, the Group recognises a right-of-use asset and corresponding liability at the date the leased asset is made available to the Group.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include options to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset, or is recorded to profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Time charter contracts include the lease of a specific ship and a non-lease component for crew, maintenance and other operating expenses. When measuring lease liabilities, the non-lease component has been separated from the lease component based on internal sources of ships of similar classes as the ship under contract. The non-lease element is recorded in Operating expenses as the Service component of leases.

Subsequent to initial recognition, the Group records an interest charge in respect of the lease liability.

(iii) Lease expenses

Short-term leases (defined as less than one year) and low value leases are expensed in the income statement.

(iv) Variable lease consideration

The Group operates the Joint Service, delivering freight services to customers in which external ships participate. The lease payments to external parties are entirely variable and therefore not included when calculating the lease liability. The variable lease payment, less a management fee, is included in the income statement as Charter and lease expense.

Right-of-Use Assets

The below table shows right-of-use assets, held under lease agreements.

Cost (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Adoption of IFRS 16 on December 1, 2019	$ 61,562	$ 18,181	$ 65,565	$ 44,892	$ 4,100	$ 194,300
New leases and other increases	2,505	1,591	19,756	13,607	3,148	40,607
Retirements and other decreases	(714)	(220)	(6,142)	–	(1,765)	(8,841)
Net foreign exchange differences	5,226	(597)	772	–	(879)	4,522
Balance at November 30, 2020	**$ 68,579**	**$ 18,955**	**$ 79,951**	**$ 58,499**	**$ 4,604**	**$ 230,588**
New leases and other increases	10,842	2,409	19,396	33,049	2,490	68,186
Retirements and other decreases	(2,088)	(1,950)	(10,478)	(11)	(208)	(14,735)
Net foreign exchange differences	(2,884)	(484)	(691)	154	(154)	(4,059)
Balance at November 30, 2021	**$ 74,449**	**$ 18,930**	**$ 88,178**	**$ 91,691**	**$ 6,732**	**$ 279,980**

Accumulated depreciation (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Depreciation expense	$ 2,871	$ 4,025	$ 20,008	$ 13,909	$ 957	$ 41,770
Retirements and other decreases	–	–	(1,061)	–	–	(1,061)
Net foreign exchange differences	(63)	242	171	(35)	59	374
Reclasses and other	62	64	–	–	(26)	100
Balance at November 30, 2020	**$ 2,870**	**$ 4,331**	**$ 19,118**	**$ 13,874**	**$ 990**	**$ 41,183**
Depreciation expense	3,024	4,493	19,136	18,401	1,203	46,257
Retirements and other decreases	(601)	(1,487)	(8,501)	(3)	(175)	(10,767)
Net foreign exchange differences	(63)	(128)	(371)	46	(54)	(570)
Reclasses and other	190	(4)	–	–	643	829
Balance at November 30, 2021	**$ 5,420**	**$ 7,205**	**$ 29,382**	**$ 32,318**	**$ 2,607**	**$ 76,932**
Net book value:						
At November 30, 2020	**$ 65,709**	**$ 14,624**	**$ 60,833**	**$ 44,625**	**$ 3,614**	**$ 189,405**
At November 30, 2021	**$ 69,029**	**$ 11,725**	**$ 58,796**	**$ 59,373**	**$ 4,125**	**$ 203,048**

On December 1, 2019, an amount of $194.3 million was recognised as right-of-use assets on transition to IFRS 16, Leases, using the modified retrospective approach. Prior to December 1, 2019 and during 2020 and 2021, the Group entered into leases for land, offices, ships, barges, tank containers and terminal and sea farm equipment. At November 30, 2021, the Group has leases expiring from 2022 to 2070.

Notes to the Consolidated Financial Statements *(continued)*

Lease Liabilities

(in thousands)	As of November 30, 2021	2020
Contractual undiscounted cash flows:		
Less than:		
1 year	**$ 52,730**	$ 44,120
2 years	**48,175**	37,790
3 years	**36,876**	33,476
4 years	**22,551**	27,521
5 years	**11,005**	17,030
Thereafter	**136,998**	125,540
Total undiscounted cash flows	**308,335**	285,477
Total lease liabilities (discounted based on the Group's incremental borrowing rate)	**210,450**	193,515
Less current maturities	**(43,473)**	(35,640)
Non-current	**$ 166,977**	$ 157,875

See Note 8, Finance expenses and income, for interest expense from lease liabilities.

Operating Leases

Minimum future lease commitments, under agreements which expire at various dates through 2026, are as follows:

(in thousands)	2021	2020
Less than:		
1 year	**$ 1,916**	$ 3,358
2 years	**611**	321
3 years	**403**	228
4 years	**228**	81
5 years	**59**	15
	$ 3,217	$ 4,003

The commitments for the year ended November 30, 2021 related to leases in which the exemption has been utilised to exclude short-term (less than one year) and low-value leases (leases with total payments of less than $5,000) and consist of tank containers, ships, barges, offices and equipment leases.

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2021 and 2020, were $35.8 million and $36.6 million, respectively. There was no sub-lease income in either year.

Variable lease consideration included in Charter and lease expenses related to charter hire expenses to participants in the Joint service was $124.0 million and $103.4 million, respectively, for the years ended November 30, 2021 and 2020.

There were no non-cancellable sub-leases during the years ended November 30, 2021 and 2020.

16. Intangible Assets and Goodwill

Accounting policy

Goodwill represents amounts arising on the acquisition of subsidiaries, associates and joint ventures. Goodwill arising on acquisition represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangible assets are those that can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment, or more frequently when there is an indication that the CGU is impaired. With respect to associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or joint venture.

Goodwill is tested for impairment on an annual basis for each CGU to which the goodwill is allocated. When goodwill is monitored at the level of a group of CGUs, it is tested for impairment at that level. The Group's unimpaired goodwill relates to the Tankers and Tank Container segments.

In the case of bargain purchases, the excess of net assets acquired over the fair value of the consideration paid arising on an acquisition is recognised in other operating income in the income statement in the period in which the acquisition is completed.

Other intangible assets with finite lives that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation of customer contracts is charged to operating revenue over the life of the contracts based on the underlying cash flows. Other finite-lived intangibles are charged to the income statement under operating expenses over the estimated useful lives of the intangible assets on a straight-line basis. The trademark intangible is being amortised over a 10-year life while the customer relations and contract intangibles are amortised from two to 14 years and computer software is amortised over an average life of three to 10 years.

See Note 14 for the accounting policy for the impairment of intangible assets with finite lives.

Notes to the Consolidated Financial Statements *(continued)*

Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 2019	**$ 32,372**	**$ 1,436**	**$ 8,647**	**$ 57,360**	**$ 503**	**$ 100,318**
Additions	–	–	–	4,711	41	4,752
Disposals and retirements	–	–	(1,221)	(7)	(49)	(1,277)
Net foreign exchange differences	2,085	119	557	2,699	71	5,531
Reclasses	–	–	–	204	9	213
Balance, November 30, 2020	**$ 34,457**	**$ 1,555**	**$ 7,983**	**$ 64,967**	**$ 575**	**$ 109,537**
Additions	–	–	–	4,655	33	4,688
Disposals and retirements	–	–	–	(3,327)	–	(3,327)
Net foreign exchange differences	(730)	(77)	(338)	(2,578)	(48)	(3,771)
Reclasses	–	–	–	(267)	314	47
Balance, November 30, 2021	**$ 33,727**	**$ 1,478**	**$ 7,645**	**$ 63,450**	**$ 874**	**$ 107,174**
Accumulated amortisation:						
Balance, December 1, 2019	**$ –**	**$ 1,436**	**$ 8,083**	**$ 40,897**	**$ 311**	**$ 50,727**
Amortisation charge for the year	–	–	111	3,302	64	3,477
Impairment charge for the year	12,394	–	–	–	–	12,394
Disposals and retirements	–	–	(1,221)	(6)	(34)	(1,261)
Net foreign exchange differences	–	119	802	2,381	53	3,355
Reclasses	–	–	–	–	9	9
Balance, November 30, 2020	**$ 12,394**	**$ 1,555**	**$ 7,775**	**$ 46,574**	**$ 403**	**$ 68,701**
Amortisation charge for the year	–	–	114	4,847	–	4,961
Disposals and retirements	–	–	–	(3,263)	–	(3,263)
Net foreign exchange differences	–	(77)	(338)	(1,860)	(34)	(2,309)
Reclasses	–	–	–	(164)	281	117
Balance, November 30, 2021	**$ 12,394**	**$ 1,478**	**$ 7,551**	**$ 46,134**	**$ 650**	**$ 68,207**
Net book value:						
At November 30, 2020	**$ 22,063**	**$ –**	**$ 208**	**$ 18,393**	**$ 172**	**$ 40,836**
At November 30, 2021	**$ 21,333**	**$ –**	**$ 94**	**$ 17,316**	**$ 224**	**$ 38,967**

Other than goodwill, all intangible assets were subject to amortisation as of November 30, 2021 and 2020.

During the year ended November 30, 2021, the Group spent $4.7 million on intangible assets, mainly on the acquisition of computer software.

The Tankers and Tank Containers segments goodwill has been tested for impairment as of November 30, 2021 and 2020. In addition, in 2020, Terminals segment was tested for impairment which resulted in the full impairment of goodwill of $12.4 million related to a prior year business combination in the Terminals segment.

At November 30, 2021, goodwill primarily consisted of $5.2 million for goodwill on a prior year acquisition of the Tankers segment and $16.1 million related to a prior year business combination in the Tank Containers segment.

Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a loss of $1.5 million in the same period.

The trademark intangible was amortised over a 10-year life and is now fully amortised while the customer relations and contracts intangibles are being amortised from two to 14 years and have less than four years remaining. Computer software is being amortised over an average life of three to 10 years.

17. Investments in and Advances to Joint Ventures and Associates

Accounting policy

(i) Associates

Associates are those entities over which the Group is able to exercise significant influence but does not control or jointly control the entities' financial and operating policies. Significant influence is exercised generally through direct or indirect ownership of 20% to 50% of the voting rights. Such investments in associates are recorded in the Consolidated Financial Statements using the equity method and are initially recognised at cost. The Consolidated Financial Statements include the Group's share of the total comprehensive income of associates based on the equity method of accounting, from the date that significant influence begins until the date that significant influence ceases.

Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of individual investments. Where necessary, adjustments are made to the Financial Statements of associates to bring the accounting policies used into line with those used by the Group.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(ii) Joint Ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint control requires unanimous consent of the parties sharing control in the decision-making on relevant activities. The Consolidated Financial Statements include the Group's share of the total comprehensive income of joint ventures based on the equity method of accounting, from the date that joint control begins until the date that joint control ceases. Where necessary, adjustments are made to the Financial Statements of joint ventures to bring the accounting policies used into line with those used by the Group.

Material investments are those that the Group considers to be strategic to its operations and whose investment balance is material.

Notes to the Consolidated Financial Statements *(continued)*

Investments in and advances to joint ventures and associates, which are all accounted for using the equity method of accounting, consisted of the following:

(in thousands)	Location[1]	2021 % Shares	2021 % Voting Rights	As of November 30, 2021	2020
Joint Ventures:					
Tankers material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 40,639**	$ 40,894
Stolt NYK Asia Pacific Services Inc.	Liberia	50	50	**23,983**	24,782
NYK Stolt Shipholding Inc.	Liberia	50	50	**40,632**	40,375
Shanghai SC-Stolt Shipping Ltd	China	49	50	**39,956**	37,126
Hassel Shipping 4 AS	Norway	50	50	**81,021**	74,510
Tankers non-material joint ventures:					
SIA LAPA, Ltd	Latvia	70	50	**1,314**	1, 077
Shanghai New Xing Yang Marine Services Co. Ltd	China	40	40	**61**	189
				227,606	218,953
Terminals material joint ventures:					
Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**105,372**	110,781
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**121,029**	119,267
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**26,524**	24,586
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**13,165**	12,945
Terminals non-material joint venture:					
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**6,908**	8,072
				272,998	275,651
Tank Containers non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**3,892**	3,503
Kanoo Tank Services Ltd.	Saudi Arabia	60	50	**16,115**	16,864
Vado Tank Cleaning SRL	Italy	50	50	**980**	1,761
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**1,443**	1,289
FSTS CO., Ltd	Thailand	49	49	**978**	834
				23,408	24,251
Stolt-Nielsen Gas material joint ventures:					
Avenir LNG Limited	Bermuda	47	47	**79,497**	59,319
Subtotal				**603,509**	578,174
Non-material associates:					
Brovig SS II Indre Selskap	Norway	50	50	**5,414**	5,137
Essberger & Stolt Tankers GMbH & Co KG[2]	Germany	28	28	**164**	–
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**1,388**	1,186
Norterminal A.S.	Norway	25	25	**915**	1,017
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**516**	470
Subtotal				**8,397**	7,810
				$ 611,906	$ 585,984

1. Represents the country of the principal place of business as well as the country of incorporation, except for NYK Stolt Tankers S.A., Stolt NYK Asia Pacific Services Inc., NYK Stolt Shipholding Inc., Hassel Shipping 4 AS, Essberger & Stolt Tankers GMbH & Co KG, Brovig SS II Indre Selskap and Avenir LNG Limited which operate on a world-wide or regional basis.
2. On January 1, 2021, Stolt Tankers BV entered into a joint venture with John T. Essberger Group for the operation of their combined parcel tanker fleets trading within Europe. The joint venture, Essberger & Stolt Tankers GMbH & Co KG ("E&S Tankers"), is trading certain of the Group's parcel tankers ranging in size from 2,800 to 11,300 dwt.

