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 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with 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 (the 'Annual Report'), which comprise: the consolidated balance sheet as at 30 November 2022; 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

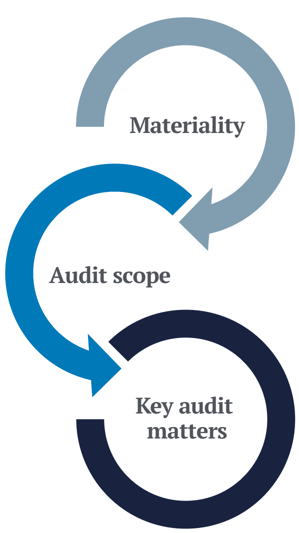
We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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: $27.7m (2021: $21.8m) based on 1% of revenue
- Performance materiality: $20.7m (2021: $16.4m)

Audit scope:
- Full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and the Stolt Tank Containers BV division of Stolt Tank Containers, the largest trading divisions of the group.
- Audits of Property Plant and Equipment, Right-of-use Assets and Lease Liabilities at the Singapore terminal; Property Plant and Equipment, Right-of-use Assets and Depreciation at the Houston terminal; and Right-of-use assets and Lease Liabilities at the Australasia terminals, within the Stolthaven Terminals division.
- Specified procedures over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers and Stolt Tank Containers entities, and certain corporate entities.
- Audit of certain financial statement line items across the group, including Cash and cash equivalents, 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, and Employee benefit assets and liabilities.
- The reporting locations subject to audit procedures accounted for 75% of the group's revenue and 73% of the group's total assets.

Key audit matters:
- Voyage revenue recognition
- Accounting for claims

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"), The International Convention for the Prevention of Pollution from Ships ("MARPOL"), the International Convention for the Safety of Life at Sea ("SOLAS"), and the Bribery Act 2010 (UK), 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) and international tax legislation.

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 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, including those in the legal and regulatory compliance departments, 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;
- Consideration of 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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Voyage Revenue Recognition Stolt Tankers reported $1.5bn of revenue in 2022, 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 focused our audit effort on the calculation of voyage revenue and costs, and estimates over the percentage of completion of voyages at the year end, due to the inherent level of estimation uncertainty in these areas. Refer also to note 2 in the consolidated financial statements.	We performed the following procedures: • Obtained an understanding of the processes and controls over voyage revenue recognition and assessed the appropriateness of management's accounting policy, which has not changed since the prior year. • 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 certain 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. • For a sample of voyages in progress at year-end, 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.
Accounting for claims Management makes judgements about the group's exposure to legal claims, and the amounts recoverable under insurance, in relation to claims against the group. At 30 November 2022 there was a provision of $156.6m in relation to such claims, and an associated insurance reimbursement receivable of $156.2m, 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 an understanding of the processes and controls over legal claims and associated insurance receivables, and assessed the appropriateness of management's accounting policy, which has not changed since the prior year. • Obtained confirmations from the group's external legal counsel with respect to the status of material insurance claims. Performed a review of insurance policies 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.

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 Investments which focuses mainly investing in entities in the bulk-liquid logistics, distribution, LNG and land-based aquaculture sectors; 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 and Houston, we have performed full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and the Stolt Tank Containers BV division of Stolt Tank Containers, due to the financial significance of these components. In addition, specified procedures have been performed over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers and Stolt Tank Containers entities, and certain corporate entities.

For Stolthaven Terminals, an audit of Property, Plant and Equipment has been carried out at Stolthaven Houston and Stolthaven Singapore. An audit of Right-of-use assets and Lease liabilities has also been carried out at Stolthaven Singapore and Stolthaven Australasia.

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, 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, and Employee benefit assets and liabilities, to gain coverage over these financial statement line items as a whole across the group. Procedures are 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 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, Spain, Singapore, and The United States of America, holding regular video conference calls, a site visit to our Stolt Tank Containers component in Houston, as well as reviewing working papers remotely and assessing matters reported.

In total the work performed accounted for 75% of consolidated group revenue and 73% 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	$27.7m (2021: $21.8m).
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 $1.7m and $12.5m.

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% (2021: 75%) of overall materiality, amounting to $20.7m (2021: $16.4m) 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 $1.4m (2021: $1.1m) 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, and the timing of contractual debt repayments and committed capital expenditure.

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.

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 140, 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.

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation")

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.

It is also our responsibility to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF regulation.

Report on other legal and regulatory requirements

We have checked the compliance of the consolidated financial statements of the company as at 30 November 2022 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements. That is, for the company:

- The consolidated financial statements are prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF regulation.

In our opinion, the consolidated financial statements of the company as at 30 November 2022, identified as stolt-nielsen-ar2022.zip, have been prepared, in all material respects, in compliance with the requirements laid down in ESEF regulation.

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 15, 2023

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, 2022	2021
Operating Revenue	3, 4	**$ 2,771,843**	$ 2,181,082
Operating Expenses	5	**(1,851,608)**	(1,459,706)
		920,235	721,376
Depreciation and amortisation	14, 15, 16	**(282,123)**	(295,459)
Impairment of assets	14	**–**	(10,000)
Gross Profit		**638,112**	415,917
Share of profit of joint ventures and associates	17	**53,963**	39,470
Administrative and general expenses	5	**(249,022)**	(220,464)
Gain (loss) on disposal of assets, net	7	**5,562**	(3,010)
Other operating income		**4,132**	2,218
Other operating expense		**(5,215)**	(436)
Operating Profit		**447,532**	233,695
Non-Operating (Expense) Income			
Finance expense on lease liabilities	8	**(10,451)**	(11,072)
Finance expense on debt	8	**(112,188)**	(116,212)
Loss on early extinguishment of debt	8	**(11,149)**	–
Finance income	8	**3,979**	2,375
Foreign currency exchange loss, net		**(9,151)**	(2,673)
Other non-operating income (loss), net		**347**	(2,902)
Profit before income tax		**308,919**	103,211
Income tax expense	9	**(28,064)**	(24,405)
Net Profit		**$ 280,855**	$ 78,806
Earnings per share:			
Basic	31	**$ 5.25**	$ 1.47
Diluted	31	**$ 5.25**	$ 1.47

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in thousands)	Notes	For the years ended November 30, 2022	2021
Net profit		**$ 280,855**	$ 78,806
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on pension schemes	25	**3,235**	15,542
Actuarial gain on pension scheme of joint venture	17	**1,476**	1,489
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	9	**(2,993)**	(2,709)
Items that may be reclassified subsequently to profit or loss:			
Net income on cash flow hedges		**10,194**	4,587
Reclassification of cash flow hedges to income statement		**25,818**	15,085
Net gain on cash flow hedges held by joint ventures and associates	17	**8,743**	3,834
Deferred tax adjustment on cash flow hedges	9	**(1,127)**	(689)
Exchange differences arising on translation of foreign operations		**(32,833)**	(18,899)
Deferred tax on translation of foreign operations	9	**(885)**	119
Exchange differences arising on translation of joint ventures and associates	17	**(31,292)**	(11,354)
Change in value of investment in equity instruments	18	**67,929**	8,681
Net profit recognised as other comprehensive income		**48,265**	15,686
Total comprehensive income		**$ 329,120**	$ 94,492

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

(in thousands)	Notes	As of November 30, 2022	2021
ASSETS			
Current Assets:			
Cash and cash equivalents	10	**$ 152,141**	$ 123,868
Restricted cash	10	**–**	6,096
Receivables, net	11	**353,730**	285,749
Insurance claims receivable	11	**–**	58,598
Inventories, net	12	**10,182**	6,986
Biological assets	13	**46,181**	50,344
Prepaid expenses		**94,993**	76,645
Derivative financial instruments	22	**8,545**	589
Income tax receivable		**5,026**	987
Other current assets		**37,585**	54,351
Total Current Assets		**708,383**	664,213
Property, plant and equipment	14	**2,797,929**	2,856,137
Right-of-use assets	15	**216,438**	203,048
Investments in and advances to joint ventures and associates	17	**622,944**	611,906
Investment in equity instruments	18	**143,144**	37,873
Deferred tax assets	9	**5,488**	9,238
Intangible assets and goodwill	16	**35,879**	38,967
Employee benefit assets	25	**20,602**	25,370
Derivative financial instruments	22	**6,590**	6,868
Insurance claims receivable	19	**156,231**	162,887
Other non-current assets		**15,282**	19,702
Total Non-Current Assets		**4,020,527**	3,971,996
Total Assets		**$ 4,728,910**	$ 4,636,209
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans	23	**$ –**	$ 40,000
Current maturities of long-term debt	24	**288,958**	490,502
Current lease liabilities	15	**49,017**	43,473
Accounts payable	20	**104,875**	114,607
Accrued voyage expenses and unearned revenue		**69,247**	51,328
Dividend payable	30	**53,591**	26,829
Accrued expenses		**251,064**	197,904
Provisions	26	**4,743**	2,968
Income tax payable		**16,934**	12,534
Derivative financial instruments	22	**2,171**	10,239
Other current liabilities		**49,407**	37,543
Total Current Liabilities		**890,007**	1,027,927
Long-term debt	24	**1,677,821**	1,695,142
Long-term lease liabilities	15	**174,567**	166,977
Deferred tax liabilities	9	**80,232**	68,025
Employee benefit liabilities	25	**20,342**	31,720
Derivative financial instruments	22	**5,851**	7,938
Long-term provisions	26	**157,167**	164,126
Other non-current liabilities		**1,227**	1,425
Total Non-Current Liabilities		**2,117,207**	2,135,353
Total Liabilities		**3,007,214**	3,163,280
Shareholders' Equity	30		
Founder's Shares		**14**	14
Common Shares		**58,524**	58,524
Paid-in surplus		**195,466**	195,466
Retained earnings		**1,787,198**	1,584,978
Other components of equity		**(208,455)**	(255,002)
		1,832,747	1,583,980
Less – Treasury shares		**(111,051)**	(111,051)
Total Shareholders' Equity		**1,721,696**	1,472,929
Total Liabilities and Shareholders' Equity		**$ 4,728,910**	$ 4,636,209

Notes 1 to 33 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
Balance, December 1, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**
Comprehensive income (loss)									
Net profit	–	–	–	–	78,806	–	–	–	78,806
Other comprehensive income (loss)									
Translation adjustments, net	–	–	–	–	–	(30,134)	–	–	(30,134)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	14,322	–	–	–	14,322
Fair value adjustment on equity investments	–	–	–	–	–	–	–	8,681	8,681
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	22,817	–	22,817
Total other comprehensive income (loss)	–	–	–	–	14,322	(30,134)	22,817	8,681	15,686
Total comprehensive income (loss)	–	–	–	–	**93,128**	**(30,134)**	**22,817**	**8,681**	**94,492**
Transactions with shareholders									
Cash dividends paid – $0.75 per Common Share (b)	–	–	–	–	(40,143)	–	–	–	(40,143)
Cash dividends paid – $0.005 per Founder's Share (b)	–	–	–	–	(67)	–	–	–	(67)
Cancellation of shares	(5,610)	(2)	(118,988)	124,600	–	–	–	–	–
Total transactions with shareholders	**(5,610)**	**(2)**	**(118,988)**	**124,600**	**(40,210)**	**–**	**–**	**–**	**(40,210)**
Balance, November 30, 2021	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$1,584,978**	**$ (162,757)**	**$ (18,743)**	**$ (73,502)**	**$ 1,472,929**
Comprehensive income (loss)									
Net profit	–	–	–	–	280,855	–	–	–	280,855
Other comprehensive income (loss)									
Translation adjustments, net	–	–	–	–	–	(65,010)	–	–	(65,010)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	1,718	–	–	–	1,718
Fair value adjustment on equity investments	–	–	–	–	–	–	–	67,929	67,929
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	43,628	–	43,628
Total other comprehensive income (loss)	–	–	–	–	1,718	(65,010)	43,628	67,929	48,265
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**282,573**	**(65,010)**	**43,628**	**67,929**	**329,120**
Transactions with shareholders									
Cash dividends paid – $1.50 per Common Share (c)	–	–	–	–	(80,286)	–	–	–	(80,286)
Cash dividends paid – $0.005 per Founder's Share (c)	–	–	–	–	(67)	–	–	–	(67)
Total transactions with shareholders	**–**	**–**	**–**	**–**	**(80,353)**	**–**	**–**	**–**	**(80,353)**
Balance, November 30, 2022	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$1,787,198**	**$ (227,767)**	**$ 24,885**	**$ (5,573)**	**$ 1,721,696**

a. Other components of equity on the balance sheet of $208.5 million and $255.0 million at November 30, 2022 and 2021, respectively, are composed of foreign currency, hedging and fair value.

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

c. The $80.3 million is the 2021 final and 2022 interim dividends for Common Shares and $0.1 million for Founder's Shares.

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in thousands)	Notes	For the years ended November 30, 2022	2021
Cash generated from operations	32	**$ 761,425**	$ 448,416
Interest paid		**(120,515)**	(120,807)
Debt issuance costs		**(8,477)**	(3,379)
Interest received		**4,049**	2,400
Income taxes paid		**(16,673)**	(2,803)
Net cash generated from operating activities		**619,809**	323,827
Cash flows from investing activities			
Capital expenditures	14	**(199,429)**	(185,486)
Purchase of intangible assets	16	**(3,959)**	(4,688)
Investments in joint ventures and associates	17	**(14,314)**	(21,173)
Proceeds from sales of assets	14	**7,934**	29,741
Repayment of advances to joint ventures and associates, net	17	**1,700**	4,570
Acquisition of shares in equity investments, net	18	**(37,291)**	(3,000)
Other, net		**420**	(565)
Net cash used in investing activities		**(244,939)**	(180,601)
Cash flows from financing activities			
(Decrease) increase in short-term bank loans	23	**(40,000)**	40,000
Proceeds from issuance of long-term debt	24	**484,533**	141,950
Repayment of long-term debt	24	**(684,741)**	(312,827)
Principal payments on leases	15	**(51,210)**	(43,432)
Dividends paid	30	**(53,591)**	(26,829)
Net cash used in financing activities		**(345,009)**	(201,138)
Net increase (decrease) in cash and cash equivalents		**29,861**	(57,912)
Effect of exchange rate changes on cash and cash equivalents		**(1,588)**	(5,987)
Cash and cash equivalents at beginning of year		**123,868**	187,767
Cash and cash equivalents at end of year		**$ 152,141**	$ 123,868

Notes 1 to 33 are an integral part of these 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 entered into investments across the bulk-liquid logistics and distribution field with its 8.3% investment in Odfjell SE and 9.8% investment in Ganesh Benzoplast Limited ("GBL"), liquefied natural gas ("LNG") through its 47.2% holding of Avenir LNG Limited, its 2.5% holding of Golar LNG Limited and its 1.8% holding of Cool Company Limited ("CoolCo") and land-based aquaculture through its 10.0% investment in The Kingfish Company NV ("Kingfish").

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

The Group has current maturities of long-term debt of $289.0 million at November 30, 2022, which includes a NOK bond of $132.0 million due in June 2023. In addition, a NOK bond of $142.0 million is due in February 2024. It also has capital expenditure commitments of $66.6 million and routine working capital requirements. At November 30, 2022, the Group had cash and cash equivalents of $152.1 million, an undrawn committed revolving credit facility for $220.9 million with an expiration date in 2028 and a $100.0 million undrawn committed revolving credit facility expiring in December 2024.

The ongoing war between Russia and Ukraine and related sanctions imposed could adversely affect global trade. However, management is of the opinion, after considering its cash requirements and various downside scenarios, that the Company's cash flows from operations, available credit facilities and other available sources of liquidity 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 twelve months from the date the financial statements are signed. 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

Separate Financial Statements of the subsidiaries and equity method investees of the Group are presented in the functional currency of the primary economic environment in which they 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 operating revenue 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, operating 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.

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 operating revenue 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 its 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 revenue 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, 2022 and 2021, the accrued voyage expense account was $69.2 million and $51.3 million, respectively, of which $41.7 million and $29.1 million related to contract liabilities for unearned revenues. Prepaid expenses included $21.6 million and $11.9 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2022 and 2021, 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 changes. 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.

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 which 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, 2022, 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 not significantly increased, there was no change in the CGU assessment, 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.	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	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 $622.9 million in investments in and advances to 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.	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

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Insurance claims receivable and Provisions		
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, 2022, Short-term and Long-term provisions for claims were $161.2 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 of 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, 2022, the long-term Insurance claims receivable for third-party claims was $156.2 million.	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 pay out 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.	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.
Pension and other post-retirement benefits		
The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. At November 30, 2022, the Employee benefit asset was $20.6 million and Employee benefit liability was $20.3 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.	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.	A 0.25% increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $4.4 million, and a 0.25% decrease in discount rate assumption would result in an increase of $4.6 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 2022 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 was changed in isolation. See Note 25 for further details and further scenarios.

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 rates implicit in the leases are 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 $14.2 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 corporate-related items, such as profit sharing and long-term incentive expenses for the Group, 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, 2022	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other	Total
Operating revenue	$ 1,497,108	$ 276,177	$ 894,647	$ 102,688	$ –	$ 1,223	$ 2,771,843
Depreciation and amortisation	(158,399)	(62,784)	(47,290)	(7,813)	–	(5,837)	(282,123)
Share of profit (loss) of joint ventures and associates	30,001	25,111	1,470	–	(2,619)	–	53,963
Operating profit (loss)	205,124	89,208	172,728	19,544	(3,028)	(36,044)	447,532
Finance expense (a)	(55,305)	(36,957)	(14,144)	(3,501)	(5,638)	(18,243)	(133,788)
Finance income	432	313	668	–	–	2,566	3,979
Profit (loss) before income tax	149,562	51,896	156,681	15,875	(8,635)	(56,460)	308,919
Income tax expense	(3,311)	(6,731)	(12,500)	(4,872)	–	(650)	(28,064)
Net profit (loss)	146,251	45,165	144,181	11,003	(8,635)	(57,110)	280,855
Balance Sheet							
Capital expenditures (b)	99,384	68,377	28,830	5,356	–	5,906	207,853
Investments in and advances to joint ventures and associates	234,137	281,141	25,865	–	81,801	–	622,944
Intangible assets and goodwill	6,223	1,882	15,879	240	–	11,655	35,879
Segment assets	2,114,816	1,328,731	624,689	130,247	160,944	369,483	4,728,910

a. 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. It also includes the Loss on early extinguishment of debt.

b. 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.

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) 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.

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. SSF operating revenue is allocated on the basis of the country in which the sale is generated.

Notes to the Consolidated Financial Statements continued

(in thousands)	For the years ended November 30, 2022	2021
Operating Revenue:		
Tankers:		
US	**$ 484,429**	$ 412,654
South America	**37,398**	27,385
The Netherlands	**101,264**	90,166
Belgium	**72,356**	62,086
Other Europe	**82,902**	70,043
South Korea	**54,449**	34,311
Malaysia	**73,543**	61,281
Indonesia	**72,896**	58,788
China	**96,852**	31,677
Other Asia	**105,389**	82,709
Saudi Arabia	**82,839**	64,912
Qatar	**39,091**	28,200
Other Middle East	**113,532**	64,697
Africa	**77,602**	74,669
Other	**2,566**	2,039
	$ 1,497,108	$ 1,165,617
Terminals:		
US	**$ 164,742**	$ 138,357
Singapore	**40,109**	37,107
Australia and New Zealand	**16,480**	15,529
Brazil	**22,743**	18,951
United Kingdom	**19,640**	20,579
The Netherlands	**12,463**	13,069
	$ 276,177	$ 243,592
Tank Containers:		
US	**$ 144,087**	$ 106,675
South America	**48,575**	34,556
France	**75,194**	55,894
The Netherlands	**54,697**	40,703
Italy	**30,489**	18,916
Germany	**24,233**	21,859
Other Europe	**50,001**	33,135
Singapore	**117,189**	90,397
Japan	**39,701**	22,580
China	**161,799**	127,888
India	**40,950**	27,902
Other Asia	**60,870**	54,277
Middle East	**25,735**	17,427
Other	**21,127**	10,234
	$ 894,647	$ 662,443
Stolt Sea Farm:		
US	**$ 6,199**	$ 3,685
Spain	**38,368**	51,994
France	**15,808**	9,968
Italy	**16,364**	20,318
Germany	**4,519**	4,371
Other Europe	**21,106**	17,822
Other	**324**	410
	$ 102,688	$ 108,568

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, 2022 and 2021.

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

For the year ended November 30, 2022 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Operating revenue recognised over time:						
Freight revenue	$ 1,226,124	$ –	$ 679,787	$ –	$ –	$ 1,905,911
Storage and throughput revenue	–	183,205	–	–	–	183,205
	1,226,124	183,205	679,787	–	–	2,089,116
Operating revenue recognised at a point in time:						
Demurrage and ancillary revenue	270,984	–	214,860	–	–	485,844
Turbot and sole	–	–	–	102,688	–	102,688
Railcar revenue	–	24,595	–	–	–	24,595
Utility revenue	–	29,037	–	–	–	29,037
Dock, product handling and other revenue	–	39,340	–	–	1,223	40,563
	270,984	92,972	214,860	102,688	1,223	682,727
	$ 1,497,108	**$ 276,177**	**$ 894,647**	**$ 102,688**	**$ 1,223**	**$ 2,771,843**

For the year ended November 30, 2021 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Operating 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
Operating 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**

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 Stolt Sea Farm operations. Stolt Tankers, Stolt Tank Containers 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 $1,845.5 million and $1,896.4 million at November 30, 2022 and 2021, respectively. For Stolt Tank Containers, the total net book value of non-current assets amounted to $424.3 million and $421.0 million at November 30, 2022 and 2021, respectively. For Stolt-Nielsen Gas, the net book value of non-current assets amounted to $153.5 million and $111.0 million for the years ended November 30, 2022 and 2021, respectively.

(in thousands)	As of November 30, 2022	2021
Non-current Assets:		
Terminals:		
US	**$ 442,955**	$ 440,387
The Netherlands	**56,149**	64,131
Singapore	**205,192**	216,994
Australia and New Zealand	**145,057**	137,470
United Kingdom	**89,512**	83,657
Brazil	**43,719**	34,793
South Korea	**117,423**	121,029
Belgium	**107,311**	105,372
China	**37,199**	39,689
Taiwan	**12,787**	–
Other	**7,921**	7,823
	$ 1,265,225	$ 1,251,345
Stolt Sea Farm:		
Spain	**$ 38,008**	$ 42,046
Norway	**861**	1,053
Portugal	**9,211**	10,908
Iceland	**10,236**	12,244
France	**1,377**	1,539
	$ 59,693	$ 67,790

The Group has no material operating revenue 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

Operating 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. Operating revenue 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.