(in thousands)	Joint Ventures	Associates	Total
Balance, December 1, 2019	**$ 534,429**	**$ 8,099**	**$ 542,528**
Share of profit of joint ventures and associates	32,203	234	32,437
Dividends	(15,216)	(224)	(15,440)
Net foreign exchange differences	20,950	(308)	20,642
Net (loss) gain on cash flow hedges held by joint ventures and associates	(3,886)	9	(3,877)
Repayment of advances to joint ventures, net	(4,907)	–	(4,907)
Reversal of prior year provision against advances	3,557	–	3,557
Net actuarial gain on pension schemes held by joint venture	379	–	379
Investment in joint venture	15,000	–	15,000
Disposal of associate	(4,794)	–	(4,794)
Other	459	–	459
Balance, November 30, 2020	**$ 578,174**	**$ 7,810**	**$ 585,984**
Share of profit of joint ventures and associates	38,858	612	39,470
Dividends	(22,629)	(240)	(22,869)
Net foreign exchange differences	(11,396)	42	(11,354)
Net gain on cash flow hedges held by joint ventures and associates	3,834	–	3,834
Repayment of advances to joint ventures, net	(4,570)	–	(4,570)
Net actuarial gain on pension schemes held by joint venture	1,489	–	1,489
Investment in joint venture and associate	21,000	173	21,173
Other	(1,251)	–	(1,251)
Balance, November 30, 2021	**$ 603,509**	**$ 8,397**	**$ 611,906**

Notes to the Consolidated Financial Statements *(continued)*

Summarised financial information of material joint ventures

The below table provides summarised financial information of the Group's material joint ventures, representing 100% of the respective amounts included in the individual joint ventures' Financial Statements as of and for the years ended November 30, 2021 and 2020. The figures have been amended to reflect modifications for differences in accounting policy.

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Selected Balance Sheet Information										
Cash and cash equivalents	**$ 4,650**	$ 12,750	**$ 2,341**	$ 5,735	**$ 11,101**	$ 16,270	**$ 20,562**	$ 11,372	**$ 21,822**	$ 18,182
Current assets, other than cash	**9,358**	7,369	**9,921**	7,777	**2,140**	5,124	**7,220**	7,960	**9,996**	7,696
Current assets	**14,008**	20,119	**12,262**	13,512	**13,241**	21,394	**27,782**	19,332	**31,818**	25,878
Non-current assets	**207,734**	160,722	**42,140**	42,196	**185,186**	189,406	**58,239**	61,045	**310,471**	319,811
Total Assets	**221,742**	180,841	**54,402**	55,708	**198,427**	210,800	**86,021**	80,377	**342,289**	345,689
Financial liabilities, other than accounts payable	**10,186**	7,811	**–**	–	**9,388**	10,626	**–**	–	**16,369**	16,356
Other current liabilities	**1,900**	3,189	**6,436**	6,145	**–**	–	**5,928**	5,795	**3,058**	–
Current liabilities	**12,086**	11,000	**6,436**	6,145	**9,388**	10,626	**5,928**	5,795	**19,427**	16,356
Financial liabilities	**157,417**	120,485	**–**	–	**107,069**	117,490	**–**	–	**167,608**	183,998
Non-current liabilities	**5,212**	8,787	**–**	–	**702**	1,932	**–**	–	**435**	2,942
Total non-current liabilities	**162,629**	129,272	**–**	–	**107,771**	119,422	**–**	–	**168,043**	186,940
Net Assets	**$ 47,027**	$ 40,569	**$ 47,966**	$ 49,563	**$ 81,268**	$ 80,752	**$ 80,093**	$ 74,582	**$ 154,819**	$ 142,393
Selected Income Statement Information										
Operating revenue	**$ 52,609**	$ 45,190	**$ 74,308**	$ 77,797	**$ 40,964**	$ 47,592	**$ 43,487**	$ 32,986	**$ 60,690**	$ 58,180
Depreciation and amortisation	**14,822**	11,845	**–**	13,699	**13,554**	13,233	**4,798**	4,470	**13,827**	13,809
Finance income	**–**	–	**328**	771	**14**	53	**–**	–	**5**	102
Finance expense	**4,818**	4,909	**–**	6,572	**1,925**	2,990	**–**	–	**8,762**	10,161
Profit (loss) before taxes	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**7,568**	4,695	**9,610**	9,884
Income tax expense	**–**	–	**–**	–	**–**	–	**1,889**	909	**–**	–
Net profit (loss)	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**5,679**	3,786	**9,610**	9,884
Other comprehensive income (loss)	**3,576**	(3,187)	**–**	–	**1,304**	(1,296)	**2,575**	5,035	**2,817**	(3,210)
Total comprehensive income (loss)	**$ 6,454**	$ 3,525	**$ (1,587)**	$ (3,142)	**$ 516**	$ 2,607	**$ 8,254**	$ 8,821	**$ 12,427**	$ 6,674
Dividends received by Group	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –	**$ 1,217**	$ 1,394	**$ –**	$ –

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $35.1 million and $42.2 million for the years ended November 30, 2021 and 2020, respectively. Of the financial liabilities included in NYK Stolt Shipholding Inc., $42.0 million related to notes payable to Stolt NYK Asia Pacific Services Inc. at both November 30, 2021 and 2020.

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2021	2020	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	2020	Tianjin Lingang Stolthaven Terminal Co. 2021	2020	Tianjin Lingang Stolthaven Jetty Company 2021	2020
Selected Balance Sheet Information								
Cash and cash equivalents	**$ 5,450**	$ 19,285	**$ 14,660**	$ 3,738	**$ 2,974**	$ 1,986	**$ 3,792**	$ 2,752
Current assets, other than cash	**27,793**	15,152	**17,438**	37,431	**823**	927	**3,263**	3,057
Current assets	**33,243**	34,437	**32,098**	41,169	**3,797**	2,913	**7,055**	5,809
Non-current assets	**371,936**	407,350	**395,248**	401,409	**42,521**	43,806	**27,979**	28,424
Total Assets	**405,179**	441,787	**427,346**	442,578	**46,318**	46,719	**35,034**	34,233
Financial liabilities, other than accounts payable	**49,939**	28,849	**101,608**	142,190	**2,357**	2,281	**–**	–
Other current liabilities	**13,673**	11,812	**39,121**	35,470	**6,560**	6,313	**1,767**	1,528
Current liabilities	**63,612**	40,661	**140,729**	177,660	**8,917**	8,594	**1,767**	1,528
Financial liabilities	**112,492**	158,449	**51,636**	35,889	**6,851**	10,530	**–**	–
Non-current liabilities	**58,543**	63,583	**2,347**	541	**258**	284	**–**	–
Total non-current liabilities	**171,035**	222,032	**53,983**	36,430	**7,109**	10,814	**–**	–
Net Assets	**$ 170,532**	$ 179,094	**$ 232,634**	$ 228,488	**$ 30,292**	$ 27,311	**$ 33,267**	$ 32,705
Selected Income Statement Information								
Operating revenue	**$ 116,112**	$ 109,912	**$ 95,518**	$ 90,740	**$ 10,440**	$ 7,872	**$ 10,016**	$ 10,020
Depreciation and amortisation	**34,158**	31,685	**12,514**	11,402	**2,964**	2,728	**1,438**	1,410
Finance income	**–**	–	**–**	–	**–**	–	**29**	–
Finance expense	**5,717**	6,146	**2,774**	4,311	**693**	307	**–**	15
Profit before taxes	**25,027**	23,351	**39,250**	36,858	**2,041**	827	**5,082**	5,527
Income tax expense	**5,297**	6,012	**8,774**	9,492	**–**	–	**1,270**	1,365
Net profit	**19,730**	17,339	**30,476**	27,366	**2,041**	827	**3,812**	4,162
Other comprehensive (loss) income	**(6,118)**	13,867	**(15,051)**	14,108	**940**	1,731	**1,105**	2,043
Total comprehensive income	**$ 13,612**	$ 31,206	**$ 15,425**	$ 41,474	**$ 2,981**	$ 2,558	**$ 4,917**	$ 6,205
Dividends received by Group	**$ 11,087**	$ 6,254	**$ 5,639**	$ 3,924	**$ –**	$ –	**$ 1,742**	$ 1,242

In addition to the table above, Avenir LNG Limited is publicly traded on the Norwegian over-the-counter ("NOTC") market. The financial statements for December 31, 2020 have been filed on the NOTC. Avenir LNG Limited had total assets of $172.3 million, total liabilities of $46.3 million and total net assets of $126.0 million. Avenir LNG Limited also published earnings releases containing unaudited financial information on a quarterly basis up until September 30 2021. For the nine months to September 30, 2021 Avenir LNG Limited disclosed a net loss of $1.3 million and as at September 30, 2021 had total assets of $223.0 million, total liabilities of $66.3 million and net assets of $156.7 million. Share of profit of Avenir LNG Limited from October 1, 2021 to November 30, 2021 is based on management's best estimate of Avenir LNG Limited's performance. The market price of Avenir LNG Limited shares was NOK 8.00 per share at November 30, 2021. The Group owned 85.8 million shares of Avenir LNG Limited at November 30, 2021.

Tianjin Lingang Stolthaven Terminal Co. has $8.0 million and $6.8 million of shareholder loans at November 30, 2021 and 2020, respectively.

The above joint ventures, other than Avenir LNG Limited, are private companies and there are no quoted market prices available for their shares.

Notes to the Consolidated Financial Statements *(continued)*

Description of the nature of activities of the material joint ventures

NYK Stolt Tankers S.A. is a joint venture with NYK Line which owns eight parcel tankers that participate in the Joint Service. The Group performs marketing, operational, administration and ship-owning services for NYK Stolt Tankers S.A.'s fleet in the deep-sea intercontinental market. The Group considers the investment in NYK Stolt Tankers S.A. to be strategic as it provides sophisticated tonnage to the Joint Service.

Stolt NYK Asia Pacific Services Inc. ("SNAPS") is a joint venture with NYK Line which operates 11 ships in the East Asia and South East Asia areas, with the tankers marketed by the Group's offices in these regions. NYK Stolt Shipholding Inc ("NSSH") is a ship-owning joint venture and owns the ships operated by SNAPS. The investments in SNAPS and NSSH are considered to be strategic to the Group by serving the East Asia and South East Asia markets and supporting customers of the Joint Service.

Hassel Shipping 4 AS is a 50% joint venture with J.O. Invest AS for the joint ownership and operation of eight 33,000 dwt, stainless steel, chemical tankers. The ships are operated through the Joint Service. This joint venture is considered to be strategic as it provides sophisticated tonnage to the Joint Service.

Shanghai SC-Stolt Shipping Ltd is a 49% owned joint venture with Shanghai Junzheng Logistics Co. Ltd to operate chemical tankers in the Chinese coast cabotage market. As of November 30, 2021, the joint venture operated eleven ships. It is considered to be a joint venture as all significant decisions are made unanimously.

Avenir LNG Limited is a 47% owned joint venture with Golar LNG Limited and Höegh LNG Holdings Ltd. and supplies LNG for the power, bunkering, trucking and industrial markets. Avenir LNG Limited raised an additional $42 million through the issue of new shares during the year, of which the Group purchased 50% for $21.0 million and Golar LNG Limited and Höegh LNG Holdings Ltd. purchased $10.5 million each. It is considered to be a joint venture as the Group, along with Golar LNG Limited and Höegh LNG Holdings Ltd., have the ability to make significant decisions unanimously.

Oiltanking Stolthaven Antwerp, NV ("OTSA") is a 50% owned joint venture with Oiltanking GMBH and has a terminal facility in Antwerp, Belgium which provides independent tank terminal services in the Port of Antwerp for bulk liquid products, animal and vegetable oils and gas and other products. The investment in OTSA is considered to be strategic to the Group as it is integral to the Group's ability to provide an efficient ship-terminal interface.

Jeong-IL Stolthaven Ulsan Co. Ltd ("JSTT") is a 50% owned joint venture that owns a terminal facility in Ulsan, South Korea which provides independent tank terminal services for primarily clean petroleum and chemical products. The Group considers its investment in JSTT to be strategic as it is integral in the Group's ability to provide an efficient ship-terminal interface.

Tianjin Lingang Stolthaven Terminal Co., a 65% owned joint venture with the Lingang Harbor Affairs Company ("LHAC"), owns a terminal facility in Tianjin, China. It is considered to be a joint venture as all significant decisions are made unanimously.

Tianjin Lingang Stolthaven Jetty Company, a 40% owned joint venture with LHAC, owns and operates a jetty and docks in Tianjin, China. It is considered to be a joint venture as all significant decisions are made unanimously.