(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

Operating revenue is 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, operating revenue is recognised on dispatch of products to the customer. Operating 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 operating revenue for the year (excluding finance income – see Note 8), is as follows:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Operating revenue from the rendering of services	**$ 2,669,155**	$ 2,072,514
Operating revenue from the sale of goods	**102,688**	108,568
	$ 2,771,843	$ 2,181,082

Operating revenue generated by the Joint Service in Tankers under contracts of affreightment was approximately 55% and 62% of the Joint Service's total revenue for the years ended November 30, 2022 and 2021, 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, 2022	2021
Ocean and inland freight charges	$ 405,687	$ 285,579
Bunker fuel costs	379,310	243,512
Operating employees' benefit expenses	199,896	194,905
Charter and lease expenses	234,435	160,181
Port charges	159,540	143,072
Maintenance and repairs	59,611	61,928
Cleaning costs	42,004	44,291
Tank container ancillary billable costs	56,297	39,272
Purchase of biological assets	7,264	31,351
Repositioning of tank containers	34,015	28,756
Ship supplies and provisions	31,666	28,305
Storage and other tank container move-related costs	27,714	28,282
Facilities and utilities	32,360	25,879
Expenses related to biological assets	23,831	22,558
Commissions	28,111	22,416
Sublet expenses	8,778	20,796
Service element of leases	19,529	19,759
Insurance	32,950	30,036
Insurance capital distribution	–	(12,500)
Voyage costs	16,851	13,534
Barging and trans-shipments	12,014	10,544
Owning costs	9,687	9,999
Packing expenses	7,937	6,852
Regulatory costs	4,385	5,536
Rail expenses	6,269	4,533
Biological assets market valuation adjustment	974	(17,379)
Bunker hedge gain (Note 22)	–	(100)
Other expenses	10,493	7,809
Total operating expenses	**$ 1,851,608**	$ 1,459,706

An analysis of administrative and general expenses is as follows:

(in thousands)	For the years ended November 30, 2022	2021
Administrative and general employees' benefit expenses	$ 197,232	$ 172,207
Information systems	14,958	15,068
Professional fees	9,918	12,966
Office expenses	5,726	6,107
Legal fees	3,282	3,874
Management fee to joint venture	1,928	1,731
Travel and entertainment expenses	5,567	1,460
Investor relations and publicity	1,441	978
Communication expenses	961	929
Office lease expenses	1,191	856
Bank non-interest fees	1,768	1,441
Other	5,050	2,847
Total administrative and general expenses	**$ 249,022**	$ 220,464

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, 2022	2021
Salaries	$ 269,383	$ 265,621
Social security expenses	20,694	21,677
Pension expenses for defined contribution plans (Note 25)	20,451	19,476
Profit sharing and long-term incentive programmes	34,921	8,857
Travel of seafarers and relocation	14,999	14,446
Medical and life insurance	11,280	11,065
Training	5,652	4,768
Temporary and contract employees	10,420	11,192
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	1,120	2,284
Expatriate expenses	1,212	1,453
Other benefits	6,996	6,273
Total employee benefit expenses	**$ 397,128**	$ 367,112
Average number of employees:		
Tankers*	4,652	4,635
Tank Containers	805	776
Terminals	607	579
Stolt Sea Farm	494	448
Other	65	73
Total average number of employees	**6,623**	6,511

* 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, 2022	2021
Fees payable to the Group auditors and associates for the audit of the consolidated financial statements and subsidiary statutory audits	$ 2,832	$ 2,773
Fees payable to the Group auditors and associates for other services as detailed below	286	181
Total fees	**$ 3,118**	$ 2,954
Tax services	$ 43	$ 24
Half-year reviews	100	100
Other	143	57
Total non-audit fees	**$ 286**	$ 181

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

7. Gain (Loss) on Disposal of Assets, net

Gain (loss) on disposal of assets, net, comprised the following:

(in thousands)	For the years ended November 30, 2022	2021
Gain (loss) on sale of ships	$ **4,549**	$ (4,877)
Gain (loss) on sale of tank containers	**1,329**	(2,063)
Gain on sale of fixed asset investments	**704**	–
Gain on sale of land	**–**	3,217
(Loss) gain on sale of other assets	**(1,020)**	713
	$ **5,562**	$ (3,010)

During 2022, gain on sale of ships includes $2.9 million on the recycling of *Stolt Groenland* and $1.6 million on the sale of *Stolt Shearwater*.

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*.

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, 2022	2021
Finance expense on debt		
Interest on loans	$ **101,831**	$ 93,351
Amortisation of debt issuance costs	**7,585**	7,315
Realised (gain) loss on interest rate swaps (Note 22)	**(532)**	10,654
Commitment fees	**3,749**	4,299
Other interest expense	**406**	1,345
Total interest expense	**113,039**	116,964
Less interest capitalised to property, plant and equipment	**(851)**	(752)
	$ **112,188**	$ 116,212
Loss on early extinguishment of debt		
Debt issuance costs and fees on early extinguishment of the Export-Import Bank of China ("CEXIM") and Standard Chartered Bank debt	$ **11,149**	$ –
Finance expense on lease liabilities		
Interest on lease liabilities	$ **10,451**	$ 11,072
Finance income		
Interest from joint ventures	$ **1,911**	$ 1,500
Interest on bank deposits	**1,869**	731
Other	**199**	144
	$ **3,979**	$ 2,375

The average interest rates used to capitalise interest to property, plant and equipment were 5.1% for 2022 and 2021.

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, 2022 and 2021:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Current income tax expense	**$ 15,683**	$ 10,789
Adjustments in respect of prior years	**734**	79
	16,417	10,868
Deferred income tax expense	**10,883**	11,495
Adjustments in respect of prior years	**764**	2,042
	11,647	13,537
Total income tax expense	**$ 28,064**	$ 24,405

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

(in thousands)	For the years ended November 30, 2022	2021
Profit before income tax expense	**$ 308,919**	$ 103,211
Tax at the Bermuda statutory tax rate	**–**	–
Differences between the Bermuda and other tax rates	**101,816**	8,589
Non-taxable income and disallowed expenses	**(80,778)**	6,647
Impact of change in UK corporate tax rates	**–**	1,271
Provision for uncertain tax positions	**2,712**	2,675
Changes in the recognition of tax losses	**2,006**	2,798
Adjustments in respect of prior years	**1,498**	2,121
Other differences, net	**810**	304
Total income tax expense	**$ 28,064**	$ 24,405

Substantially, all of the Group's international Tanker 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, 2022 and 2021 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, 2020	**$ (76,706)**	**$ 8,434**	**$ 22,732**	**$ 1,271**	**$ 1,908**	**$ (42,361)**
Credit (charge) 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)**
(Charge) credit to income statement	(127)	55	(11,914)	–	339	(11,647)
Charge to Other comprehensive income	–	(2,993)	–	(1,128)	(884)	(5,005)
Exchange differences	808	(119)	(342)	–	348	695
Balance, November 30, 2022	**$ (88,545)**	**$ 2,852**	**$ 14,027**	**$ (546)**	**$ (2,532)**	**$ (74,744)**

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)	**2022**	2021
Deferred tax liabilities	**$ (80,232)**	$ (68,025)
Deferred tax assets	**5,488**	9,238
	$ (74,744)	$ (58,787)

The following is an analysis of the deferred taxes as of November 30, 2022 that are expected to be recovered or settled less than and more than twelve months after November 30, 2022:

(in thousands)	Less than 12 Months	More than 12 Months	Total
Deferred tax liabilities	$ (723)	$ (79,509)	$ (80,232)
Deferred tax assets	144	5,344	5,488
	$ (579)	**$ (74,165)**	**$ (74,744)**

As of November 30, 2022, the Group has unused national corporate tax losses of $62.4 million (2021: $75.6 million) and unused regional tax losses of $30.2 million (2021: $35.1 million) available for offset against future profits. A deferred tax asset of $24.0 million at November 30, 2022 (2021: $28.3 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 $12.3 million at November 30, 2022 (2021: $15.6 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 $4.0 billion at November 30, 2022 (2021: $0.3 billion). The increase was due to Group restructuring in November 2021 and subsequent capital reductions in the current year.

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.

During 2021, the Organisation for Economic Co-operation and Development published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups ('Pillar II'). A number of the territories in which the Group operates are considering implementing legislation to give effect to that framework, including EU Member states who have until December 31, 2023 to transpose the minimum Tax Directive, unanimously adopted by the European Union on December 15, 2022, into national legislation. The Group is reviewing the draft legislation and further developments in this area to understand any potential impacts.

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)	**2022**	2021
Cash deposit	**$ 71,040**	$ 111,639
Short-term time deposits	**81,101**	12,229
Cash and cash equivalents	**$ 152,141**	$ 123,868
Restricted cash	**$ –**	$ 6,096

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. At November 30, 2021, $6.1 million was 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)	**2022**	2021
Customer trade receivables	**$ 347,457**	$ 270,765
Contract assets	**15,433**	15,068
Accrued revenue	**7,556**	6,313
Withholding tax	**–**	5,000
Interest	**1,464**	1,227
Other	**3,438**	7,505
	375,348	305,878
Allowance for impairment on customer trade and accrued receivables	**(21,618)**	(20,129)
Receivables, net	**$ 353,730**	$ 285,749
Insurance claims receivable	**$ –**	$ 58,598

Increase in customer trade receivables is due to additional activity at Tankers and 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.

	2022		2021	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 15,068**	**$ –**	$ 9,693	$ –
Transfer to trade receivables	**(679,422)**	**–**	(514,411)	–
Revenue recognised (current year performance obligations)	**679,787**	**–**	519,786	–
Balance, November 30	**$ 15,433**	**$ –**	$ 15,068	$ –

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, 2022 and 2021 consisted of the following:

November 30, 2022 (in thousands)		Terminals		SSF		Other		Total
Raw materials	**$**	**–**	**$**	**292**	**$**	**93**	**$**	**385**
Consumables		**518**		**–**		**1,906**		**2,424**
Finished goods		**–**		**7,373**		**–**		**7,373**
	$	**518**	**$**	**7,665**	**$**	**1,999**	**$**	**10,182**

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

The cost of inventory included in operating expenses in 2022 and 2021 was $50.2 million and $72.6 million for Stolt Sea Farm, $7.8 million and $6.4 million for Stolt Tank Containers and $0.1 million and $0.3 million for Stolthaven Terminals, respectively. No inventory was written down in the years ended November 30, 2022 and 2021. Bunkers of $45.1 million and $35.9 million were included in prepaid expenses at November 30, 2022 and 2021, respectively.

13. Biological Assets

Accounting policy

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.

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.

Biological assets in the balance sheet

	As of November 30,	
(in thousands)	**2022**	2021
Turbot and sole	**$ 46,181**	$ 50,344

Biological assets are the work in process: live turbot and sole that are in the process of growing to marketable size. The biological assets are transferred to inventory after being harvested. See Note 12.

Reconciliation of changes in book value of turbot and sole

(in thousands)	**2022**	2021
Balance at December 1,	**$ 50,344**	$ 30,129
Increases owing to production and purchases	**52,424**	47,111
(Loss) gain from change in fair value	**(974)**	17,379
Effect of changes in foreign currency rates	**(4,397)**	(2,002)
Decreases owing to mortalities	**(894)**	(866)
Transfer to inventory	**(50,322)**	(41,407)
Balance at November 30,	**$ 46,181**	$ 50,344

The cost of inventory sold which has been included in operating expenses was $50.2 million and $72.6 million for the years ended November 30, 2022 and 2021, respectively.

Fair value adjustments on biological assets in the income statement

	For the years ended November 30,	
(in thousands)	**2022**	2021
Total fair value adjustment of turbot and sole recognised in operating expenses	**$ (974)**	$ 17,379

Value of biological assets at fair value

	As of November 30,	
(in thousands)	**2022**	2021
Total turbot and sole held at fair value included in the balance sheet	**$ 43,048**	$ 46,411

Volumes of biomass (in tonnes)

	For the years ended and as of November 30,	
(in tonnes)	**2022**	2021
Volume of biomass harvested during the year (live weight)	**7,556**	5,732
Volume of biomass in the water at year end (live weight)	**4,446**	4,039

Value of juvenile biological assets at cost

	As of November 30,	
(in thousands)	**2022**	2021
Total turbot and sole held at cost included in the balance sheet	**$ 3,133**	$ 3,933

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, 2022 and 2021.

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.

(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 40
Terminal other support equipment and other assets	10 to 30
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, 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**
Additions	136	7,462	54,288	19,389	8,682	1,994	110,869	202,820
Grant receipts	–	(89)	–	–	(347)	–	–	(436)
Disposals and retirements	–	(20)	(13,153)	(4,427)	(13,986)	(1,004)	–	(32,590)
Net foreign exchange differences	(3,404)	(9,156)	(5,697)	(810)	(27,967)	(215)	(1,563)	(48,812)
Transfers	–	1,066	30,950	–	51,573	–	(83,589)	–
Reclasses and other	–	(5)	–	–	(148)	(92)	60	(185)
Balance at November 30, 2022	**$ 55,419**	**$ 141,234**	**$ 3,209,309**	**$ 490,109**	**$ 1,542,580**	**$ 9,554**	**$ 93,225**	**$ 5,541,430**

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, 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
Sale of Caviar division	–	–	–	–	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**
Depreciation expense	–	4,735	135,595	18,321	66,463	693	–	225,807
Disposals and retirements	–	(19)	(11,073)	(3,055)	(13,855)	(994)	–	(28,996)
Net foreign exchange differences	–	(3,329)	(3,081)	(534)	(10,900)	(149)	–	(17,993)
Reclasses and other	–	363	366	–	(495)	(47)	–	187
Balance at November 30, 2022	**$ –**	**$ 57,352**	**$ 1,735,047**	**$ 255,886**	**$ 689,560**	**$ 5,656**	**$ –**	**$ 2,743,501**
Net book value:								
At November 30, 2021	**$ 58,687**	**$ 86,374**	**$ 1,529,681**	**$ 234,803**	**$ 876,426**	**$ 2,718**	**$ 67,448**	**$ 2,856,137**
At November 30, 2022	**$ 55,419**	**$ 83,882**	**$ 1,474,262**	**$ 234,223**	**$ 853,020**	**$ 3,898**	**$ 93,225**	**$ 2,797,929**

During the year ended November 30, 2022, the Group had additions of property, plant and equipment of $202.8 million. Additions, excluding accruals during the year, were $199.4 million and primarily reflected i) $76.3 million on tankers capital expenditures, ii) $69.0 million on terminal capital expenditures , iii) $18.6 million on drydocking of ships , iv) $28.0 million on the purchase of tank containers and construction at depots, and v) $5.5 million on Stolt Sea Farm capital expenditures. Interest of $0.9 million was capitalised on the new construction of terminals and tankers. Tankers capital expenditures include the purchase of two second-hand ships from “K” Line Logistics Ltd. and a deposit of $5.7 million for a barge newbuilding.

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 and tankers. 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.

Proceeds of $7.9 million and $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, 2022 and 2021, respectively.

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 in 2022. This resulted in a loss of $13.0 million, net of insurance proceeds, which has been included in Loss on disposal of assets in 2021. A related receivable from the insurers is included in Insurance claims receivable at November 30, 2022. The portion of the term loan which was secured by the *Stolt Groenland* was reclassed as Current portion of long-term debt of $30.5 million at November 30, 2021 and repaid subsequent to year end. The ship was recycled in 2022.

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.

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
Balance at December 1, 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**
New leases and other increases	18,536	4,606	21,651	53,738	3,809	102,340
Retirements and other decreases	(4,378)	(1,855)	(2,775)	(48,831)	(706)	(58,545)
Net foreign exchange differences	(1,889)	(1,667)	(1,786)	(489)	(238)	(6,069)
Balance at November 30, 2022	**$ 86,718**	**$ 20,014**	**$ 105,268**	**$ 96,109**	**$ 9,597**	**$ 317,706**

Accumulated depreciation (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Balance at December 1, 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**
Depreciation expense	3,032	4,031	20,609	22,619	1,270	51,561
Retirements and other decreases	(547)	(1,684)	(2,775)	(19,061)	(615)	(24,682)
Net foreign exchange differences	(152)	(502)	(2,031)	(255)	(51)	(2,991)
Reclasses and other	(6)	21	–	–	433	448
Balance at November 30, 2022	**$ 7,747**	**$ 9,071**	**$ 45,185**	**$ 35,621**	**$ 3,644**	**$ 101,268**
Net book value:						
At November 30, 2021	**$ 69,029**	**$ 11,725**	**$ 58,796**	**$ 59,373**	**$ 4,125**	**$ 203,048**
At November 30, 2022	**$ 78,971**	**$ 10,943**	**$ 60,083**	**$ 60,488**	**$ 5,953**	**$ 216,438**

During 2022 and 2021, the Group entered into leases for land, offices, ships, barges, tank containers and terminal and sea farm equipment. At November 30, 2022, the Group has leases expiring from 2023 to 2070.

Lease Liabilities

(in thousands)	As of November 30, 2022	2021
Contractual undiscounted cash flows:		
Less than:		
1 year	**$ 58,823**	$ 52,730
2 years	**47,664**	48,175
3 years	**33,474**	36,876
4 years	**19,431**	22,551
5 years	**14,403**	11,005
Thereafter	**154,415**	136,998
Total undiscounted cash flows	**328,210**	308,335
Total lease liabilities (discounted based on the Group's incremental borrowing rate)	**223,584**	210,450
Less current maturities	**(49,017)**	(43,473)
Non-current	**$ 174,567**	$ 166,977

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 2025, are as follows:

(in thousands)	2022	2021
Less than:		
1 year	**$ 2,214**	$ 1,916
2 years	**570**	611
3 years	**397**	403
4 years	**173**	228
5 years	**48**	59
	$ 3,402	$ 3,217

The commitments for the year ended November 30, 2022 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, 2022 and 2021 were $37.0 million and $35.8 million, respectively. There was no sub-lease income in either year.

Variable lease consideration related to charter hire expenses to participants in the Joint service was included in Charter and lease expenses. It was $194.6 million and $124.0 million, respectively, for the years ended November 30, 2022 and 2021.

There were no non-cancellable sub-leases during the years ended November 30, 2022 and 2021.

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 was amortised over a 10-year life while the customer relations and contract intangibles were 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.

Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 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**
Additions	–	–	–	3,824	27	3,851
Disposals and retirements	–	–	–	(8,798)	(101)	(8,899)
Net foreign exchange differences	(1,181)	(121)	(534)	(3,673)	(77)	(5,586)
Reclasses	–	–	–	14	30	44
Balance, November 30, 2022	**$ 32,546**	**$ 1,357**	**$ 7,111**	**$ 54,817**	**$ 753**	**$ 96,584**
Accumulated amortisation:						
Balance, December 1, 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**
Amortisation charge for the year	–	–	94	4,564	97	4,755
Disposals and retirements	–	–	–	(8,798)	(101)	(8,899)
Net foreign exchange differences	–	(121)	(534)	(2,549)	(56)	(3,260)
Reclasses	–	–	–	(64)	(34)	(98)
Balance, November 30, 2022	**$ 12,394**	**$ 1,357**	**$ 7,111**	**$ 39,287**	**$ 556**	**$ 60,705**
Net book value:						
At November 30, 2021	**$ 21,333**	**$ –**	**$ 94**	**$ 17,316**	**$ 224**	**$ 38,967**
At November 30, 2022	**$ 20,152**	**$ –**	**$ –**	**$ 15,530**	**$ 197**	**$ 35,879**

Other than goodwill, all intangible assets were subject to amortisation as of November 30, 2022 and 2021.

During the year ended November 30, 2022, the Group spent $3.9 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, 2022 and 2021. To calculate the recoverable amount, the FVLCD was calculated. For Tankers, goodwill was allocated to the deep-sea fleet cash generating unit ("CGU") while for Tank Containers, goodwill was allocated to the Tank Container fleet CGU. In both cases, these were the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. FVLCD was based on a discounted cash flow basis using the approved projections in the five-year plan.

Based on management judgement and past experience, the following assumptions were used in the calculation of FVLCD:

- Pre-tax discount rate of 7.0% based on the weighted average cost of capital ("WACC") for the risks specific to the Tankers and Tank Containers businesses.
- Future growth rates based on trends in industrial production. The growth rate used in perpetuity beyond the projection period is 2%.
- For Tankers, assumptions for the sailed-in rates per operating day (a profit measure of operating revenue less variable voyage expenses including bunker costs, on existing and future contracts and the spot market) during the project period from 2023 to 2027 for the deep-sea fleet (adjusted for capacity changes) is an average increase of 3.2%.
- For STC, future escalation of price and cost increases obtained from shipping and transportation carriers and extent of capital expenditures from Tank Containers approved capital expenditure projections and competition.

No impairment was noted.

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, 2022, goodwill primarily consisted of $5.4 million for goodwill on a prior year acquisition of the Tankers segment and $14.8 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 $2.3 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 were being amortised from two to 14 years and are now fully amortised. 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 balances are material.