Reconciliation of Summarised Financial Information from Prior Year Net Assets to Investment in and Advances to Joint Ventures

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Net Assets:										
Balance, December 1	**$ 40,569**	$ 36,990	**$ 49,563**	$ 52,705	**$ 80,752**	$ 78,198	**$ 74,582**	$ 70,109	**$ 142,392**	$ 135,792
Profit (loss) for the year	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**5,679**	3,786	**9,610**	9,884
Dividends	**–**	–	**–**	–	**–**	–	**(2,483)**	(2,845)	**–**	–
Other comprehensive income (loss)	**3,576**	(3,187)	**–**	–	**1,304**	(1,296)	**2,575**	5,035	**2,817**	(3,210)
Other	**4**	54	**(10)**	–	**–**	(53)	**(260)**	(1,503)	**–**	(74)
Balance, November 30	**47,027**	40,569	**47,966**	49,563	**81,268**	80,752	**80,093**	74,582	**154,819**	142,392
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**23,514**	20,284	**23,983**	24,782	**40,634**	40,375	**39,246**	36,545	**77,410**	71,196
Purchase adjustment to property	**–**	–	**–**	–	**–**	–	**–**	–	**3,573**	3,314
Eliminations of transactions with the Group	**(444)**	(484)	**–**	–	**–**	–	**–**	–	**–**	–
Advances	**17,569**	21,094	**–**	–	**–**	–	**–**	–	**–**	–
Other	**–**	–	**–**	–	**(2)**	–	**710**	581	**38**	–
Investment in and advances to joint ventures	**$ 40,639**	$ 40,894	**$ 23,983**	$ 24,782	**$ 40,632**	$ 40,375	**$ 39,956**	$ 37,126	**$ 81,021**	$ 74,510

Notes to the Consolidated Financial Statements *(continued)*

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2021	2020	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	2020	Tianjin Lingang Stolthaven Terminal Co. 2021	2020	Tianjin Lingang Stolthaven Jetty Company 2021	2020
Net Assets:								
Balance, December 1	**$179,094**	$ 160,396	**$228,488**	$ 194,861	**$ 27,311**	$ 24,753	**$ 32,705**	$ 29,605
Profit for the year	**19,730**	17,339	**30,476**	27,366	**2,041**	827	**3,812**	4,162
Dividends	**(22,174)**	(12,508)	**(11,279)**	(7,847)	**–**	–	**(4,355)**	(3,105)
Other comprehensive (loss) income	**(6,118)**	13,867	**(15,051)**	14,108	**940**	1,731	**1,105**	2,043
Balance, November 30	**170,532**	179,094	**232,634**	228,488	**30,292**	27,311	**33,267**	32,705
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**85,266**	89,547	**116,317**	114,244	**19,690**	17,752	**13,307**	13,082
Advances	**–**	–	**–**	–	**6,834**	6,834	**–**	–
Purchase adjustment to property	**4,827**	5,158	**–**	–	**–**	–	**–**	–
Goodwill	**15,279**	16,076	**4,712**	5,023	**–**	–	**–**	–
Other	**–**	–	**–**	–	**–**	–	**(142)**	(137)
Investment in and advances to joint ventures	**$105,372**	$ 110,781	**$121,029**	$ 119,267	**$ 26,524**	$ 24,586	**$ 13,165**	$ 12,945

Summarised financial information for non-material joint ventures and associates

In aggregate, the Group's investments in and advances to non-material joint ventures were $31.7 million and $33.6 million, and in the non-material associates were $8.4 million and $7.8 million, for the years ended November 30, 2021 and 2020, respectively. The below summarises the financial information of the non-material joint ventures and associates:

(in thousands)	For the years ended November 30, 2021	2020
Joint Ventures		
Profit before taxes	**$ 8,122**	$ 6,275
Income tax expense	**1,536**	1,226
Net profit	**6,586**	5,049
Other comprehensive (loss) profit	**(1,512)**	655
Total comprehensive income	**$ 5,074**	$ 5,704

(in thousands)	For the years ended November 30, 2021	2020
Associates		
Profit before taxes	**$ 1,595**	$ 235
Income tax expense	**335**	73
Net profit	**1,260**	162
Other comprehensive loss	**(292)**	(522)
Total comprehensive income (loss)	**$ 968**	$ (360)

Commitments

The Group has no commitments to joint ventures as of November 30, 2021. Capital commitments in joint ventures are in Note 27.

See Note 28 for amounts due from and to the Group from joint ventures and associates.

18. Investments in Equity Instruments

Accounting policy

Investments in equity instruments which are designated as fair value through other comprehensive income ("FVTOCI") are carried at their fair value and remeasured each period. Movements in the carrying amount are taken through other comprehensive income. Upon disposal of these equity investments, any balance within other comprehensive income for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

Equity investments designated at FVTOCI

At November 30, 2021, the Group had investments in Golar LNG Limited and Ganesh Benzoplast Limited ("GBL"), that have been designated as FVTOCI as they are not held for trading by the Group.

On December 7, 2020, the Group acquired 342,857 shares of Golar LNG Limited at $8.75 per share.

In 2020, the Group's joint venture in India, Stolt Rail Logistics Systems Limited, was sold to the joint venture partner, GBL, in exchange for shares in GBL. The transaction valued the GBL shares at 62 Indian rupees each ($0.835) or $5.1 million, which was used as the fair value for the year-end, owing to the proximity of the sale to November 30, 2020. GBL is listed on the Bombay Stock Exchange.

There were no dividends received in the years ended November 30, 2021 and 2020.

Investments in equity instruments increased owing to the change in fair market value of the Golar LNG Limited and GBL shares in 2021. A summary of changes in value of investments in equity instruments for the year ended November 30, 2021 and 2020 is summarised below:

As of November 30,	**2021**	2020	**2021**	2020	**2021**	2020
(in thousands)	**Golar LNG Limited**		**GBL**		**Total**	
Number of equity shares	**2,673**	2,330	**6,111**	6,111		
Percentage of shareholding	**2.5%**	2.3%	**9.8%**	9.8%		
Share price as of November 30	**$11.80**	$9.10	**$1.04**	$0.835		
Gain (loss) on FVTOCI	**$ 7,337**	$ (9,133)	**$ 1,344**	$ –	**$ 8,681**	$ (9,133)
Cumulative (loss) gain on FVTOCI	**(74,846)**	(82,183)	**1,344**	–	**(73,502)**	(82,183)
Value of investment	**$ 31,537**	$ 21,202	**$ 6,336**	$ 5,103	**$ 37,873**	$ 26,305

Notes to the Consolidated Financial Statements *(continued)*

19. Long-term Insurance Claims Receivable

Accounting policy

The Group maintains insurance to cover a number of risks including employee health, workers' compensation, pollution, damages to hull and machinery for each of our ships, property damages, war damage and general liabilities for third-party claims. The Group recognises a provision for future expected payments to third parties plus self-insured liabilities (deductibles) in respect of all claims (see Note 26).

The Group recognises insurance reimbursement receivables from insurers for third-party claims at the time the recovery is virtually certain. Substantially all of the long-term insurance reimbursement receivables are for claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo. The liabilities associated with the claims are estimated based on the specific merits of the individual claims.

At November 30, 2021 and 2020, respectively, the Group included $162.9 million and $191.7 million for long-term insurance claims receivables. For 2021, substantially all of the Long-term insurance claims receivables and Long-term provision relate to the civil action as a result of the fire on the *MSC Flaminia* (see Note 29).

All of the Group's insurance policies are subject to coverage limits, exclusions and deductible levels. While the Group believes that the estimated accrued claims reserves are adequate, the ultimate losses can differ.

20. Accounts Payable

Accounting policy

Accounts payable are initially valued at their fair value and subsequently at amortised cost.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received or is entitled to consideration. When consideration is paid by a customer before the Group transfers goods or services to satisfy the performance obligation, a contract liability is recognised. Contract liabilities are recognised as revenue when the Group satisfies the contractual performance obligations.

	As of November 30,	
(in thousands)	**2021**	2020
Trade payables	**$ 99,642**	$ 80,834
Withholding and value added tax	**11,903**	6,561
Insurance premiums payable	**115**	3,349
Other	**2,947**	1,286
	$ 114,607	$ 92,030

Contract liabilities

	2021		2020	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 26,787**	**$ –**	$ 28,477	$ –
Revenue recognised (from opening balance)	**(26,787)**	**–**	(28,477)	–
Revenue recognised (current year)	**(987,763)**	**–**	(980,776)	–
Cash received in advance of performance obligation	**1,016,855**	**–**	1,007,563	–
Balance, November 30	**$ 29,092**	**$ –**	$ 26,787	$ –

Contract liabilities are typically recognised as revenue within 45 days of the completion of the performance obligation. Contract liabilities are included in Accrued voyage expenses and unearned income.

21. Financial Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, political risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central Treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in US dollars	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts and cross-currency interest rate swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Cross-currency interest rate swaps, interest rate swaps
Market risk – commodity price	Changes in fuel prices	Cash flow forecasting Sensitivity analysis	Bunker surcharge clauses and bunker swaps
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, available-for-sale debt instruments and held-to-maturity investments	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for available-for-sale and held-to-maturity investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Market risk

The Group is exposed to market risk, including changes in interest rates, currency exchange rates, price risk and bunker fuel costs. To manage the volatility relating to these exposures, the Group enters into derivative transactions in accordance with Group policies. The financial impact of these instruments is offset by corresponding changes in the underlying exposures being hedged. Derivative instruments are not held for trading or speculative purposes.

The Group analyses its interest rate exposure based on sensitivity analysis. Scenarios are simulated, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

The Group calculates the impact on profit and loss of a defined interest rate shift. At November 30, 2021, 18.4% of the Group's long-term debt had variable interest rates. At November 30, 2021, if interest rates on the Group's short-term and long-term debt had been 10 basis points higher/lower with all other variables held constant, the calculated pre-tax profit for the year would have been $0.4 million lower/higher, mainly as a result of higher/lower interest expense on floating-rate debt for which the interest rate has not been hedged.

In addition, for bunker fuel risk, the majority of the contracts of affreightment ("COA") entered into by the Group's Tanker segment include provisions intended to pass through fluctuations in fuel prices to customers. The Group's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months through either bunker surcharges included in the COAs or through hedging. For the years ended November 30, 2021 and 2020, the expected coverage from fluctuations in bunker fuel prices was 60.7% and 68.1%, respectively.

Political and geopolitical risk

SNL is exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks, war or international hostilities, for example, the recent escalation of hostilities in the Ukraine.

Notes to the Consolidated Financial Statements *(continued)*

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the revenue earned by Tankers and Tank Containers is in US dollars, while a significant portion of their operating expenses is incurred in other currencies, primarily the euro, the Philippine peso, the Singapore dollar, the Japanese yen and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins. In addition, exposure occurs when a member of the Group holds accounts receivable or payable in a non-functional currency.

At November 30, 2021, prior to the effect of hedging, if the US dollar had weakened/strengthened by 5% against the major currencies mentioned above, with all other variables remaining constant, the recalculated pre-tax profit for the year would have been approximately $7.5 million higher/lower, mainly due to the effect of operating and administrative and general expenses, net of revenues, from non-US dollar transactions as well as foreign exchange gains or losses on the remeasurement of non-US dollar-denominated account receivable and payable balances through the income statement.

SNL's policy is to hedge between 50% to 80% of the Group's expected future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Concentration of credit risk

Trade receivables are from customers across all lines of the Group's business. The Group extends credit to its customers in the normal course of business. The maximum exposure to credit risk is the net customer accounts receivable balance of $250.6 million and cash balance of $123.9 million. The Group regularly reviews its accounts receivable by performing credit checks upon entering into an initial sales contract with a customer and by the respective business controllers regularly reviewing the days past due accounts receivable reports. The majority of trade receivables are in US dollars.

An analysis of the age of customer trade receivables that are past due is as follows:

	As of November 30, 2021	
(in thousands)	**Not Impaired**	**Impaired**
Current	**$ 142,818**	**$ –**
Up to 30 days past due	**59,017**	**940**
31 to 60 days past due	**18,131**	**473**
61 to 90 days past due	**8,240**	**244**
Greater than 91 days past due	**22,430**	**18,472**
	$ 250,636	**$ 20,129**

	As of November 30, 2020	
(in thousands)	Not Impaired	Impaired
Current	$ 122,801	$ –
Up to 30 days past due	44,795	1,041
31 to 60 days past due	12,802	523
61 to 90 days past due	4,519	372
Greater than 91 days past due	15,479	14,141
	$ 200,396	$ 16,077

No collateral is held on any accounts receivable.

Concentration of credit risk *(continued)*

The only material loss allowance held against financial assets relates to trade receivables and is calculated on a lifetime expected loss basis. There have been no changes in the estimation techniques applied in the calculation of the loss allowance during the year.