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]	2022 % Shares	2022 % Voting Rights	As of November 30, 2022	As of November 30, 2021
Joint Ventures:					
Tankers' material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 50,717**	$ 40,639
Stolt NYK Asia Pacific Services Inc.	Liberia	50	50	**30,376**	23,983
NYK Stolt Shipholding Inc.	Liberia	50	50	**41,428**	40,632
Shanghai SC-Stolt Shipping Ltd	China	49	50	**36,852**	39,956
Hassel Shipping 4 AS	Norway	50	50	**67,191**	81,021
Tankers' non-material joint ventures:					
SIA LAPA, Ltd	Latvia	70	50	**1,628**	1,314
Shanghai New Xing Yang Marine Services Co. Ltd	China	40	40	**6**	61
				228,198	227,606
Terminals' material joint ventures:					
Advario Stolthaven Antwerp, NV, formerly Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**105,811**	105,372
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**117,423**	121,029
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**25,281**	26,524
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**11,918**	13,165
Terminals' non-material joint ventures:					
Stolthaven Revivegen Kaohsiung Co., Ltd	Taiwan	49	50	**12,787**	–
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**6,537**	6,908
				279,757	272,998
Tank Containers' non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**3,690**	3,892
Kanoo Tank Services Ltd.	Saudi Arabia	60	50	**16,242**	16,115
Vado Tank Cleaning SRL	Italy	50	50	**1,251**	980
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**1,415**	1,443
FSTS CO., Ltd	Thailand	49	49	**967**	978
Joint Tank Services FZCO	United Arab Emirates	40	40	**667**	–
				24,232	23,408
Stolt-Nielsen Gas' material joint venture:					
Avenir LNG Limited	Bermuda	47	47	**81,801**	79,497
Subtotal				**613,988**	603,509
Non-material associates:					
Brovig SS II Indre Selskap	Norway	50	50	**5,775**	5,414
Essberger & Stolt Tankers GMbH & Co KG	Germany	28	28	**164**	164
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**1,208**	1,388
Norterminal A.S.	Norway	25	25	**757**	915
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**425**	516
Other				**627**	–
Subtotal				**8,956**	8,397
				$ 622,944	$ 611,906

1. Represents the country of incorporation which is the principal place of business, 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.

(in thousands)	Joint Ventures	Associates	Total
Balance, December 1, 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**
Share of profit of joint ventures and associates	53,279	684	53,963
Dividends	(40,808)	(252)	(41,060)
Net foreign exchange differences	(30,807)	(485)	(31,292)
Net gain on cash flow hedges held by joint ventures and associates	8,743	–	8,743
Repayment of advances to joint ventures, net	(1,700)	–	(1,700)
Reclass from short-term advances to joint ventures, net	7,101	–	7,101
Net actuarial gain on pension schemes held by joint venture	1,476	–	1,476
Investment in joint venture and associate	13,687	627	14,314
Other	(492)	(15)	(507)
Balance, November 30, 2022	**$ 613,988**	**$ 8,956**	**$ 622,944**

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, 2022 and 2021. 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)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Selected Balance Sheet Information										
Cash and cash equivalents	**$ 15,982**	$ 4,650	**$ 7,825**	$ 2,341	**$ 16,276**	$ 11,101	**$ 24,497**	$ 20,562	**$ 20,375**	$ 21,822
Current assets, other than cash	**18,873**	9,358	**15,583**	9,921	**750**	2,140	**7,518**	7,220	**29,757**	9,996
Current assets	**34,855**	14,008	**23,408**	12,262	**17,026**	13,241	**32,015**	27,782	**50,132**	31,818
Non-current assets	**223,721**	207,734	**42,000**	42,140	**173,042**	185,186	**47,916**	58,239	**291,911**	310,471
Total Assets	**258,576**	221,742	**65,408**	54,402	**190,068**	198,427	**79,931**	86,021	**342,043**	342,289
Financial liabilities, other than accounts payable	**13,124**	10,186	**–**	–	**9,382**	9,388	**–**	–	**14,384**	16,369
Other current liabilities	**6,464**	1,900	**4,655**	6,436	**139**	–	**6,160**	5,928	**2,217**	3,058
Current liabilities	**19,588**	12,086	**4,655**	6,436	**9,521**	9,388	**6,160**	5,928	**16,601**	19,427
Financial liabilities	**168,309**	157,417	**–**	–	**97,692**	107,069	**–**	–	**198,997**	167,608
Non-current liabilities	**–**	5,212	**–**	–	**–**	702	**–**	–	**–**	435
Total non-current liabilities	**168,309**	162,629	**–**	–	**97,692**	107,771	**–**	–	**198,997**	168,043
Net Assets	**$ 70,679**	$ 47,027	**$ 60,753**	$ 47,966	**$ 82,855**	$ 81,268	**$ 73,771**	$ 80,093	**$126,445**	$154,819
Selected Income Statement Information										
Operating revenue	**$ 72,169**	$ 52,609	**$100,566**	$ 74,308	**$ 41,250**	$ 40,964	**$ 49,169**	$ 43,487	**$ 81,588**	$ 60,690
Depreciation and amortisation	**15,173**	14,822	**–**	–	**12,733**	13,554	**4,652**	4,798	**13,649**	13,827
Finance income	**–**	–	**854**	328	**143**	14	**–**	–	**112**	5
Finance expense	**6,478**	4,818	**–**	–	**2,382**	1,925	**–**	–	**10,754**	8,762
Profit (loss) before taxes	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**9,597**	7,568	**20,168**	9,610
Income tax expense	**–**	–	**–**	–	**–**	–	**2,310**	1,889	**–**	–
Net profit (loss)	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**7,287**	5,679	**20,168**	9,610
Other comprehensive income (loss)	**6,716**	3,576	**–**	–	**2,310**	1,304	**(8,453)**	2,575	**8,459**	2,817
Total comprehensive income (loss)	**$ 23,637**	$ 6,454	**$ 12,790**	$ (1,587)	**$ 1,587**	$ 516	**$ (1,166)**	$ 8,254	**$ 28,627**	$ 12,427
Dividends received by Group	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –	**$ 2,528**	$ 1,217	**$ 28,500**	$ –

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $31.6 million and $35.1 million for the years ended November 30, 2022 and 2021, 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. for both the years ended November 30, 2022 and 2021.

(in thousands)	Advario Stolthaven Antwerp, NV 2022	Advario Stolthaven Antwerp, NV 2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2022	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	Tianjin Lingang Stolthaven Terminal Co. 2022	Tianjin Lingang Stolthaven Terminal Co. 2021	Tianjin Lingang Stolthaven Jetty Company 2022	Tianjin Lingang Stolthaven Jetty Company 2021
Selected Balance Sheet Information								
Cash and cash equivalents	**$ 9,367**	$ 5,450	**$ 15**	$ 14,660	**$ 3,890**	$ 2,974	**$ 2,493**	$ 3,792
Current assets, other than cash	**21,953**	27,793	**28,014**	17,438	**1,326**	823	**4,905**	3,263
Current assets	**31,320**	33,243	**28,029**	32,098	**5,216**	3,797	**7,398**	7,055
Non-current assets	**322,756**	371,936	**369,776**	395,248	**36,030**	42,521	**24,063**	27,979
Total Assets	**354,076**	405,179	**397,805**	427,346	**41,246**	46,318	**31,461**	35,034
Financial liabilities, other than accounts payable	**34,402**	49,939	**63,564**	101,608	**2,116**	2,357	**–**	–
Other current liabilities	**12,177**	13,673	**32,911**	39,121	**3,639**	6,560	**1,348**	1,767
Current liabilities	**46,579**	63,612	**96,475**	140,729	**5,755**	8,917	**1,348**	1,767
Financial liabilities	**88,004**	112,492	**74,217**	51,636	**7,111**	6,851	**–**	–
Non-current liabilities	**44,927**	58,543	**829**	2,347	**–**	258	**–**	–
Total non-current liabilities	**132,931**	171,035	**75,046**	53,983	**7,111**	7,109	**–**	–
Net Assets	**$ 174,566**	$ 170,532	**$ 226,284**	$ 232,634	**$ 28,380**	$ 30,292	**$ 30,113**	$ 33,267
Selected Income Statement Information								
Operating revenue	**$ 102,334**	$ 116,112	**$ 90,910**	$ 95,518	**$ 11,338**	$ 10,440	**$ 9,144**	$ 10,016
Depreciation and amortisation	**30,986**	34,158	**11,751**	12,514	**2,912**	2,964	**1,392**	1,438
Finance income	**–**	–	**–**	–	**–**	–	**41**	29
Finance expense	**3,993**	5,717	**2,936**	2,774	**512**	693	**–**	–
Profit before taxes	**20,511**	25,027	**34,796**	39,250	**1,238**	2,041	**4,365**	5,082
Income tax expense	**5,402**	5,297	**7,630**	8,774	**–**	–	**1,094**	1,270
Net profit	**15,109**	19,730	**27,166**	30,476	**1,238**	2,041	**3,271**	3,812
Other comprehensive (loss) income	**(11,075)**	(6,118)	**(21,410)**	(15,051)	**(3,150)**	940	**(3,423)**	1,105
Total comprehensive income	**$ 4,034**	$ 13,612	**$ 5,756**	$ 15,425	**$ (1,912)**	$ 2,981	**$ (152)**	$ 4,917
Dividends received by Group	**$ –**	$ 11,087	**$ 6,053**	$ 5,639	**$ –**	$ –	**$ 1,201**	$ 1,742

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, 2021 have been filed on the NOTC. Avenir LNG Limited had total assets of $268.7 million, total liabilities of $104.7 million and total net assets of $164.0 million. Avenir LNG Limited also published earnings releases containing unaudited financial information on a quarterly basis up until September 30, 2022. For the nine months to September 30, 2022 Avenir LNG Limited disclosed a net loss of $10.3 million and as at September 30, 2022 had total assets of $304.5 million, total liabilities of $158.6 million and net assets of $145.9 million. Share of profit of Avenir LNG Limited from October 1, 2022 to November 30, 2022 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, 2022. The Group owned 85.8 million shares of Avenir LNG Limited at November 30, 2022.

Tianjin Lingang Stolthaven Terminal Co. has $8.2 million and $8.0 million of shareholder loans at November 30, 2022 and 2021, respectively.

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

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 nine 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 12 ships in the East Asia and South East Asia areas, with the ships marketed by the Group's offices in these regions. NYK Stolt Shipholding Inc ("NSSH") is a ship-owning joint venture and owns 11 of 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, 2022, the joint venture operated 11 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. Although listed on the Norwegian over-the-counter ("NOTC") market, it is considered to be a joint venture as the Group, along with Golar LNG Limited and Höegh LNG Holdings Ltd., as significant decisions are made unanimously.