The allowance for impairment on customer trade receivables changed as follows:

	As of November 30,	
(in thousands)	**2021**	2020
Allowance for impairment on customer trade and accrued receivables, brought forward	**$ 18,230**	$ 20,213
Impairment recognised (recovered)	**3,145**	(686)
Accounts written off	**(1,246)**	(1,297)
Balance at the end of the year	**$ 20,129**	$ 18,230

The amount of the impairment allowance on receivables is based on the age of unpaid balances, information about the current and expected future financial condition of customers and the markets in which they inhabit, and other relevant information. Management does not believe significant risk exists in connection with concentrations of credit as of November 30, 2021. There have been no significant changes to the impairment allowance because of changes in the gross carrying amount of trade receivables.

There are no significant amounts written off which are still subject to enforcement activity.

The Group's cash is held by a diverse group of financial institutions, which is monitored on an annual basis by Treasury.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and is aggregated at the corporate level. The Treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (see Note 23) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and certain currencies' restrictions. The Group also reviews and monitors sensitivities.

Notes to the Consolidated Financial Statements *(continued)*

22. Financial Instruments

Accounting policy for financial instruments

IFRS 9 contains a classification and measurement approach for financial assets and liabilities, including derivative instruments that reflects the business model in which assets are managed and their cash flow characteristics.

Under IFRS 9, all financial instruments are initially measured at fair value. In addition, for financial assets or liabilities not remeasured at fair value through profit or loss, financial instruments are adjusted for transaction costs. The classification of a financial asset is determined at initial recognition; however, if certain conditions are met, an asset may subsequently need to be reclassified.

IFRS 9 contains three principal classification categories for financial assets, based on the business models under which they are held:

Amortised cost: The Group classifies its financial assets at amortised cost only if both of the following criteria are met: the assets are held within a business model with the objective of collecting the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Income from these financial assets is included in finance income using the effective interest rate method. The Group's assets measured at amortised cost include trade and other receivables, cash and cash equivalents and advances from joint ventures and associates.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for future sales, where the assets' cash flows represent solely payments of principal and interest and dividends, are measured at fair value through other comprehensive income.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

(i) Impairment

As required by IFRS 9, the Group adopted an "expected credit loss model" which requires the Group to account for expected credit losses and changes in those expected credit losses at each year end or half-year to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses are calculated as the present value of the difference between all contractual cash flows that are due and all cash flows that the entity expects to receive. Expected credit losses are the sum of all possible credit losses, weighted by their probability of occurrence.

The "12-month expected credit losses" approach is applied to all financial assets with the exception of trade receivables and advances to joint ventures. Both these asset classes generally do not contain a significant financing component. For these assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, net of any allowance losses. The allowance loss measurement is determined by applying a simplified approach equalling the lifetime expected credit losses.

Under the simplified approach, the tracking of changes in credit risk is not required, but instead the base lifetime expected credit loss at all times is applied. An allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Losses are recorded within selling, marketing and distribution expenses in the income statement. Trade receivables are deemed as impaired when there is an indication of significant financial difficulties of the debtor (delinquency in or default on payments occurs, probability of bankruptcy or need for financial reorganisation).

(ii) Fair value estimation

The information below summarises financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

New business quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's investments in Golar LNG Limited and GBL are measured using quoted prices in an active market (Level 1). The Group's derivative assets and liabilities are measured using inputs other than quoted prices (Level 2). The Group's mature biological assets are measured using inputs other than quoted prices (Level 2). There have been no changes in the fair value methodology in the periods presented.

(iii) Hedge accounting

In accordance with IFRS 9's transition provisions for hedge accounting, the Group has not applied the IFRS 9 hedge accounting requirements and will continue to apply the hedge accounting requirements of IAS 39.

Accounting policy for derivative assets and liabilities

The Group enters into forward exchange contracts to hedge foreign currency transactions, interest rate swaps to hedge the risk of variability of interest payments, cross-currency interest rate swaps to hedge the risk of variability of interest and principal payments on non-US dollar denominated borrowings and bunker fuel hedge contracts to lock in the price for a portion of forecasted bunker fuel requirements. No instruments are held for speculative purposes.

For bonds and loan facilities where it is determined that there is an interest rate or foreign currency risk that should be hedged, the derivative financial instrument acquired will have critical terms that mirror those of the underlying debt. In these circumstances, it is the Group's objective to achieve 100% effectiveness.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of any resultant gain or loss on the income statement depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign currency exchange gain (loss) or operating expenses as appropriate, based on the underlying of the derivative.

(i) Determination of fair value

The fair value of interest rate swaps, cross-currency interest rate swaps and foreign exchange contracts is based on discounted cash flow models based upon the valuations received from financial institutions, taking into account current interest rates and foreign exchange rates.

(ii) Cash flow hedges

The Group applies cash flow hedge accounting to its interest rate swaps and cross-currency interest rate swaps.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss recognised in other comprehensive income is removed and included in the initial cost or other carrying amount of the asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when finance income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Any unrealised and realised gains or losses on foreign exchange forward contracts are taken directly to the income statement.

(iii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contract. Contracts are assessed for embedded derivatives at inception of such contracts or when the Group becomes party to them. Embedded derivatives that have been separated from host contracts are measured at fair value at each balance sheet date. Any gains or losses arising from changes in fair value are taken directly to the income statement.

Notes to the Consolidated Financial Statements *(continued)*

The Group holds the following financial instruments:

(in thousands)	**November 30, 2021** Current	**Non-current**	**Total carrying value**	**Fair value**	November 30, 2020 Current	Non-current	Total carrying value	Fair value
Financial Assets								
Financial assets at FVTOCI								
Investments in equity instruments – listed	**$ –**	**$ 37,873**	**$ 37,873**	**$ 37,873**	$ –	$ 26,305	$ 26,305	$ 26,305
Financial assets at amortised cost								
Cash and cash equivalents	**123,868**	**–**	**123,868**	**123,868**	187,767	–	187,767	187,767
Restricted cash	**6,096**	**–**	**6,096**	**6,096**	109	–	109	109
Trade receivables	**344,347**	**–**	**344,347**	**344,347**	220,264	–	220,264	220,264
Loans and advances to joint ventures and associates	**–**	**34,725**	**34,725**	**34,725**	–	39,324	39,324	39,324
Other current assets	**54,351**	**–**	**54,351**	**54,351**	41,542	–	41,542	41,542
	$ 528,662	**$ 72,598**	**$ 601,260**	**$ 601,260**	$ 449,682	$ 65,629	$ 515,311	$ 515,311
Financial Liabilities								
Financial liabilities at amortised cost								
Accounts payables, excluding withholding and value added taxes	**$ 102,704**	**$ –**	**$ 102,704**	**$ 102,704**	$ 85,469	$ –	$ 85,469	$ 85,469
Accrued expenses and accrued voyage expenses	**249,232**	**–**	**249,232**	**249,232**	213,902	–	213,902	213,902
Dividend payable	**26,829**	**–**	**26,829**	**26,829**	13,448	–	13,448	13,448
Long-term lease obligations, including current maturities	**43,473**	**166,977**	**210,450**	**210,450**	35,640	157,875	193,515	193,515
Short-term loans and long-term debt, including current maturities and excluding debt issuance costs	**537,385**	**1,712,418**	**2,249,803**	**2,386,211**	262,144	2,075,054	2,337,198	2,518,852
	$ 959,623	**$ 1,879,395**	**$ 2,839,018**	**$ 2,975,426**	$ 610,603	$ 2,232,929	$ 2,843,532	$ 3,025,186

(in thousands)	**November 30, 2021** Current	**Non-current**	**Total carrying value**	**Fair value**	November 30, 2020 Current	Non-current	Total carrying value	Fair value
Derivative Financial Instruments at Fair Value								
Assets								
Foreign currency exchange contracts – cash flow hedges	**$ 6**	**$ –**	**$ 6**	**$ 6**	$ 157	$ –	$ 157	$ 157
Cross-currency interest rate swaps – cash flow hedges	**583**	**6,868**	**7,451**	**7,451**	–	9,242	9,242	9,242
	$ 589	**$ 6,868**	**$ 7,457**	**$ 7,457**	$ 157	$ 9,242	$ 9,399	$ 9,399
Liabilities								
Bunker swaps	**$ –**	**$ –**	**$ –**	**$ –**	$ 251	$ –	$ 251	$ 251
Cross-currency interest rate swaps – cash flow hedges	**972**	**–**	**972**	**972**	53,787	–	53,787	53,787
Foreign currency exchange contracts	**2,649**	**–**	**2,649**	**2,649**	–	–	–	–
Interest rate swaps	**6,618**	**7,938**	**14,556**	**14,556**	7,776	21,044	28,820	28,820
	$ 10,239	**$ 7,938**	**$ 18,177**	**$ 18,177**	$ 61,814	$ 21,044	$ 82,858	$ 82,858

Fair value of financial instruments

The estimated fair value amounts of financial instruments have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, so the estimates provided here are not necessarily indicative of the amounts that could be realised in a current market exchange.

The carrying amount of cash and cash equivalents, receivables, other current assets, account payable (excluding withholding and value added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, owing to their short maturity. Long-term leases are exempt from disclosure of fair value measurements so fair value equals book value. Long-term debt in the table above excludes debt issuance costs of $24.2 million and $28.1 million, as of November 30, 2021 and 2020, respectively. The estimated value of the Group's senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of November 30, 2021 and 2020, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2021 and 2020, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2021 and 2020.

The estimated value of the Group's financial assets and marketable securities are based on traded value. The estimated value of its senior unsecured bond issues is based on traded values (Level 1 valuation method), while the values on the remaining long-term debt are based on interest rates as of November 30, 2021 and 2020, respectively, using the discounted cash flow methodology (Level 2 valuation method). The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2021 and 2020. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2021 and 2020.

The Group's financial instruments did not result in any income or loss recognised in the income statement.

Derivatives

The Group has derivative assets of $7.5 million and $9.4 million as of November 30, 2021 and 2020, respectively and derivative liabilities of $18.2 million and $82.9 million as of November 30, 2021 and 2020, respectively. All the Group's derivative activities are financial instruments entered with major financial institutions and brokers for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values as of November 30, 2021 and 2020, respectively. Derivative financial instruments are measured using inputs other than quoted values. There have been no changes in the valuation techniques since November 30, 2019. Net derivative assets for cross-currency interest rate swaps are higher by $51.0 million primarily owing to the maturity of the 2021 NOK bond. These bonds were fully hedged using cross-currency interest rate swaps.

None of the Group's derivative activities are publicly traded financial instruments. Instead, the financial instruments have been entered into with major financial institutions and brokers. The Group holds foreign exchange forward contracts, commodity contracts and interest rate swaps, which subject the Group to a minimum level of counterparty risk. The Group does not believe that it has a material exposure to credit risk from third parties failing to perform according to the terms of hedge instruments. The cumulative net (losses) gains recognised in equity were as follows at November 30, 2021 and 2020:

	As of November 30,	
(in thousands)	**2021**	2020
Interest rate derivatives	**$ (12,703)**	$ (27,448)
Cross-currency interest rate swaps	**(2,308)**	(7,235)
Foreign currency derivatives	**(10)**	(10)
Foreign exchange and interest rate hedges held by joint ventures	**(4,325)**	(8,173)
Deferred income tax gain on the interest rate derivatives	**603**	1,306
	$ (18,743)	$ (41,560)

Notes to the Consolidated Financial Statements *(continued)*

Foreign currency

The following foreign exchange contracts, maturing through September 2022, were outstanding as of November 30, 2021 and 2020:

	Purchase	
(in local currency, thousands)	**2021**	2020
Norwegian krone	**3,005**	–
Euro	**38,250**	23,000
Singapore dollar	**10,085**	1,166
British pound	**14,250**	9,000

The US dollar equivalent of the currencies which the Group had contracted to purchase was $72.4 million and $40.2 million as of November 30, 2021 and 2020, respectively.

The Group utilises foreign currency derivatives to hedge committed and forecasted cash flow exposures. Most of these contracts have been designated as cash flow hedges.

The Group has elected to apply non-hedge accounting treatment for all contracts. Gains and losses on hedges of committed commercial transactions are recorded as a foreign exchange gain or loss.

Interest rate and cross-currency interest rate swaps

The Group had interest rate and cross-currency interest rate swaps with notional values of $595.0 million and $786.2 million as of November 30, 2021 and 2020, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2021 and 2020, $10.7 million and $13.5 million, respectively, were recognised in finance expense. Any remaining amounts currently in other comprehensive income are expected to be reclassified to earnings between 2022 and 2030.

Other

The Group had a forward contract with notional value of $10.1 million as of November 30, 2021 for the purchase of 2,723,186 Class A shares of Odfjell S.E. ("Odfjell"). The Group has elected to apply non-hedge accounting treatment for this derivative. Gains and losses on the future contract were recorded in Other non-operating (expense) income and collateral of 50% of the value of the derivative was included in Restricted cash.

Maturity of financial liabilities

For the year ended November 30, 2021 (in thousands)	**Less than 1 yr**	**2-3 yrs**	**4-5 yrs**	**More than 5 yrs**	**Total**
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	**$ 102,704**	**$ –**	**$ –**	**$ –**	**$ 102,704**
Accrued expenses and dividend payable	**276,061**	**–**	**–**	**–**	**276,061**
Long-term lease liabilities, including current maturities	**43,473**	**72,499**	**25, 831**	**68,647**	**210,450**
Interest on long-term lease liabilities	**9,257**	**12,522**	**7,725**	**68,351**	**97,855**
Short-term loans	**40,000**	**–**	**–**	**–**	**40,000**
Long-term debt, including current maturities	**497,384**	**733,980**	**551,125**	**427,314**	**2,209,803**
Interest on long-term debt	**89,279**	**123,444**	**57,941**	**37,313**	**307,977**
Derivative financial liabilities	**7,626**	**4,851**	**2,162**	**392**	**15,031**
Total contractual obligations	**$ 1,065,784**	**$ 947,296**	**$ 644,784**	**$ 602,017**	**$ 3,259,881**

For the year ended November 30, 2020 (in thousands)	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	$ 85,469	$ –	$ –	$ –	$ 85,469
Accrued expenses and dividend payable	227,350	–	–	–	227,350
Long-term lease liabilities, including current maturities	35,640	58,650	36,653	62,572	193,515
Interest on long-term lease liabilities	8,714	12,616	7,897	62,304	91,531
Long-term debt, including current maturities	262,144	845,012	721,371	508,671	2,337,198
Interest on long-term debt	105,491	164,119	81,996	53,905	405,511
Derivative financial liabilities	61,793	15,559	2,538	2,404	82,294
Total contractual obligations	$ 786,601	$ 1,095,956	$ 850,455	$ 689,856	$ 3,422,868

Long-term debt in the table above excludes debt issuance costs of $24.2 million and $28.1 million as of November 30, 2021 and 2020, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Notes to the Consolidated Financial Statements *(continued)*

23. Short-Term Bank Loans

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Outstanding short-term bank loans were $40.0 million and nil at November 30, 2021 and November 30, 2020, respectively. The short-term bank loans consisted of $20.0 million of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities and $20.0 million under its Secured Reducing Multi-Currency Revolving Loan Facility Agreement ("Secured RCF"). As of November 30, 2021, the Group had available undrawn committed credit lines of $309.9 million from the Secured RCF.

The Group completed the Secured RCF in 2016, securing it to certain of the Group's fleet of chemical tankers. The agreement is with 11 banks, and the syndication was led by the three bookrunners: Nordea Bank, DNB Bank ASA and Danske Bank. The weighted average interest rate was 2.6% and 4.0% for November 30, 2021 and 2020, respectively.

The Group entered into a 24-month Revolving Credit Facility during the year ended November 30, 2021. This agreement is with two banks: DNB (UK) Limited and Swedbank AB for a total of $100 million and expires on December 31, 2022. As of November 30, 2021 the facility was undrawn and there is no weighted average interest rate as the facility has not been utilised during the year.

The Group also has $65.0 million of uncommitted lines of credit facilities which are payable on demand and can be withdrawn by the banks at short notice. The weighted average interest rate during the year ended November 30, 2021 was 2.1% and as the facilities were undrawn during the year ended November 30, 2020 there was no average interest rate.

Commitment fees for unused lines of credit were $4.3 million and $3.4 million for the years ended November 30, 2021 and 2020, respectively.

Several of the short-term and long-term credit facilities contain various financial covenants applicable either quarterly or annually, which, if not complied with, could result in the acceleration of repayment of amounts due and could limit the ability of the Group to draw funds from time to time. At November 30, 2021 and 2020, the Group was in compliance with the financial covenants under its debt agreements.

Agreements executed in connection with certain debt obligations, both short-term and long-term, require that the Group maintains defined financial covenants, including, but not limited to, minimum consolidated tangible net worth of $600.0 million, maximum ratio of consolidated debt to consolidated tangible net worth of 2.25 : 1 and minimum ratio of consolidated EBITDA to consolidated interest expense of 2 : 1. Most of the debt agreements provide for a cross default in the event of a default in another agreement. In the event of a default that extends beyond the applicable remedy or cure period, lenders may accelerate repayment of amounts due to them.

24. Long-Term Debt

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Long-term debt as of November 30, 2021 and 2020, consisted of the following:

(in thousands)	Notes	**2021**	2020
Preferred ship fixed rate mortgages:			
Fixed interest rates ranging from 2.7% to 5.4% (2020: 2.7% to 5.4%), maturities vary through 2027	(i)	**$ 518,510**	$ 581,073
Preferred ship variable rate mortgages:			
Interest rates ranging from 2.6% to 3.0% (2020: 3.0% to 4.9%), maturities vary through 2029	(ii)	**400,065**	364,969
Senior secured credit facilities	(iii)	**785,560**	771,512
Senior unsecured bond issues	(iv)	**455,225**	562,599
Bank loans:			
Interest rates ranging from 1.5% to 3.2% (2020: 1.8% to 7.7%), maturities vary through 2026	(v)	**26,284**	28,988
		2,185,644	2,309,141
Less – current maturities		**(490,502)**	(255,805)
		$ 1,695,142	$ 2,053,336

The classification of debt and the interest rates shown in the above table are after considering existing interest rate hedges.

Long-term debt

The majority of long-term debt is denominated or swapped into US dollars, with $155.9 million and $177.1 million denominated in other currencies and not swapped to US dollars as of November 30, 2021 and 2020, respectively.

Long-term debt consists of debt collateralised by mortgages on ships, tank containers and terminals, as well as $455.2 million unsecured bond financing at November 30, 2021.

(i) Preferred ship fixed rate mortgages

During February and March 2019, the Group received $241.6 million under a fixed-rate borrowing agreement, involving eight ships. The agreement is with Development Bank of Japan, ING Bank N.V., National Australia Bank, Société Générale and a group of private investors at fixed interest rates ranging from 4.16% to 4.27%. There are equal quarterly payments for each ship for an average tenor of eight years. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This debt refinanced the acquisition debt relating to the Jo Tankers acquisition in 2016.

With the deliveries of five newbuildings, in late 2016 through 2017, the Group drew down $57.2 million in 2016, $219.6 million in 2017 and $7.6 million in 2018 under the $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank, signed August 15, 2013. The loans are secured by the newbuildings and is being repaid over 10 years. Interest has been fixed at an average rate of 4.94%.

(ii) Preferred ship variable rate mortgages

During March 2021, the Group closed a $77.0 million floating-rate facility with CMB Financial Leasing Co. Ltd. ("CMBFL Facility") including three newly acquired CTG ships. There are quarterly repayments for each ship over ten years whereby the Group has an option to purchase the ships by paying $12.8 million for each ship. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

In August 2019, the Group closed a $415.6 million floating-rate facility with CMBFL Facility, involving 20 ships. There are equal quarterly payments for each ship for an average tenor of seven years and floating interest rates, ranging from 2.92% to 3.0% in 2021. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. The loan was used to pay down existing debt and for general corporate purposes.

(iii) Senior secured credit facilities

On December 3, 2020, the Group entered into a $65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk terminals as collateral. The facility agreement is with KFW IPEX-BANK GMBH for six years. There are eight equal payments of 6.25% of the total commitment beginning in 2023 with a final balloon obligation of $32.5 million.

In July 2019, Stolthaven New Orleans LLC issued $200.0 million Senior Secured Notes with a group of private investors. The private placement has a ten-year term at a fixed interest rate of 5.15% and is secured by the terminal in Braithwaite, Louisiana. Proceeds from the Notes were used for general corporate purposes.

Notes to the Consolidated Financial Statements *(continued)*

(iii) Senior secured credit facilities *(continued)*

On May 24, 2017, the previous Stolthaven Singapore terminal loan facility was refinanced with a seven-year SGD 280.0 million ($202.4 million) term loan facility. The agreement is with a bank club deal consisting of United Overseas Bank Limited, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited, and Australia and New Zealand Banking Group Limited and has a fixed interest rate of 4.16%.

On May 20, 2016, the Group entered into a $131.3 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V., Development Bank of Japan and a group of private investors for six and a half years at a fixed interest rate of 3.4%. There are 26 equal payments of $3.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $59.1 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On November 20, 2015, the Group entered into a $166.4 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and a half years at a fixed interest rate of 3.3%. There are 26 equal payments of $4.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $74.9 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On February 19, 2015, the Group announced that it had closed a $250.0 million private placement with American International Group. The private placement has a term of 10 years and is secured by the Group's terminal in Houston. The loan was used to pay down existing debt and for general corporate purposes.

(iv) Senior unsecured bond issue

On June 16, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.25 billion (swapped into $132.0 million) in a new three-year bond issue, carrying a coupon of three months NIBOR plus 4.5%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.19%. The settlement date for the bonds was June 29, 2020. Net proceeds from the bond issue were used to repurchase $78.1 million of the SNI05 bonds with maturity date of March 18, 2021 and for general corporate purposes.

On February 5, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.3 billion (swapped into $141.5 million) in a new four-year bond issue carrying a coupon of three months NIBOR plus 3.65%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.44%. The settlement date for the bonds was February 20, 2020. Net proceeds from the bond issue were used to repurchase $53.4 million of the SNI06 bonds with maturity date of April 8, 2020 and for general corporate purposes.

On September 8, 2017, the Group completed the placement of senior unsecured bonds for $175.0 million in a new five-year bond issue carrying a fixed coupon rate of 6.375%. Net proceeds from the bond issue were used to repay a bond maturing in March 2018 and for general corporate purposes.

On June 8, 2016, the Group completed an increase of NOK 500.0 million ($61.8 million) on its bond issuance maturing in 2019, NOK 150.0 million ($18.5 million) on its bond issuance maturing in 2020 and NOK 200.0 million ($24.7 million) on its bond issuance maturing in 2021. The Group swapped the bond proceeds into US dollar obligations at fixed interest rates of 5.49% for 2019, 5.78% for 2020 and 5.99% for 2021 bond issuances.

On March 3, 2014, the Company finalised a placement of senior unsecured bonds in a total amount of NOK 1,250.0 million (approximately $207.0 million) in a new seven-year bond issue. The settlement date for the new bonds was March 18, 2014. The Company swapped the bonds into US dollar obligations at a fixed interest rate of 5.89%.

(v) Bank loans

During 2020, the Group entered into a EUR 4.0 million ($4.5 million), five-year facility with Banco Santander, EUR 5.0 million ($5.6 million), seven-year facility with CAIXA and EUR 4.3 million ($4.9 million), five-year facility with Banco Bilbao Vizcaya Argentaria ("BBVA"). All were fully drawn during 2020.

During 2018, a new facility was agreed with CAIXA for EUR 7.0 million, which was fully drawn on July 3, 2018, and with BBVA of EUR 7.0 million which was drawn for EUR 1.0 million during 2018 and EUR 6.0 million in 2019.

(vi) Debt issuance costs

Debt issuance costs of $24.2 million and $28.1 million have been netted against long-term debt at November 30, 2021 and 2020, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $7.3 million for both the years ended November 30, 2021 and 2020.

Analysis of net debt

Net debt at November 30, 2021 comprises lease liabilities of $210.5 million (2020: $193.5), short-term bank loans of $40.0 million (2020: nil) and long-term debt, including current maturities, of $2,185.6 million (2020: $2,309.1 million) less cash and cash equivalents of $123.9 million (2020: $187.8 million).

(in thousands)	At December 1, 2020	Cash flow	Exchange differences	Other movements	**At November 30, 2021**
Cash deposits	$ 116,808	$ 818	$ (5,987)	$ –	**$ 111,639**
Short-term time deposits	70,959	(58,730)	–	–	**12,229**
Cash and cash equivalents	187,767	(57,912)	(5,987)	–	**123,868**
Borrowings:					
Short-term bank loans	–	(40,000)	–	–	**(40,000)**
Long-term debt, including current maturities	(2,309,141)	170,877	(41,479)	(5,901)	**(2,185,644)**
Lease liabilities, including current maturities	(193,515)	43,432	3,224	(63,591)	**(210,450)**
Net debt	**$ (2,314,889)**	**$ 116,397**	**$ (44,242)**	**$ (69,492)**	**$ (2,312,226)**

(in thousands)	At December 1, 2019	Cash flow	Exchange differences	Other movements	At November 30, 2020
Cash deposits	$ 110,207	$ 8,906	$ (2,305)	$ –	$ 116,808
Short-term time deposits	25,944	45,015	–	–	70,959
Cash and cash equivalents	136,151	53,921	(2,305)	–	187,767
Borrowings:					
Long-term debt, including current maturities	(2,345,526)	107,486	(67,111)	(3,990)	(2,309,141)
Lease liabilities, including current maturities	–	39,754	(4,399)	(228,870)	(193,515)
Net debt	**$ (2,209,375)**	**$ 201,161**	**$ (73,815)**	**$ (232,860)**	**$ (2,314,889)**

Short-term time deposits included within cash and cash equivalents relate to term deposits repayable within three months.

In the year ended November 30, 2021, other non-cash movements in net debt primarily represent $63.6 million of new or modified leases, net of reductions and $7.3 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs of $3.4 million.

In the year ended November 30, 2020, other non-cash movements in net debt primarily represent $194.3 million of lease liabilities recognised on the implementation of IFRS 16, Leases and $34.6 million of new or modified leases, net of reductions and $7.3 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs and interest to debt of $3.2 million.

Notes to the Consolidated Financial Statements *(continued)*

25. Pension and Other Post-Retirement Benefit Plans

Accounting policy

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. The Group has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans and other post-employment benefits

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted.