Advario Stolthaven Antwerp, NV ("ASA"), formerly Oiltanking Stolthaven Antwerp, NV, is a 50% owned joint venture with Advario BV (formerly 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 ASA 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)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Net Assets:										
Balance, December 1	**$ 47,027**	$ 40,569	**$ 47,966**	$ 49,563	**$ 81,268**	$ 80,752	**$ 80,093**	$ 74,582	**$ 154,819**	$ 142,392
Profit (loss) for the year	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**7,287**	5,679	**20,168**	9,610
Dividends	**–**	–	**–**	–	**–**	–	**(5,159)**	(2,483)	**(57,000)**	–
Other comprehensive income (loss)	**6,716**	3,576	**–**	–	**2,310**	1,304	**(8,453)**	2,575	**8,459**	2,817
Other	**15**	4	**(3)**	(10)	**–**	–	**3**	(260)	**(1)**	–
Balance, November 30	**70,679**	47,027	**60,753**	47,966	**82,855**	81,268	**73,771**	80,093	**126,445**	154,819
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**35,340**	23,514	**30,377**	23,983	**41,428**	40,634	**36,148**	39,246	**63,223**	77,410
Purchase adjustment to property	**–**	–	**–**	–	**–**	–	**–**	–	**3,968**	3,573
Eliminations of transactions with the Group	**(422)**	(444)	**–**	–	**–**	–	**–**	–	**–**	–
Advances	**15,799**	17,569	**–**	–	**–**	–	**–**	–	**–**	–
Other	**–**	–	**(1)**	–	**–**	(2)	**704**	710	**–**	38
Investment in and advances to joint ventures	**$ 50,717**	$ 40,639	**$ 30,376**	$ 23,983	**$ 41,428**	$ 40,632	**$ 36,852**	$ 39,956	**$ 67,191**	$ 81,021

(in thousands)	Advario Stolthaven Antwerp, NV 2022	Advario Stolthaven Antwerp, NV 2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2022	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	Tianjin Lingang Stolthaven Terminal Co. 2022	Tianjin Lingang Stolthaven Terminal Co. 2021	Tianjin Lingang Stolthaven Jetty Company 2022	Tianjin Lingang Stolthaven Jetty Company 2021
Net Assets:								
Balance, December 1	**$170,532**	$ 179,094	**$232,634**	$ 228,488	**$ 30,292**	$ 27,311	**$ 33,267**	$ 32,705
Profit for the year	**15,109**	19,730	**27,166**	30,476	**1,238**	2,041	**3,271**	3,812
Dividends	**–**	(22,174)	**(12,106)**	(11,279)	**–**	–	**(3,002)**	(4,355)
Other comprehensive (loss) income	**(11,075)**	(6,118)	**(21,410)**	(15,051)	**(3,150)**	940	**(3,423)**	1,105
Balance, November 30	**174,566**	170,532	**226,284**	232,634	**28,380**	30,292	**30,113**	33,267
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**87,283**	85,266	**113,142**	116,317	**18,447**	19,690	**12,045**	13,307
Advances	**–**	–	**–**	–	**6,834**	6,834	**–**	–
Purchase adjustment to property	**3,130**	4,827	**–**	–	**–**	–	**–**	–
Goodwill	**13,478**	15,279	**4,281**	4,712	**–**	–	**–**	–
Other	**1,920**	–	**–**	–	**–**	–	**(127)**	(142)
Investment in and advances to joint ventures	**$105,811**	$ 105,372	**$117,423**	$ 121,029	**$ 25,281**	$ 26,524	**$ 11,918**	$ 13,165

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 $45.2 million and $31.7 million, and in the non-material associates were $9.0 million and $8.4 million, for the years ended November 30, 2022 and 2021, respectively. The below summarises the financial information of the non-material joint ventures and associates:

(in thousands)	For the years ended November 30, 2022	For the years ended November 30, 2021
Joint Ventures		
Profit before taxes	**$ 10,147**	$ 8,122
Income tax expense	**1,706**	1,536
Net profit	**8,441**	6,586
Other comprehensive loss	**(2,181)**	(1,512)
Total comprehensive income	**$ 6,260**	$ 5,074

(in thousands)	For the years ended November 30, 2022	For the years ended November 30, 2021
Associates		
Profit before taxes	**$ 1,340**	$ 1,595
Income tax expense	**181**	335
Net profit	**1,159**	1,260
Other comprehensive loss	**(1,052)**	(292)
Total comprehensive income	**$ 107**	$ 968

Commitments

The Group has no commitments to joint ventures as of November 30, 2022. 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, 2022, the Group had investments in Golar LNG Limited, GBL, Odfjell SE, Kingfish and CoolCo that have been designated as FVTOCI as they are not held for trading by the Group.

On February 1, 2022, the Group acquired 1.0 million shares or 2.5% of CoolCo for $10.0 million. CoolCo is listed on the Euronext Growth Oslo. During September 2022, the Group sold 60,324 shares of CoolCo for $0.8 million.

During March and April 2022, the Group acquired 5.0 million shares or 8.3% of the outstanding shares of Odfjell SE for $20.7 million. Odfjell SE is listed on the Oslo Stock Exchange.

On October 18, 2022, the Group acquired 9.2 million shares or 10.0% of Kingfish for $7.4 million. Kingfish is listed on the Euronext Growth Oslo. After year end, the Group's shareholding decreased to 8.3% upon Kingfish issuing further shares.

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. GBL is listed on the Bombay Stock Exchange.

The Group received a dividend of $1.2 million from Odfjell SE during the year. There were no dividends received in the year ended November 30, 2021.

Investments in equity instruments increased owing to the acquisition of the above investments and the change in fair market value of all of the investments in 2022. A summary of changes in value of investments in equity instruments for the year ended November 30, 2022 and 2021 is summarised below:

As of November 30,	2022	2021	2022	2021	2022	2021
(in thousands, except for per share amounts)	Golar LNG Limited		GBL		Kingfish	
Number of equity shares	**2,673**	2,673	**6,111**	6,111	**9,238**	–
Percentage of shareholding as of November 30	**2.5%**	2.5%	**9.8%**	9.8%	**10.0%**	–
Share price as of November 30	**$ 25.07**	$ 11.80	**$ 1.80**	$ 1.04	**$ 1.12**	$ –
Gain on FVTOCI	**35,467**	7,337	**4,626**	1,344	**2,938**	–
Cumulative (loss) gain on FVTOCI	**(39,379)**	(74,846)	**5,970**	1,344	**2,938**	–
Value of investment	**$ 67,004**	$ 31,537	**$ 11,012**	$ 6,336	**$ 10,328**	–

As of November 30,	2022	2021	2022	2021	2022	2021
(in thousands, except for per share amounts)	CoolCo		Odfjell SE		Total	
Number of equity shares	**940**	–	**5,014**	–		
Percentage of shareholding as of November 30	**1.8%**	–	**8.3%**	–		
Share price as of November 30	**$ 12.56**	–	**$ 8.58**	–		
Dividends received	**–**	–	**1,225**	–	**$ 1,225**	$ –
Gain on FVTOCI	**2,588**	–	**22,310**	–	**67,929**	8,681
Cumulative gain (loss) on FVTOCI	**2,588**	–	**22,310**	–	**(5,573)**	(73,502)
Value of investment	**$ 11,798**	–	**$ 43,002**	–	**$ 143,144**	$ 37,873

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, 2022 and 2021, respectively, the Group included $156.2 million and $162.9 million for long-term insurance claims receivables. For 2022, 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 operating revenue when the Group satisfies the contractual performance obligations.

	As of November 30,	
(in thousands)	**2022**	2021
Trade payables	**$ 96,828**	$ 99,642
Withholding and value added tax	**6,413**	11,903
Insurance premiums payable	**82**	115
Other	**1,552**	2,947
	$ 104,875	$ 114,607

Contract liabilities

	2022		2021	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 29,092**	**$ –**	$ 26,787	$ –
Revenue recognised (from opening balance)	**(29,092)**	**–**	(26,787)	–
Revenue recognised (current year)	**(1,197,032)**	**–**	(987,763)	–
Cash received in advance of performance obligation	**1,238,739**	**–**	1,016,855	–
Balance, November 30	**$ 41,707**	**$ –**	$ 29,092	$ –

Contract liabilities are typically recognised as operating revenue within 45 days of the completion of the performance obligation so all contract liabilities are current liabilities. 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, 2022, 18.1% of the Group's long-term debt had variable interest rates. At November 30, 2022, 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 surcharge clauses included in the COAs or through hedging. For the years ended November 30, 2022 and 2021, the expected coverage from fluctuations in bunker fuel prices was 63.0% and 60.7%, 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 hostilities in the Ukraine.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the operating 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, 2022, 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 $6.9 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 12-month 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 $325.8 million and cash balance of $152.1 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, 2022	
(in thousands)	Not Impaired	Impaired
Current	**$ 187,428**	**$ 213**
Up to 30 days past due	**78,027**	**694**
31 to 60 days past due	**22,539**	**475**
61 to 90 days past due	**14,620**	**304**
Greater than 91 days past due	**23,225**	**19,932**
	$ 325,839	**$ 21,618**

	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

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)	**2022**	2021
Allowance for impairment on customer trade and accrued receivables, brought forward	**$ 20,129**	$ 18,230
Impairment recognised, net	**1,893**	3,145
Accounts written off	**(404)**	(1,246)
Balance at the end of the year	**$ 21,618**	$ 20,129

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 operate, and other relevant information. Management does not believe significant risk exists in connection with concentrations of credit as of November 30, 2022. 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 on-going 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.

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, CoolCo, Kingfish, Odfjell SE 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.

The Group holds the following financial instruments:

(in thousands)	November 30, 2022 Current	Non-current	Total carrying value	Fair value	November 30, 2021 Current	Non-current	Total carrying value	Fair value
Financial Assets								
Financial assets at FVTOCI								
Investments in equity instruments – listed	$ –	$ 143,144	$ 143,144	$ 143,144	$ –	$ 37,873	$ 37,873	$ 37,873
Financial assets at amortised cost								
Cash and cash equivalents	152,141	–	152,141	152,141	123,868	–	123,868	123,868
Restricted cash	–	–	–	–	6,096	–	6,096	6,096
Trade receivables	353,730	–	353,730	353,730	344,347	–	344,347	344,347
Loans and advances to joint ventures and associates	–	40,037	40,037	40,037	–	34,725	34,725	34,725
Other current assets	37,585	–	37,585	37,585	54,351	–	54,351	54,351
	$ 543,456	$ 183,181	$ 726,637	$ 726,637	$ 528,662	$ 72,598	$ 601,260	$ 601,260
Financial Liabilities								
Financial liabilities at amortised cost								
Accounts payables, excluding withholding and value added taxes	$ 98,463	$ –	$ 98,463	$ 98,463	$ 102,704	$ –	$ 102,704	$ 102,704
Accrued expenses and accrued voyage expenses	320,311	–	320,311	320,311	249,232	–	249,232	249,232
Dividend payable	53,591	–	53,591	53,591	26,829	–	26,829	26,829
Long-term lease obligations, including current maturities	49,017	174,567	223,584	223,584	43,473	166,977	210,450	210,450
Short-term loans and long-term debt, including current maturities and excluding debt issuance costs	293,109	1,691,112	1,984,221	2,032,219	537,385	1,712,418	2,249,803	2,386,211
Other current liabilities	49,407	–	49,407	49,407	37,543	–	37,543	37,543
	$ 863,898	$ 1,865,679	$ 2,729,577	$ 2,777,575	$ 997,166	$ 1,879,395	$ 2,876,561	$ 3,013,969

(in thousands)	November 30, 2022 Current	Non-current	Total carrying value	Fair value	November 30, 2021 Current	Non-current	Total carrying value	Fair value
Derivative Financial Instruments at Fair Value								
Assets								
Foreign currency exchange contracts – cash flow hedges	$ 1,065	$ –	$ 1,065	$ 1,065	$ 6	$ –	$ 6	$ 6
Interest rate swaps	5,640	6,590	12,230	12,230	–	–	–	–
Cross-currency interest rate swaps – cash flow hedges	1,840	–	1,840	1,840	583	6,868	7,451	7,451
	$ 8,545	$ 6,590	$ 15,135	$ 15,135	$ 589	$ 6,868	$ 7,457	$ 7,457
Liabilities								
Cross-currency interest rate swaps – cash flow hedges	$ 1,274	$ 5,851	$ 7,125	$ 7,125	$ 972	$ –	$ 972	$ 972
Foreign currency exchange contracts – cash flow hedges	692	–	692	692	2,649	–	2,649	2,649
Interest rate swaps	205	–	205	205	6,618	7,938	14,556	14,556
	$ 2,171	$ 5,851	$ 8,022	$ 8,022	$ 10,239	$ 7,938	$ 18,177	$ 18,177

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 $17.4 million and $24.2 million, as of November 30, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 and 2021. 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, 2022 and 2021.