The liability discount rate for each plan is based on the yield curve of a portfolio of high-quality corporate bonds that have maturity dates which are approximately the same as the terms of the respective plans' obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employees' service in the current year, benefit changes, curtailments and settlements.

When the benefits of a plan are increased, the increased benefit relating to past service by employees is recognised as an expense in the income statement immediately.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs. A curtailment occurs when the Group adopts a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits or will qualify only for reduced benefits.

(iii) Short-term and long-term cash-based benefits

Short-term employee benefit obligations are measured on an undiscounted basis while long-term cash-based employee benefit obligations are discounted based on expected payment date. They are expensed in the period in which the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

At November 30, 2021, the Group operated a number of pension plans for the benefit of its employees throughout the world, with varying rights and obligations depending on the conditions and practices in the specific countries. The Group's pension plans are provided through both defined benefit and defined contribution arrangements. These plans are regulated by the respective regulators in each of the countries where they are set up.

The Group operates defined benefit plans in the United States, the United Kingdom, Bermuda, the Netherlands, Norway, the Philippines and Japan. One of the defined benefit plans covers certain ship officers and other seafarers while the others are for shore-based employees. Company-sponsored defined contribution pension plans are currently provided in all of the above countries and Spain. The Group also operates an unfunded post-retirement medical plan in the United States.

Defined benefit plans provide benefits based on the employees' length of pensionable service and their final pensionable salary or other criteria. Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement.

Defined benefit plans

The Group's significant defined benefit pension plans are in the United States, Bermuda, the Netherlands and the United Kingdom.

The Pension Committees participate in the governance of each of the significant defined benefit pension plans. These Pension Committees comprise representatives who are employees and former employees. In addition, actuarial advisers and investment management advisers also participate in the Pension Committee meetings. The Pension Committees for plans act in the best interest of the plan participants and are responsible for setting certain policies, such as strategic asset allocation, investment and contribution policies in consultation with the Group.

The defined benefit plans expose the Group to actuarial risks such as longer than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the liabilities or reduce the value of assets of the plans.

Recognising these risks, the Group has adopted an approach of moving away from providing defined benefit plans. All defined benefit plans have also been closed to future accrual and new entrants.

The Group follows a coordinated strategy for the funding and investment of its defined benefit pension plans subject to abiding by all local laws and regulations applicable to those plans. The assets of the plan are generally held separately from those of the Group and are administered by local management in the respective countries. The Group has no legal obligation to settle these liabilities with any immediate contributions or additional one-off contributions. The Group intends to continue to contribute to each defined benefit pension and post-retirement medical plan in accordance with the latest recommendations of each plan actuary and its pension funding policy.

In terms of investments, the Group's aim is for the value of defined benefit plan assets to be maintained at close to the value of the corresponding benefit obligations, allowing for some short-term volatility.

Plan assets are invested in a diversified range of asset classes, predominantly comprising bonds and equities. In some locations, such as the United Kingdom, plan trustees and other bodies have legal and fiduciary responsibility for the investment of plan assets, and decisions on investment strategy are taken in consultation with the Group.

The Group monitors its exposure to changes in equity markets, interest rates and inflation, and measures its balance sheet pension risk using a risk-based approach. Strategic asset allocation studies and asset-liability studies are carried out periodically for the significant pension plans.

On a quarterly basis, the performance of all investments across the significant defined benefit plans is reviewed with the Group's investment management advisers.

Pension plans overview

	As of November 30,	
(in thousands)	**2021**	2020
Present value of funded obligations	**$ (247,310)**	$ (257,336)
Fair value of plans assets	**240,960**	235,838
	$ (6,350)	$ (21,498)

The amounts recognised at November 30, consisted of the following:

	As of November 30,	
(in thousands)	**2021**	2020
Non-current assets	**$ 25,370**	$ 17,867
Non-current liabilities	**(31,720)**	(39,365)
Net accrued cost	**$ (6,350)**	$ (21,498)

Notes to the Consolidated Financial Statements *(continued)*

US post-retirement healthcare plan

US-based employees retiring from the Group, having attained the age of 55 with at least 10 years of cumulative US service by January 1, 2018, or who become disabled, were eligible to receive both pre-Medicare and post-Medicare benefit offerings for themselves and their eligible dependants. Employees working until age 65 with at least ten years of US cumulative service are eligible for post-Medicare benefits only. All benefits are unfunded.

Components of defined benefit cost

The net periodic benefit cost for the Group's defined benefit pension plans (including a retirement arrangement for one of the Group's ex-Directors) and US post-retirement healthcare plan shown above for the years ended November 30, 2021 and 2020, consisted of the following:

(in thousands)	For the years ended November 30, 2021	2020
Service cost	**$ 611**	$ 543
Interest cost, net	**628**	1,192
Settlement gain	**–**	(2,302)
Cost of plan administration	**1,045**	550
Net periodic benefit cost (income)	**$ 2,284**	$ (17)

Impact on equity

Remeasurements that are recognised in Other comprehensive income are as follows:

(in thousands)	For the years ended November 30, 2021	2020
Effect of changes in demographic assumptions	**$ (302)**	$ (1,128)
Effect of changes in financial assumptions	**4,745**	(21,999)
Effect of experience assumptions	**(241)**	2,509
Return on plan assets (excluding interest income)	**11,340**	31,459
Remeasurements recognised in other comprehensive income	**$ 15,542**	$ 10,841

The following tables set out the change in benefit obligations for the Group's defined benefit pension plans and US post-retirement medical plan and the change in plan assets for the defined benefit pension plans.

Change in benefit obligation

(in thousands)	For the years ended November 30, 2021	2020
Benefit obligations at beginning of year	**$ 257,336**	$ 246,728
Current service cost	**604**	543
Past service cost	**7**	–
Settlement gain	**–**	(2,302)
Interest cost	**5,608**	6,816
Benefits paid	**(11,699)**	(12,028)
Foreign exchange rate changes	**(344)**	1,374
Settlement payments	**–**	(4,413)
Remeasurements:		
Effect of changes in demographic assumptions	**302**	1,128
Effect of changes in financial assumptions	**(4,745)**	21,999
Effect of experience adjustments	**241**	(2,509)
Benefits obligation at end of year	**$ 247,310**	$ 257,336

Change in plan assets

(in thousands)	For the years ended November 30, 2021	2020
Fair value of plan assets at beginning of year	**$ 235,838**	$ 212,914
Return on plan assets (excluding interest income)	**11,340**	31,459
Interest income	**4,980**	5,624
Company contributions	**1,819**	1,812
Foreign exchange rate changes	**(273)**	1,020
Settlement payments	**–**	(4,413)
Benefits paid	**(11,699)**	(12,028)
Expenses paid	**(1,045)**	(550)
Fair value of plan assets at end of year	**$ 240,960**	$ 235,838

Change in asset ceiling

There were no defined benefit plans whose recognition of assets was limited.

Participant profile

The defined benefit obligation by participant status is as follows:

(in thousands)	As of November 30, 2021	2020
Actives	**$ 52,253**	$ 55,914
Vested former employees not yet retired	**51,517**	54,741
Retirees	**143,540**	146,681
	$ 247,310	$ 257,336

The number of participants are as follows:

	As of November 30, 2021	2020
Actives	**964**	917
Vested former employees not yet retired	**542**	562
Retirees	**683**	682
	2,189	2,161

Notes to the Consolidated Financial Statements *(continued)*

Key actuarial assumptions

The following are the assumptions used in the measurement of the projected benefit obligation for the Group's defined benefit pension plans and the accumulated projected benefit obligation for US post-retirement medical plan benefits:

	As of November 30,	
	2021	2020
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	**2.47 %**	2.23 %
Rate of compensation increase	**3.94 %**	3.92 %
Rate of pension increases	**3.26 %**	2.70 %
Rate of price inflation	**3.37 %**	2.93 %
Life expectancy for an individual currently at 65:		
Male	**21.2 yrs**	21.1 yrs
Female	**23.5 yrs**	23.1 yrs

The net period pension expense and retiree medical expense is based on the prior year's weighted average assumptions for the projected benefit obligation.

Exposure to variances in healthcare cost trends have been mitigated to the extent that a 1% change would have a negligible effect on the accumulated post-retirement benefit obligation at the end of 2021.

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 3.1%	Increase by 3.2%
Salary growth rate	0.25%	Increase by 0.0%	Decrease by 0.0%
Pension growth rate	0.25%	Increase by 0.4%	Decrease by 0.3%
		Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy		Increase by 2.8%	Decrease by 2.9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Fair value of plan assets

The Group's defined benefit pension plans' assets and weighted-average asset allocation as of November 30, 2021 and 2020, by category, were as follows:

	As of November 30,			
(in thousands)	**2021**	**%**	2020	%
Cash and cash equivalents	**$ 2,166**	**1%**	$ 2,353	1%
Equity instruments	**63,592**	**26%**	96,374	41%
Debt instruments	**159,229**	**66%**	122,702	52%
Real estate	**12,161**	**5%**	10,722	4%
Investment funds	**1,799**	**1%**	1,607	1%
Assets held by insurance company	**285**	**–**	330	–
Other	**1,728**	**1%**	1,750	1%
Total	**$ 240,960**	**100%**	$ 235,838	100%

The fair value of all plan assets was based on quoted market prices, except for cash and one fund with a value of $21.2 million.

It is the Group's policy to invest pension plan assets for its defined benefit plans to ensure that there is an adequate level of assets to support benefit obligations to participants and retirees over the life of the plans, maintain liquidity in plan assets sufficient to cover current benefit obligations and earn the maximum investment return consistent with a prudent level of investment and actuarial risk.

Investment return is the total compounded annual return, calculated as interest and dividend income and realised and unrealised capital gains and losses, less expenses of the plan.

The Group expects to contribute $3.9 million to its defined benefit pension and post-retirement benefit plans in 2022.

Weighted average duration of the defined benefit obligation is 12.9 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

As of November 30, 2021 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 12,823	$ 22,131	$ 22,043	$ 60,218	**$ 117,215**
Post-employment benefits	471	982	773	1,376	**3,602**
Total	**$ 13,294**	**$ 23,113**	**$ 22,816**	**$ 61,594**	**$ 120,817**

As of November 30, 2020 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 11,210	$ 24,038	$ 22,097	$ 57,110	**$ 114,455**
Post-employment benefits	504	967	926	1,448	**3,845**
Total	**$ 11,714**	**$ 25,005**	**$ 23,023**	**$ 58,558**	**$ 118,300**

The above tables exclude vested deferred participants who have not started their retirement payments.

The Group also provides defined contribution plans to certain of its qualifying employees. Group contributions charged to expense for these plans were $19.5 million and $17.8 million for the years ended November 30, 2021 and 2020, respectively.

Notes to the Consolidated Financial Statements *(continued)*

26. Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present 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 measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money.

When a contract becomes onerous, the present obligation under the contract is recognised as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognised in the Consolidated Income Statement.

The present value of the recognised obligations associated with the retirement of property, plant and equipment (asset retirement obligations) that result from the acquisition, construction, development or normal use of an asset is added to the carrying amount of the related asset. The additional carrying amount is depreciated over the useful life of the related asset. Additions to and reductions from the present value of asset retirement obligations that result from changes in estimates are generally recognised by adjusting the carrying amount of the related asset and provision. If the asset retirement obligation is settled for other than the carrying amount of the liability, the Company recognises a gain or loss on settlement.

A provision is established for obligations under lease agreements to dismantle and/or restore leased property to its original condition.

Short–term provisions

(in thousands)	Claims provisions	Perth Amboy environmental provision	Decommissioning provision	Restructuring	Onerous contract provision	Total
Balance at December 1, 2020	**$ 7,285**	**$ 214**	**$ 889**	**$ 468**	**$ 520**	**$ 9,376**
Additional (reversal) provisions recognised, net	(3,422)	300	(24)	382	(260)	(3,024)
Reductions arising from payments	(1,825)	(147)	(883)	(472)	(221)	(3,548)
Net foreign exchange differences	161	–	18	24	(39)	164
Balance at November 30, 2021	**$ 2,199**	**$ 367**	**$ –**	**$ 402**	**$ –**	**$ 2,968**

The claims provision is in relation to short-term claims made against the Group by external parties. See further discussion in the Long-term provisions section below.

In 2013, the Group sold land in Perth Amboy, New Jersey. The sale price included an obligation to remediate for certain environmental matters at the site. The provision is based on the expected future costs to remediate the land.

The decommissioning provision at November 30, 2020 related to the restoration costs on the Wynyard, New Zealand terminal. Restoration was completed during the year.

A restructuring provision has been established in relation to the closure of the Wynyard, New Zealand terminal. A final payment to an employee was paid in December 2021.

The onerous contract provision related to the short-term portion of the land lease at Wynyard, New Zealand. The lease runs until April 12, 2022, but operations have now ceased and the final lease payment has been made.

Long–term provisions

(in thousands)	Environmental provision	Asset retirement obligations	Claims provision	Onerous contract provision	Total
Balance at December 1, 2020	**$ 551**	**$ 356**	**$ 191,824**	**$ 217**	**$ 192,948**
Reductions arising from payments	–	(4)	(28,480)	(186)	(28,670)
Net foreign exchange differences	(17)	(30)	(74)	(31)	(152)
Balance at November 30, 2021	**$ 534**	**$ 322**	**$ 163,270**	**$ –**	**$ 164,126**

The environmental provision relates to ground water and soil disposal remediation costs necessary to remedy various contamination risks identified in Stolthaven terminals. The provision is based on the present value of the expected costs to remediate the land. As at November 30, 2021, the remaining environmental provision relates entirely to the Port Alma, Australia terminal.

26. Long–term provisions *(continued)*

The asset retirement obligations relate to an obligation to dismantle and/or restore leased property to its pre-leased condition. At November 30, 2021, these amounts related to obligations on the offices in London and Manila. Amounts are estimated based on the present value of the expected future costs to restore the leased property in accordance with the lease contracts and are expected to be utilised in two to seven years.

The claims provision relates to claims made against the Group by external parties. These relate to third-party claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo claims. In most cases, legal provisions are settled on a net basis by insurance companies. The provision was based on the latest expected costs and primarily related to the civil action as a result of the fire on the *MSC Flaminia,* the collision involving the *Stolt Commitment* and the explosion related to the *Stolt Groenland* (see Note 29). See Note 19, for the amount that is considered to be virtually certain to be recovered from insurance companies. The timing of the payments of these provisions is expected to be greater than one year. The amount decreased due to payments made by the insurance companies and changes in estimates of expected loss.

The onerous contract provision related to the land lease at Wynyard, New Zealand. The lease runs until April 12, 2022, but operations have now ceased and the final lease payment has been made.

27. Commitments and Contingencies

As of November 30, 2021, and 2020, the Group had total capital expenditure purchase commitments outstanding of approximately $75.7 million and $167.4 million, respectively. At November 30, 2021, $10.5 million of the total related to installments on a barge newbuilding. In addition, the Group has committed to other tanker projects of $1.9 million, terminal projects of $38.0 million and tank container projects of $24.3 million. Of the total purchase commitments at November 30, 2021, $66.0 million are expected to be paid over the next 12 months.

Purchase commitments of joint ventures and associates

The Group's joint ventures and associates had $138.4 million and $202.4 million of total capital expenditure purchase commitments on November 30, 2021 and 2020, respectively. As of November 30, 2021, this amount included commitments for Avenir LNG Limited of $99.3 million which includes one 7,500 cbm LNG newbuilding and two 20,000 cbm LNG newbuildings. The Group, Golar LNG Limited and Höegh LNG Holdings Ltd (collectively, the "Founding Shareholders") have also granted a guarantee with joint and several liability for two 20,000 cbm LNG newbuildings for $69.8 million. A deed of indemnity has been entered into by the Founding Shareholders which limits the Group's recourse to $34.9 million. The remaining $29.5 million of Avenir LNG Limited commitments is without recourse to the Group. Further joint venture commitments include $39.1 million for the terminal joint ventures, which are without recourse to the Group.

Of the total purchase commitments at November 30, 2021 for joint ventures and associates, $136.2 million is expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

Environmental

The Group's operations involve the carriage, use, storage and disposal of chemicals and other hazardous materials and wastes. The Group is subject to applicable international and national health, safety and environmental laws relating to the protection of the environment, including those governing discharges of pollutants to air and water, the generation, management and disposal of hazardous materials and wastes and the clean-up of contaminated sites.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as Superfund, was enacted by the US Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. This law and similar state environment statutes and common laws can impose liability for the entire clean-up of contaminated sites or for third-party claims for property damage and personal injury, regardless of whether the current owner or operator owned or operated the site at the time of the release of contaminants or of the legality of the original disposal activities.

Actual or discontinued operations in the US may, therefore, trigger a future liability. Owing to the uncertainty whether or the length of time before any liability may occur, it is currently not considered probable that a liability will arise and consequently no provision has been recorded.

Notes to the Consolidated Financial Statements *(continued)*

28. Related Party Transactions

The Group is ultimately controlled by trusts established for the benefit of the Stolt-Nielsen family. Compensation and Board fees are provided to certain members of the Stolt-Nielsen family. There are no other transactions between the Group and the Stolt-Nielsen family, other than those described below.

Employee and officer loans and advances

Included in Other current assets are loans and advances to employees and officers of the Group of $0.2 million and $0.1 million as of November 30, 2021 and 2020, respectively. In addition, included in Other non-current assets are loans and advances to employees and officers of the Group of $0.5 million at November 30, 2021 and 2020. Such loans and advances primarily represent secured housing loans that have been provided to former employees in connection with their relocation, along with advances for travel and other costs. Of the total loans and advances, $0.5 million were interest-bearing, with interest rates ranging from 6.0% to 7.0% as of November 30, 2021 and 2020. Interest received was less than $0.1 million for both 2021 and 2020.

Board of Directors and key management compensation

Key management includes the Executive Officers and Presidents of the Group's major businesses. Total compensation and benefits of the Board of Directors and the key management were as follows:

	For the years ended November 30,			
(in thousands)		**2021**		2020
Board fees	**$**	**885**	$	835
Salary and benefits		**4,733**		4,563
Profit sharing		**1,008**		837
Long-term incentives		**751**		1,228
Defined benefit pension cost		**259**		300
Defined contribution pension cost		**428**		522
Total compensation and benefits	**$**	**8,064**	$	8,285
Average number of key managers included		**9**		9

At the end of 2021 and 2020, the Board of Directors consisted of eight and seven members, respectively. Insurance has been taken out for the Board of Directors and Executive Officers in respect of their potential liability to the Group and third parties.

Transactions with joint ventures and associates

The consolidated balance sheets include the following items related to transactions with the Group:

	As of November 30,			
(in thousands)		**2021**		2020
Joint ventures:				
Amounts due from the Group	**$**	**16,447**	$	13,959
Amounts due to the Group		**50,185**		57,692

Included within Amounts due to the Group are $15.5 million and $18.4 million as of November 30, 2021 and 2020, respectively, for receivables from joint ventures and associates. These amounts are reflected in the consolidated balance sheets as Other current assets. The remaining amounts due to the Group are included in Investments in and advances to joint ventures and associates. Amounts due from the Group are included in Other current liabilities in the consolidated balance sheets.

The long-term advances to NYK Stolt Tankers S.A. of $17.6 million and $21.1 million as of November 30, 2021 and 2020, respectively, bear interest at six-month LIBOR plus 1%. The Group had also made long-term advances of $17.1 million and $18.2 million to other joint ventures and associates at November 30, 2021 and 2020, respectively. Interest on these range from 4.8% to 6.5% in 2021 and 2020. Interest received in cash for 2021 and 2020 was $0.3 million and $0.8 million, respectively.

Transactions with joint ventures and associates *(continued)*

The joint ventures and associates include the following items related to transactions with the Group:

(in thousands)		For the years ended November 30, 2021		2020
Joint Ventures				
Charter hire revenue[1]	**$**	**120,835**	$	103,370
Tank container cleaning station revenue		**1,312**		9,620
Charter hire expense		**48,524**		44,358
Management and other expenses		**18,990**		12,711
Freight and joint service commission expense		**1,720**		1,179
Finance expense		**1,500**		2,460
Other expense		**372**		633
Associates				
Bareboat revenue	**$**	**4,775**	$	2,388
Commission, management and other revenue[2]		**3,798**		–
Tank container cleaning station revenue		**3,801**		3,440

1. The charter hire revenues are amounts distributed to NYK Stolt Tankers S.A. and Hassel Shipping 4 AS, joint ventures of the Group, for their share of the Joint Service's revenue.
2. Represents commission and management fees paid to E&S Tankers as the joint venture trades certain of the Group's European fleet.

The Group has a 24.99% interest in Norterminal A.S. which is a company working on storage projects in northern Norway. The remaining 75.01% of Norterminal A.S. is controlled by S-N Terminal A.S., a company wholly owned by one of SNL's Directors who is a member of the Stolt-Nielsen family. The Group's investment in Norterminal A.S. was $0.9 million and $1.0 million as of November 30, 2021 and 2020, respectively.

29. Legal Claims and Proceedings

There are various legal proceedings arising in the ordinary course of business, and in cases where the Group believes the likelihood of losses is probable and can be estimated, provisions are recorded. While ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial position or results of operations in the future, the Group believes that none of these matters will have a material adverse effect on its business or financial condition.

During 2021 and 2020, the Group has been involved in certain civil litigation cases, which are described below.

Collision involving *Stolt Commitment*

On December 16, 2015, the *Stolt Commitment* was involved in a collision with the general cargo ship Thorco Cloud, while in the Singapore Strait. As a result, the *Thorco Cloud* sank with the loss of three lives, and three other crewmen being unaccounted for. She was carrying steel and project cargo. The *Stolt Commitment* was damaged in the collision and arrangements were made to tranship the cargo on board in Malaysia, following which she went for repair. General Average was declared. The wreck of the *Thorco Cloud*, which is in two pieces, may require removal along with the removal of bunkers on board the ship when she sank. Claims have been made against the *Stolt Commitment* and her insurers by the owners of the *Thorco Cloud* and her insurers, the bereaved families of the deceased/missing crewmen, and those interested in the cargo on board the *Thorco Cloud*. Claims have been notified by the *Stolt Commitment* to the owners of the *Thorco Cloud* and her insurers. Significant progress was made in 2021 to resolve the majority of the outstanding claims arising out of this casualty. Certain claims are expected to be resolved in early 2022 while certain other claims may require further time to resolve, perhaps beyond 2022. At November 30, 2021, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Notes to the Consolidated Financial Statements *(continued)*

Civil actions as a result of Hurricane Isaac

At the end of August 2012, Hurricane Isaac caused widespread flooding in southern Louisiana, including an unprecedented storm surge at the terminal in New Orleans/Braithwaite of about 13 feet of water. The storm surge overtopped the Parish levee system and despite extensive efforts to prepare the terminal for the impact of the hurricane, extensive damage was sustained to various portions of the facility, including several tanks, causing some tank releases of stored product to occur. Multiple notices were made to the relevant authorities. The protective measures taken in and around the terminal were successful in retaining a considerable amount of the releases. Following the hurricane, the rail cars stored at the terminal were inspected and no leaks were detected.

All regulatory claims brought by the state and federal regulators against the terminal for i) failure to properly provide notice in accordance with the respective regulatory requirements, and ii) the release of certain chemical products being stored at the terminal have been resolved.

Following the flooding at the terminal, two class actions and multiple individual actions were filed at the District Court in the Parish of Plaquemines, State of Louisiana. All actions allege pollution of the claimants' properties with liquids stored at the terminal and allegedly released as a consequence of the flooding. The actions are being defended and the monitoring of air quality, sampling of the flood waters and soil testing, all carried out in cooperation with the various government authorities, have shown results within the guidelines established by the Louisiana Department of Environmental Quality. All these matters, including the legal fees for the defence, are covered by insurance maintained by the Group and it is not expected that they will have a material adverse effect on its business or financial condition.

Civil actions as a result of the fire on the *MSC Flaminia*

On July 14, 2012, a fire broke out aboard the *MSC Flaminia* during the ship's crossing of the Atlantic Ocean in cargo hold number 4. During the crew's attempt to extinguish the fire, an explosion occurred. Stolt Tank Containers had 29 tank containers onboard the ship, three of which were stowed in cargo hold number 4. These tank containers carried various products for various customers. STC filed claims for the replacement value of the tank containers and the product carried. In August 2012, vessel interests declared General Average. The vessel was initially hauled to Germany and then sailed onward to Romania for inspection, investigation and discharge operations.

On May 29, 2013, the vessel interests, namely the owner, manager and operator filed counter and cross-claims against STC and Deltech, the shipper of the three tank containers stowed in cargo hold number 4, alleging that these tank containers were the cause of the fire and that STC did not adequately warn of the inherently dangerous nature of the cargo. Since that time, several other cargo claimants have filed cross-claims against STC and Deltech.

The case remains pending in the US Federal Court sitting in the Southern District of New York. All fact and expert discovery on liability has been completed. The trial format was set up in three phases, with Phase 1 dedicated solely to the findings of fact, with Phase 2 dedicated to allocating liability among responsible defendants. Phase 3 is to determine recoverable damages. The Phase 1 trial occurred during the Fall of 2017. The Phase 2 trial was completed in August 2018. The US District Court for the Southern District of New York delivered a judgment on September 10, 2018, which held the Group jointly liable with Deltech for the incident where the counterparties are alleging damages of $186.0 million, excluding interest. The claim is covered by insurance and the Group has recorded a deductible of $0.3 million plus a provision for the expected future liability, as well as a receivable for related insurance reimbursements. The judgment has been appealed by the defendants, STC and Deltech. The hearing on appeal before the Court of Appeals in New York was heard on May 15, 2020. The final phase of the trial (Phase 3) to assess the quantum of damages is expected to proceed in 2022. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Legal Proceedings related to Explosion on the Stolt Groenland

Stolt Tankers B.V. and Stolt Groenland B.V. ("Stolt") are involved in legal proceedings in South Korea arising out of the September 28, 2019 explosion and fire aboard the *Stolt Groenland* while the ship was berthed in Ulsan. There was no loss of life and no pollution. Stolt has cooperated and continues to fully cooperate with the relevant authorities in the resulting incident investigation and with claimants to reach an early resolution of their respective proven claims. Stolt has applied to limit liability in the South Korea court and is defending certain ship officers who are subject to a travel ban from leaving the country during the pendency of the criminal charges filed against them by the South Korean public prosecutor for their involvement in the casualty. The claims are fully covered by insurance. It is not expected that there will be a material adverse effect on the Group's business or financial condition. At November 30, 2021, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements.