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 $15.1 million and $7.5 million as of November 30, 2022 and 2021, respectively and derivative liabilities of $8.0 million and $18.2 million as of November 30, 2022 and 2021, 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, 2022 and 2021, respectively. Derivative financial instruments are measured using inputs other than quoted values. There have been no changes in the valuation techniques since November 30, 2020.

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 gains (losses) recognised in equity were as follows at November 30, 2022 and 2021:

	As of November 30,	
(in thousands)	**2022**	2021
Interest rate derivatives	**$ 12,453**	$ (12,703)
Cross-currency interest rate swaps	**8,548**	(2,308)
Foreign currency derivatives	**(10)**	(10)
Foreign exchange and interest rate hedges held by joint ventures	**4,418**	(4,325)
Deferred income tax gain on the interest rate derivatives	**(524)**	603
	$ 24,885	$ (18,743)

Foreign currency

The following foreign exchange contracts, maturing through September 2023, were outstanding as of November 30, 2022 and 2021:

(in local currency, thousands)	Purchase 2022	2021
Norwegian krone	**–**	3,005
Euro	**45,000**	38,250
Singapore dollar	**8,000**	10,085
British pound	**5,000**	14,250

The US dollar equivalent of the currencies which the Group had contracted to purchase was $58.8 million and $72.4 million as of November 30, 2022 and 2021, 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 $612.4 million and $595.0 million as of November 30, 2022 and 2021, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2022 and 2021, $0.5 million gain and $10.7 million loss, respectively, were recognised in finance expense. Any remaining amounts currently in other comprehensive income are expected to be reclassified to earnings between 2023 and 2031.

Other

At November 30, 2021, the Group had a forward contract with notional value of $10.1 million for the purchase of 2,723,186 shares of Odfjell SE class A shares. 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 at November 30, 2021. The shares were purchased in 2022. See Note 18.

Maturity of financial liabilities

For the year ended November 30, 2022 (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	$ 98,463	$ –	$ –	$ –	$ 98,463
Accrued expenses and dividend payable	373,902	–	–	–	373,902
Long-term lease liabilities, including current maturities	49,017	67,454	24,653	82,460	223,584
Interest on long-term lease liabilities	9,806	13,684	9,181	71,955	104,626
Long-term debt, including current maturities	293,109	817,069	450,480	423,563	1,984,221
Interest on long-term debt	96,282	117,539	72,890	41,542	328,253
Derivative financial liabilities	2,240	6,223	–	–	8,463
Other current liabilities	49,407	–	–	–	49,407
Total contractual obligations	$ 972,226	$ 1,021,969	$ 557,204	$ 619,520	$ 3,170,919

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
Other current liabilities	37,543	–	–	–	37,543
Total contractual obligations	$ 1,103,327	$ 947,296	$ 644,784	$ 602,017	$ 3,297,424

Long-term debt in the table above excludes debt issuance costs of $17.4 million and $24.2 million as of November 30, 2022 and 2021, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

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 nil and $40.0 million at November 30, 2022 and 2021, respectively. At November 30, 2021, 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").

On February 16, 2022, the Secured RCF, which had an expiration date of September 2022, was cancelled when 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 facility ("RCF") 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 ("DNB"). It expires on February 16, 2028 and is secured by 19 ships. The revolving credit line reduces semi-annually by $13.2 million.

As of November 30, 2022, the Group had available undrawn committed credit lines of $220.9 million from the RCF.

The weighted average interest rate on the RCF was 5.3% for the year ended November 30, 2022 and was 2.6% for the Secured RCF for both November 30, 2022 and 2021.

The Group entered into a 24-month Revolving Credit Facility during the year ended November 30, 2021. This agreement was with two banks: DNB and Swedbank AB for a total of $100 million and expired on December 31, 2022. As of November 30, 2022 and 2021, the facility was undrawn and there is no weighted average interest rate as the facility has not been utilised during either of the two years. Subsequent to November 30, 2022, the Group signed a two-year revolving credit facility for $100.0 million. See Note 33, Subsequent events, for further details.

The Group also has $25.0 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 rates during the years ended November 30, 2022 and 2021 were 2.4% and 2.1%, respectively.

Commitment fees for unused lines of credit were $3.7 million and $4.3 million for the years ended November 30, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021 consisted of the following:

(in thousands)	Notes	2022	2021
Preferred ship fixed rate mortgages:			
Fixed interest rates ranging from 2.7% to 5.4% (2021: 2.7% to 5.4%), maturities vary through 2027	(i)	$ **494,636**	$ 518,510
Preferred ship variable rate mortgages:			
Interest rates ranging from 2.6% to 7.6% (2021: 2.6% to 3.0%), maturities vary through 2029	(ii)	**355,732**	400,065
Senior secured credit facilities	(iii)	**839,214**	785,560
Senior unsecured bond issues	(iv)	**258,381**	455,225
Bank loans:			
Interest rates ranging from 1.5% to 2.1% (2021: 1.5% to 3.2%), maturities vary through 2026		**18,816**	26,284
		1,966,779	2,185,644
Less – current maturities		**(288,958)**	(490,502)
		$ **1,677,821**	$ 1,695,142

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

Long-term debt

The majority of long-term debt is denominated in or swapped into US dollars, with $135.3 million and $155.9 million denominated in other currencies and not swapped to US dollars as of November 30, 2022 and 2021, respectively.

Long-term debt consists of debt collateralised by mortgages on ships, tank containers and terminals, as well as $258.4 million unsecured bond financing at November 30, 2022.

(i) Preferred ship fixed rate mortgages

On August 3, 2022, the Group signed a $66.0 million top-up of the term loan with Danish Ship Finance A/S, increasing the term loan to $168.7 million and extending the maturity profile to June 2027. The loan was drawn in 2022 to finance the purchase of two second-hand ships and for general corporate purposes. At the time of draw down, the interest rate was fixed.

As a part of the sustainability-linked secured loan agreement entered into on February 16, 2022 that was discussed in Note 23, the Group drew $180.9 million on a term loan in March 2022. The loan was used to fully repay the loan with CEXIM and Standard Chartered Bank. At the same time, the Group swapped the floating interest of the term loan into a fixed rate. With the repayment of the CEXIM loan, the Group incurred break costs and expensed debt issuance costs and hedging losses of $11.1 million. The new term loan is a five and one-half year term loan with semi-annual payments.

The Group repaid the $30.5 million term loan secured by the *Stolt Groenland* in the first quarter of 2022. This was the result of the Group settling with its hull and machinery insurers for claims on the *Stolt Groenland*, which had an explosion onboard in 2019.

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 CEXIM and Standard Chartered Bank, signed August 15, 2013. The loans are secured by the newbuildings and was being repaid over 10 years. Interest has been fixed at an average rate of 4.94%. As noted above, this loan was repaid in 2022.

(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 June 21, 2022, the Group signed a $110.0 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 seven years and ten months. There are 33 equal payments, with a balloon payment at maturity. The drawdown of the cash coincided with the November 2022 balloon payment of the November 2015 tank container financing and the interest rate was fixed just before draw down.

On March 2, 2022, the Group signed a $127.6 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 years and ten months. There are 29 equal payments, with a balloon payment at maturity. Cash was drawn on the new facility subsequent to the May 2022 balloon payment of the May 2016 tank container financing and the interest rate was fixed just before draw down.

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.

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. This borrowing agreement was repaid in 2022.

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. This borrowing agreement was repaid in 2022.

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.

(v) Debt issuance costs

Debt issuance costs of $17.4 million and $24.2 million have been netted against long-term debt at November 30, 2022 and 2021, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $15.4 million and $7.3 million for the years ended November 30, 2022 and 2021, respectively.

Analysis of net debt

Net debt at November 30, 2022 comprises lease liabilities of $223.6 million (2021: $210.5 million), short-term bank loans of nil (2021: $40.0 million) and long-term debt, including current maturities, of $1,966.8 million (2021: $2,185.6 million) less cash and cash equivalents of $152.1 million (2021: $123.9 million).

(in thousands)	At December 1, 2021	Cash flow	Exchange differences	Other movements	**At November 30, 2022**
Cash deposits	$ 111,639	$ (39,011)	$ (1,588)	$ –	**$ 71,040**
Short-term time deposits	12,229	68,872	–	–	**81,101**
Cash and cash equivalents	123,868	29,861	(1,588)	–	**152,141**
Borrowings:					
Short-term bank loans	(40,000)	40,000	–	–	**–**
Long-term debt, including current maturities	(2,185,644)	200,208	25,934	(7,277)	**(1,966,779)**
Lease liabilities, including current maturities	(210,450)	51,210	5,856	(70,200)	**(223,584)**
Net debt	**$ (2,312,226)**	**$ 321,279**	**$ 30,202**	**$ (77,477)**	**$ (2,038,222)**

(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)**

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

In the year ended November 30, 2022, other non-cash movements in net debt primarily represent $70.2 million of new or modified leases, net of reductions, and $15.4 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs of $8.5 million.

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.

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, 2022, 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

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

	As of November 30,	
(in thousands)	**2022**	2021
Non-current assets	**$ 20,602**	$ 25,370
Non-current liabilities	**(20,342)**	(31,720)
Net pension asset (liability)	**$ 260**	$ (6,350)

This is composed of the net of the present value of funded obligations and fair value of plan assets as follows:

	As of November 30,	
(in thousands)	**2022**	2021
Present value of funded obligations	**$ (177,630)**	$ (247,310)
Fair value of plans assets	**177,890**	240,960
	$ 260	$ (6,350)

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, are 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, 2022 and 2021, consisted of the following:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Service cost	**$ 567**	$ 611
Interest cost, net	**233**	628
Cost of plan administration	**320**	1,045
Net periodic benefit cost (income)	**$ 1,120**	$ 2,284

Impact on equity

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

	For the years ended November 30,	
(in thousands)	**2022**	2021
Effect of changes in demographic assumptions	**$ (322)**	$ (302)
Effect of changes in financial assumptions	**59,727**	4,745
Effect of experience assumptions	**332**	(241)
Return on plan assets (excluding interest income)	**(56,502)**	11,340
Remeasurements recognised in other comprehensive income	**$ 3,235**	$ 15,542

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

	For the years ended November 30,	
(in thousands)	**2022**	2021
Benefit obligations at beginning of year	**$ 247,310**	$ 257,336
Current service cost	**567**	604
Past service cost	**–**	7
Interest cost	**5,885**	5,608
Benefits paid	**(13,171)**	(11,699)
Foreign exchange rate changes	**(3,224)**	(344)
Remeasurements:		
Effect of changes in demographic assumptions	**322**	302
Effect of changes in financial assumptions	**(59,727)**	(4,745)
Effect of experience adjustments	**(332)**	241
Benefits obligation at end of year	**$ 177,630**	$ 247,310

Change in plan assets

(in thousands)	For the years ended November 30, 2022	2021
Fair value of plan assets at beginning of year	$ 240,960	$ 235,838
Return on plan assets (excluding interest income)	(56,502)	11,340
Interest income	5,652	4,980
Company contributions	4,080	1,819
Foreign exchange rate changes	(2,809)	(273)
Benefits paid	(13,171)	(11,699)
Expenses paid	(320)	(1,045)
Fair value of plan assets at end of year	$ 177,890	$ 240,960

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, 2022	2021
Actives	$ 32,216	$ 52,253
Vested former employees not yet retired	32,352	51,517
Retirees	113,062	143,540
	$ 177,630	$ 247,310

The number of participants are as follows:

	As of November 30, 2022	2021
Actives	975	964
Vested former employees not yet retired	499	542
Retirees	695	683
	2,169	2,189

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, 2022	2021
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	**5.02 %**	2.47 %
Rate of compensation increase	**4.07 %**	3.94 %
Rate of pension increases	**3.02 %**	3.26 %
Rate of price inflation	**3.07 %**	3.37 %
Life expectancy for an individual currently at 65:		
Male	**20.8 yrs**	21.1 yrs
Female	**22.9 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 2022.