General

The ultimate outcome of governmental and third-party legal claims and proceedings is inherently difficult to predict. The Group's operations are affected by international and domestic environmental protection laws and regulations. Compliance with such laws and regulations may entail considerable expense, including ship modifications and changes in operating procedures.

30. Common Shares, Founder's Shares, Paid-in Surplus and Dividends Declared

Accounting policy

Equity capital stock

The Company's capital comprises equity capital stock. Equity capital stock is measured based on net proceeds.

Dividends

Dividends recommended by the Board of Directors are recognised in the Financial Statements when they have been approved by the shareholders at the Annual General Meeting ("AGM"). Interim dividends are recognised when approved by the Board of Directors.

Treasury shares

Upon the Group's purchase of its own shares (Treasury shares), the consideration paid is deducted from equity attributable to equity holders until the shares are cancelled, reissued or otherwise disposed of. In cases where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to equity holders.

	Founder's Shares par value $0.001 per share		Common Shares par value $1 per share	
	Shares Issued	Treasury Shares	Shares Issued	Treasury Shares
Balance at December 1, 2019	16,033,449	902,500	64,133,796	3,610,000
Transfer of Treasury shares from Paid-in surplus to Treasury shares	–	1,750,000	–	7,000,000
Balance at November 30, 2020	16,033,449	2,652,500	64,133,796	10,610,000
Cancellation of shares	(1,402,500)	(1,402,500)	(5,610,000)	(5,610,000)
Balance at November 30, 2021	**14,630,949**	**1,250,000**	**58,523,796**	**5,000,000**

Share rights

The Group's authorised share capital consists of 65,000,000 Common Shares, par value $1.00 per share, and 16,250,000 Founder's Shares, par value $0.001 per share. As of November 30, 2021, there were 58,523,796 (2020: 64,133,796) Common Shares issued, of which Treasury shares were 5,000,000 (2020: 10,610,000). Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common Shares and Founder's Shares vote as a single class on all matters submitted to a vote of the Shareholders, with each share entitled to one vote. All issued and outstanding shares have been fully paid.

Under the Bye-Laws, holders of Common Shares and Founder's Shares participate in annual dividends, if any are declared by the Group, in the following order of priority: (i) $0.005 per share to Founder's Shares and Common Shares equally; and (ii) thereafter, all further amounts are payable to Common Shares only.

Furthermore, the Bye-Laws also set forth the priorities to be applied to each of the Common Shares and Founder's Shares in the event of a liquidation. Under the Bye-Laws, in the event of a liquidation, all debts and obligations of the Group must first be paid and thereafter all remaining assets of the Group are paid to the holders of Common Shares and Founder's Shares in the following order of priority: (i) Common Shares rateably to the extent of the par value thereof ($1.00 per share); (ii) Common Shares and Founder's Shares participate equally up to $0.05 per share; and (iii) thereafter, Common Shares are entitled to all remaining assets.

Dividends

On November 3, 2021, the Group's Board of Directors declared an interim dividend of $0.50 per Common Share and $0.005 per Founder's Share to shareholders of record as of November 10, 2021. The total amount of the dividend was $26.8 million, which was classified as an interim dividend and paid on December 2, 2021.

On February 11, 2021, the Group's Board of Directors recommended a final dividend for 2020 of $0.25 per Common Share payable on May 5, 2021 to shareholders of record as of April 22, 2021. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 15, 2021 in Bermuda. The total amount of the dividend was $13.4 million.

On November 19, 2020, the Group's Board of Directors declared an interim dividend of $0.25 per Common Share and $0.005 per Founder's Share to shareholders of record as of November 26, 2020. The total gross amount of the dividend was $13.4 million, which was classified as an interim dividend and paid on December 10, 2020.

Treasury shares

In 2016, the Company pledged 7,000,000 Treasury shares as collateral for a loan and shares transferred to Paid-in surplus. On November 26, 2020, the Company cancelled the collateralised loan and the treasury shares transferred out of Paid-in surplus and back to Treasury shares.

The Board has authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company has utilised $21.3 million prior to 2020, leaving $8.7 million available for future purchases.

Notes to the Consolidated Financial Statements *(continued)*

Founder's Shares and Treasury shares

As of November 30, 2021, 13,380,949 (2020: 13,380,949) of Founder's Shares had been issued to Fiducia Ltd, net of Treasury shares. Additional Founder's Shares are issuable to holders of outstanding Founder's Shares without consideration, in quantities sufficient to maintain a ratio of Common Shares to Founder's Shares of 4 to 1.

As of November 30, 2021, 5,000,000 (2020: 10,610,000) Treasury shares were held by the Group. The Group also held 1,250,000 (2020: 2,652,500) of Founder's Shares. Note that dividends are not paid on Treasury shares held by the Group.

Capital management

The Group defines capital as net debt and equity attributable to equity holders of SNL. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase shares or sell assets to reduce debt.

The Group monitors capital on the basis of the ratio of debt to tangible net worth. This is calculated as short-term and long-term debt and lease liabilities divided by equity attributable to equity holders less intangible assets and excluding other components of equity. The Group's management targets maintaining a ratio of debt to tangible net worth at or below 1.50. As of November 30, 2021 and 2020, the ratio of debt to equity attributable to equity holders of SNL less intangible assets and excluding other components of equity was as follows:

	As of November 30,	
(in thousands)	**2021**	2020
Short-term loans, long-term debt and lease liabilities	**$ 2,436,094**	$ 2,502,656
Equity attributable to equity holders of SNL less intangible assets and excluding other components of equity	**1,688,964**	1,634,177
Debt to tangible net worth	**1.44**	1.53

The debt to tangible net worth of 1.44 at November 30, 2021 is in line with management's expectations and below its target ratio of 1.50.

The Group has external restrictions on its capital, which are its bank covenants. See Note 23 for further details.

31. Earnings per Share

Accounting policy

Basic Earnings per Common share ("EPS") is calculated by dividing net profit by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of shares outstanding during the year for all potentially dilutive shares and equivalents outstanding during the year using the Treasury stock method.

As further discussed in Note 30, Founder's Shares, which provide the holder thereof with certain control features, only participate in earnings to the extent of $0.005 per share for the years in which dividends are declared, and are limited to $0.05 per share upon liquidation. For the purposes of calculating EPS, dividends paid on Founder's Shares are deducted from earnings to arrive at net profit attributable to holders of Common Shares. Founder's Shares are not included in the basic or diluted weighted average shares outstanding in the calculation of earnings per Common Share.

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations:

(in thousands, except per share data)	For the years ended November 30, 2021	2020
Net profit (loss) attributable to equity holders of SNL		
From continuing operations	**$ 78,806**	$ 40,083
From discontinued operations	**–**	(13,788)
Net profit attributable to equity holders of SNL	**78,806**	26,295
Less: Dividends on Founder's Shares	**(67)**	(67)
Net profit attributable to holders of Common Shares	**$ 78,739**	$ 26,228
Basic and diluted weighted average shares outstanding	**53,524**	61,447
Basic earnings per share		
From continuing operations attributable to equity holders of SNL	**1.47**	0.65
From discontinued operations	**–**	(0.22)
Basic earnings per share attributable to equity holders of SNL	**$ 1.47**	$ 0.43
Diluted earnings per share		
From continuing operations attributable to equity holders of SNL	**1.47**	0.65
From discontinued operations	**–**	(0.22)
Diluted earnings per share attributable to equity holders of SNL	**$ 1.47**	$ 0.43

Notes to the Consolidated Financial Statements *(continued)*

32. Reconciliation of Net Profit to Cash Generated from Continuing Operations

(in thousands)	For the years ended November 30, 2021	2020
Net profit	**$ 78,806**	$ 25,368
Loss from discontinued operations	**–**	13,788
Profit from continuing operations	**78,806**	39,156
Adjustments to reconcile net profit to net cash from continuing operating activities:		
Depreciation of property, plant and equipment	**290,498**	288,782
Amortisation of intangible assets	**4,961**	3,480
Impairment of goodwill and property, plant and equipment	**10,000**	12,394
Reversal of impairment on joint venture loan	**–**	(3,557)
Finance expense, net	**124,909**	135,667
Net periodic benefit expense of defined benefit pension plans	**2,284**	98
Income tax expense	**24,405**	8,321
Share of profit of joint ventures and associates	**(39,470)**	(32,437)
Fair value adjustment on biological assets	**(17,379)**	4,985
Foreign currency exchange loss, net	**2,673**	5,258
Unrealised bunker hedge gain	**(251)**	(314)
Loss on disposal of assets, net	**3,010**	794
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(81,937)**	(100)
Increase in restricted cash	**(6,096)**	–
Decrease in inventories	**1,309**	890
(Increase) decrease in biological assets	**(4,660)**	630
(Increase) decrease in prepaid expenses and other current assets	**(31,452)**	265
Increase in accounts payable and other current liabilities	**62,611**	14,618
Contributions to defined benefit pension plans	**(1,819)**	(1,812)
Dividends from joint ventures and associates	**22,869**	15,440
Other, net	**3,145**	717
Cash generated from continuing operations	**$ 448,416**	$ 493,275

33. Discontinued Operations

In October 2020, the Group sold Sterling Caviar, Inc. ("Caviar") for $3.5 million, net of expenses. Caviar was a separate cash generating unit, which produced and marketed caviar and sturgeon in California. As such, Caviar has been treated as a discontinued operation on the income statement for the year ended November 30, 2020.

The financial information related to the discontinued operations is as follows:

(in thousands)	For the year ended November 30, 2020
Revenue	$ 4,156
Operating expenses	(5,967)
Depreciation, amortisation and impairment	(894)
Gross loss	(2,705)
Administrative and general expenses	(1,861)
Other operating expense	(13)
Operating loss	(4,579)
Finance expense and other expenses	(99)
Loss from operations	(4,678)
Loss recognised on measurement of fair value less cost to sell Caviar	(9,110)
Loss from Discontinued Operations	$ (13,788)

The loss recognised on measurement of fair value less cost to sell was based on the following:

(in thousands)	
Accounts receivable	$ 326
Inventory	2,147
Biological assets	8,620
Prepaid expenses	84
Plant, property and equipment	3,899
Total Assets	$ 15,076
Accounts payable	306
Accrued expenses	2,160
Total Liabilities	$ 2,466
Carrying value of assets disposed	12,610
Proceeds, net of expenses	3,500
Loss on disposal	$ (9,110)

Net cash provided by investing activities for discontinued operations relates to the proceeds on sale of $3.5 million, less $45,000 of capital expenditures.

34. Subsequent Events

Subsequent to November 30, 2021, the Company acquired or entered into forward contracts for 562,255 Odfjell Class A shares for a total of 3,285,441 shares. This represents 5% of Odfjell's total Class A shares.

On March 2, 2022, the Group entered into a $128.0 million floating-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and one-quarter years. There are 26 equal payments and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On February 24, 2022, the Company's Board of Directors recommended a final dividend for 2021 of $0.50 per Common share, to be voted on at the Group's Annual General Meeting ("AGM") for shareholders to be held on April 21, 2022. If confirmed by the AGM, the dividend will be paid on May 11, 2022 to shareholders of record as of April 27, 2022.

On February 16, 2022, the Group entered into a sustainability linked secured loan agreement for $415.0 million, consisting of a term loan of $180.9 million and a revolving credit line of $234.1 million. The loan syndication was with 14 banks and led by three bookrunners: Nordea Bank Abp, Danske Bank A/S and DNB (UK) Limited. It expires on February 16, 2028 and is secured by 19 ships. The Group expects to draw down on the term loan on March 15, 2022 to fully repay the loan with Export and Import Bank of China and Standard Chartered Bank.

On February 1, 2022, the Group acquired 1.0 million shares or 2.5% of Cool Company Limited ("CoolCo") for $10.0 million. CoolCo is listed on the Norwegian OTC.

Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated Group and Company Financial Statements for the period December 1, 2020 to November 30, 2021 have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit as a whole. In preparing these Financial Statements, we are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclosure with reasonable accuracy at any time the financial position of the Company and the Group and enable us to ensure that the Financial Statements comply with the Bermuda Company Act of 1981. We are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. We are responsible for the maintenance and integrity of the Company's website. We highlight that legislation in Bermuda governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

We also confirm, to the best of our knowledge, that the Financial review and the Business Review include a fair review of important events that have occurred during the financial year and their impact on the Financial Statements, as description of the principal risks and uncertainties facing the Group and material related party transactions.

The Financial Statements on pages 69 to 145 were approved and signed on behalf of the Board of Directors.

Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer

London

March 14, 2022