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 2.5%	Increase by 2.6%
Salary growth rate	0.25%	Increase by 0.0%	Decrease by 0.0%
Pension growth rate	0.25%	Increase by 0.3%	Decrease by 0.2%

	Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy	Increase by 2.4%	Decrease by 2.4%

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, 2022 and 2021, by category, were as follows:

	As of November 30,			
(in thousands)	**2022**	**%**	2021	%
Cash and cash equivalents	**$ 24,429**	**14%**	$ 2,166	1%
Equity instruments	**40,780**	**23%**	63,592	26%
Debt instruments	**104,895**	**59%**	159,229	66%
Real estate	**3,970**	**2%**	12,161	5%
Investment funds	**1,602**	**1%**	1,799	1%
Assets held by insurance company	**356**	**–**	285	–
Other	**1,858**	**1%**	1,728	1%
Total	**$ 177,890**	**100%**	$ 240,960	100%

The fair value of all plan assets was based on quoted market prices, except for real estate of $4.0 million, assets held by insurance companies of $0.4 million and cash with a value of $24.4 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 $2.0 million to its defined benefit pension and post-retirement benefit plans in 2023.

Weighted average duration of the defined benefit obligation is 10.7 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

As of November 30, 2022 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 11,108	$ 21,932	$ 22,670	$ 59,191	**$ 114,901**
Post-employment benefits	467	945	694	1,360	**3,466**
Total	**$ 11,575**	**$ 22,877**	**$ 23,364**	**$ 60,551**	**$ 118,367**

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**

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 $20.5 million and $19.5 million for the years ended November 30, 2022 and 2021, respectively.

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 provision	Perth Amboy environmental provision	Restructuring	**Total**
Balance at December 1, 2021	**$ 2,199**	**$ 367**	**$ 402**	**$ 2,968**
Additional provisions recognised, net	3,596	–	–	3,596
Reductions arising from payments	(1,353)	(153)	(367)	(1,873)
Net foreign exchange differences	53	–	(1)	52
Balance at November 30, 2022	**$ 4,495**	**$ 214**	**$ 34**	**$ 4,743**

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 restructuring provision relates to severance payments.

Long–term provisions

(in thousands)	Environmental provision	Asset retirement obligations	Claims provision	**Total**
Balance at December 1, 2021	**$ 534**	**$ 322**	**$ 163,270**	**$ 164,126**
(Reversal) additional provisions recognised, net	(530)	222	(6,610)	(6,918)
Reductions arising from payments	–	(32)	–	(32)
Net foreign exchange differences	(4)	(30)	25	(9)
Balance at November 30, 2022	**$ –**	**$ 482**	**$ 156,685**	**$ 157,167**

The environmental provision related to ground water and soil disposal remediation costs necessary to remedy various contamination risks identified in Stolthaven terminals. The provision was based on the present value of the expected costs to remediate the land. The remaining provision was released on May 25, 2022, following the sale of 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, 2022, these amounts related to obligations on certain offices with this obligation. 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 five 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* (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.

27. Commitments and Contingencies

As of November 30, 2022, and 2021, the Group had total capital expenditure purchase commitments outstanding of approximately $66.6 million and $75.7 million, respectively. At November 30, 2022, $13.2 million of the total related to a tankers new building and $2.8 million to other tanker projects. In addition, the Group has committed to terminal projects of $39.9 million, tank container projects of $1.8 million and $7.1 million in Sea Farm. Of the total purchase commitments at November 30, 2022, $55.6 million are expected to be paid within the next 12 months. The commitments will either be paid out of the existing liquidity or through external financing.

Purchase commitments of joint ventures and associates

The Group's joint ventures and associates had $93.0 million of total capital expenditure commitments on November 30, 2022 of which $67.5 million is expected to be paid within the next 12 months. Of the total commitments, $45.4 million related to a planned expansion at the joint venture terminal in Malaysia and $34.8 million in a new joint venture terminal in Taiwan. The commitments will be paid out of either 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.

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 $0.4 million and $0.2 million as of November 30, 2022 and 2021, 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, 2022 and 2021. 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, 2022 and 2021. Interest received was less than $0.1 million for both 2022 and 2021.

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)	**2022**	2021
Board fees	**$ 908**	$ 885
Salary and benefits	**4,624**	4,733
Profit sharing	**2,546**	1,008
Long-term incentives	**986**	751
Defined benefit pension cost	**3,185**	259
Defined contribution pension cost	**297**	428
Total compensation and benefits	**$ 12,546**	$ 8,064
Average number of key managers included	**8**	9

At the end of 2022 and 2021, the Board of Directors consisted of seven and eight 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)	**2022**	2021
Joint ventures:		
Amounts due from the Group	**$ 25,918**	$ 16,447
Amounts due to the Group	**50,581**	50,185

Included within Amounts due to the Group are $10.4 million and $15.5 million as of November 30, 2022 and 2021, 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 $15.8 million and $17.6 million as of November 30, 2022 and 2021, respectively, bear interest at six-month LIBOR plus 1%. The Group had also made long-term advances of $24.4 million and $17.1 million to other joint ventures and associates at November 30, 2022 and 2021, respectively. Interest on these range from 4.8% to 6.5% in 2022 and 2021. Interest received in cash for 2022 and 2021 was $0.5 million and $0.3 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, 2022	2021
Joint Ventures		
Charter hire revenue[1]	**$ 153,757**	$ 120,835
Tank container cleaning station revenue	**8,881**	1,312
Charter hire expense	**59,543**	48,524
Management, freight and joint service commission and other expenses	**27,007**	20,710
Finance expense	**1,049**	1,500
Other expense	**503**	372
Associates		
Bareboat revenue	**$ 4,280**	$ 4,775
Commission, management and other revenue[2]	**1,928**	3,798
Tank container cleaning station revenue	**3,050**	3,801

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 $0.8 million and $0.9 million as of November 30, 2022 and 2021, 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 2022 and 2021, the Group has been involved in certain civil litigation cases, which are described below.

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 and severally liable with Deltech for the incident where the counterparties are alleging damages of $186.0 million, excluding interest. The claim is substantially 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 on liability 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 Phase 3 trial to assess the quantum of damages has been stayed pending the ruling on appeal. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

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 transship the cargo on board in Malaysia, following which she went for repair. General Average was declared. The wreck of the *Thorco Cloud*, which was in two pieces, required 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. All of the outstanding claims arising out of this casualty were resolved by December 2022.

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 defense, 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.

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 continues to defend the remaining ship officer who is subject to a travel ban from leaving the country during the pendency of the criminal charges filed against him by the South Korean public prosecutor for his 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, 2022, 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, 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 and 2022	**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, 2022, there were 58,523,796 (2021: 58,523,796) Common Shares issued, of which Treasury shares were 5,000,000 (2021: 5,000,000). 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 17, 2022, the Group's Board of Directors declared an interim dividend of $1.00 per Common share and $0.005 per Founder's share to shareholders of record as of November 24, 2022. The total amount of the dividend was $53.6 million, which was classified as an interim dividend and paid on December 8, 2022.

On February 24, 2022, the Group's Board of Directors recommended a final dividend for 2021 of $0.50 per Common share payable on May 11, 2022 to shareholders of record as of April 27, 2022. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 21, 2022 in Bermuda. The total amount of the dividend was $26.8 million and paid on May 11, 2022.

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.

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 2022, leaving $8.7 million available for future purchases.

Founder's Shares and Treasury shares

As of November 30, 2022, 13,380,949 (2021: 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, 2022, 5,000,000 (2021: 5,000,000) Treasury shares were held by the Group. The Group also held 1,250,000 (2021: 1,250,000) 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, 2022 and 2021, 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)	**2022**	2021
Short-term loans, long-term debt and lease liabilities	**$ 2,190,363**	$ 2,436,094
Equity attributable to equity holders of SNL less intangible assets and excluding other components of equity	**1,894,272**	1,688,964
Debt to tangible net worth	**1.16**	1.44

The debt to tangible net worth of 1.16 at November 30, 2022 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:

	For the years ended November 30,	
(in thousands, except per share data)	**2022**	2021
Net profit	**$ 280,855**	$ 78,806
Less: Dividends on Founder's Shares	**(67)**	(67)
Net profit attributable to holders of Common Shares	**$ 280,788**	$ 78,739
Basic and diluted weighted average shares outstanding	**53,524**	53,524
Basic earnings per share	**$ 5.25**	$ 1.47
Diluted earnings per share	**$ 5.25**	$ 1.47

32. Reconciliation of Net Profit to Cash Generated from Operations

(in thousands)	For the years ended November 30, 2022	2021
Net profit	**$ 280,855**	$ 78,806
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**277,368**	290,498
Amortisation of intangible assets	**4,755**	4,961
Impairment of goodwill and property, plant and equipment	**–**	10,000
Finance expense, net	**129,809**	124,909
Net periodic benefit expense of defined benefit pension plans	**1,120**	2,284
Income tax expense	**28,064**	24,405
Share of profit of joint ventures and associates	**(53,963)**	(39,470)
Fair value adjustment on biological assets	**974**	(17,379)
Foreign currency exchange loss, net	**1,291**	2,673
Unrealised bunker hedge gain	**–**	(251)
(Gain) loss on disposal of assets, net	**(5,562)**	3,010
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(11,293)**	(81,937)
Decrease (increase) in restricted cash	**6,096**	(6,096)
(Increase) decrease in inventories	**(3,863)**	1,309
Increase in biological assets	**(518)**	(4,660)
Increase in prepaid expenses and other current assets	**(6,100)**	(31,452)
Increase in accounts payable and other current liabilities	**74,779**	62,611
Contributions to defined benefit pension plans	**(4,080)**	(1,819)
Dividends from joint ventures and associates	**41,060**	22,869
Other, net	**633**	3,145
Cash generated from operations	**$ 761,425**	$ 448,416

33. Subsequent Events

On December 9, 2022, the Group signed a two-year revolving credit facility secured by the shares in the Group's joint venture, ASA, for $100.0 million. The facility is with DNB and has the option to be extended for two additional years. This replaced the $100.0 million revolving credit facility with DNB and Swedbank which expired on December 31, 2022.

Subsequent to November 30, 2022, the Group sold 939,676 shares of CoolCo for approximately $12.7 million.

On February 23, 2022, the Group's Board of Directors recommended a final dividend for 2022 of $1.25 per Common share, to be voted on at the Group's Annual General Meeting ("AGM") for shareholders to be held on April 20, 2023. If confirmed by the AGM, the dividend will be paid on May 10, 2023 to shareholders of record as of April 26, 2023.

Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated Group and Company Financial Statements for the period December 1, 2021 to November 30, 2022 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 67 -139 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 15, 2023