



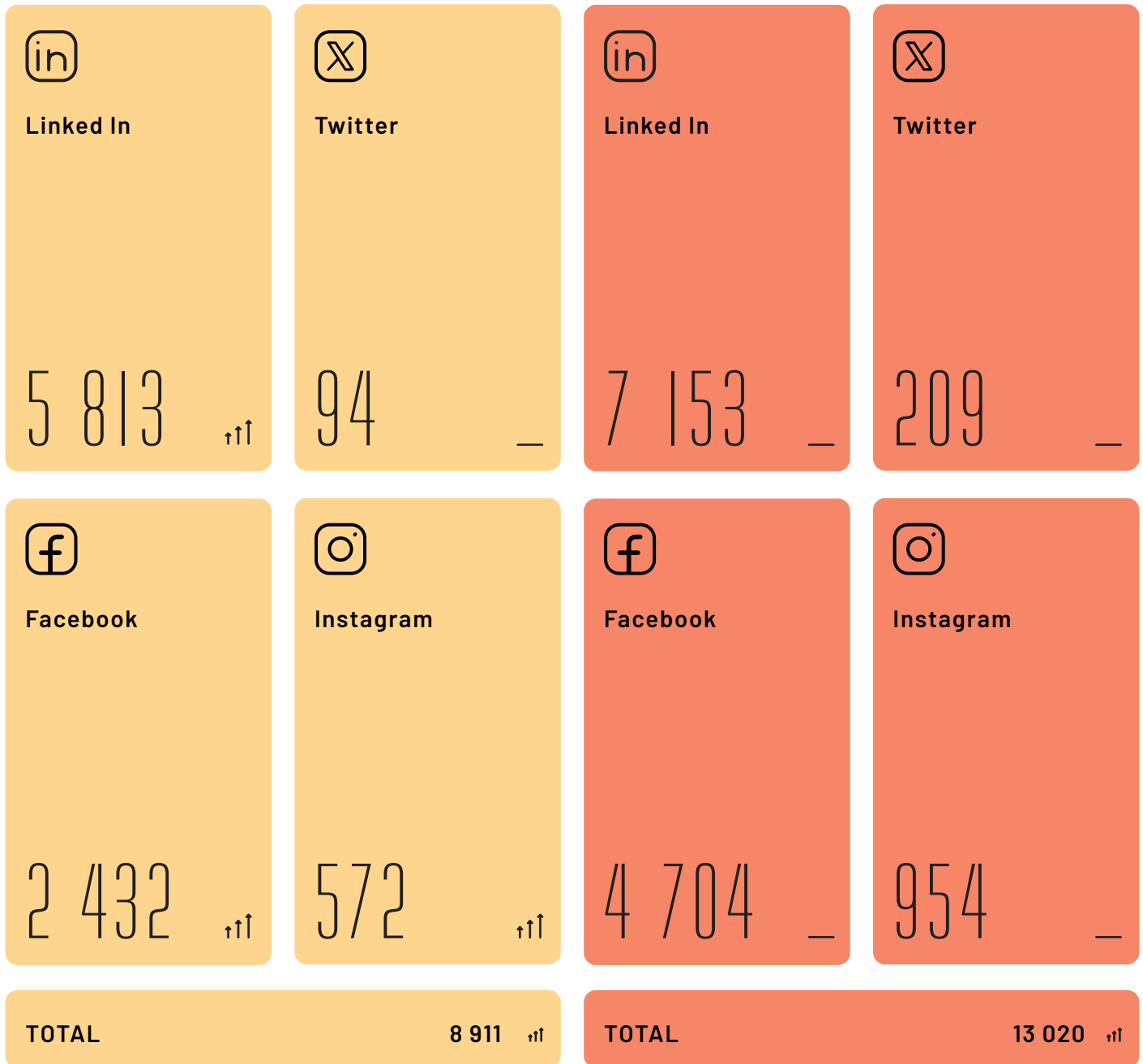
**ANNUAL REPORT**  
2025





# HIGHLIGHTS

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## ACRONYMS

<b>AFS:</b> Annual Financial Statements
<b>CEO:</b> Chief Executive Officer
<b>CFO:</b> Chief Financial Officer
<b>CSI:</b> Corporate Social Investment
<b>EEA:</b> Eswatini Environment Authority
<b>EFES:</b> Eswatini Fire and Emergency Services
<b>ENPC:</b> Eswatini National Petroleum Company
<b>EPC:</b> Engineering, Procurement & Construction
<b>ESERA:</b> Eswatini Energy Regulatory Authority
<b>ESG:</b> Environment Social, Governance
<b>EXCO:</b> Executive Committee
<b>EIPA:</b> Eswatini Investment and Trade Promotion Authority
<b>GHG:</b> Greenhouse Gas
<b>ICT:</b> Information and Communication Technology
<b>IPPU:</b> Industrial Processes and Product Use
<b>KNDA:</b> Key National Development Areas
<b>KNDS:</b> Key National Development Sites
<b>LPG:</b> Liquefied Petroleum Gas
<b>MNRE:</b> Ministry of Natural Resources and Energy
<b>MRV:</b> Measurement, Reporting, and Verification
<b>NDCs:</b> Nationally Determined Contributions
<b>OEEC:</b> Overseas Electric & Engineering Corporation
<b>PEU:</b> Public Enterprise Unit
<b>SADC:</b> Southern African Development Community
<b>SGDs:</b> Sustainable Development Goals
<b>SFA:</b> Strategic Focus Areas
<b>SFRF:</b> Strategic Fuel Reserve Facility
<b>ULP:</b> Unleaded Petrol
<b>UNFCC:</b> United Nations Framework Convention on Climate Change

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**FOREWORD**

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## MINISTER'S FOREWORD

It is my honour to present this Annual Report, which reflects the progress made by the Eswatini National Petroleum Company (ENPC) in fulfilling its mandate of ensuring secure, reliable, and sustainable fuel supply for Eswatini.

The reporting period was marked by significant milestones that underscore our collective commitment to energy security, economic growth and national development. As such, one of our most notable achievements was the appointment of the Engineering, Procurement, and Construction (EPC) Contractor for the Strategic Fuel Reserve Facility (SFRF). This included the signing of an agreement with the Overseas Electric & Engineering Corporation (OEEC) which covered the detailed design, procurement of materials, and construction of this critical facility which are significant steps towards the establishment of the SFRF.

While finalisation of funding remained pending at the close of the reporting period, the Ministry of Natural Resources and Energy continued to work closely with the ENPC in advancing discussions with EXIM Bank of China (Taiwan) to secure loan financing within the reporting period. As such, we are confident that these efforts will culminate in the commencement of construction in the 2025/26 financial year, paving the way for completion of the SFRF within three years.

Cabinet's approval of twenty-five Key National Development Areas (KNDAs) for licensing by the ENPC within the period under review also marked considerable progress towards ensuring equitable and strategic access to petroleum products. Furthermore, draft regulations to guide the licensing of these areas have been prepared and are awaiting final approval in the upcoming financial year, marking another crucial step for the Company.

Significant progress was also achieved for the development of licensing guidelines for Rural Fuel Retail Stations in the period under review. Initiatives that are designed to extend fuel accessibility to underserved communities, foster inclusivity and drive rural development. Let me add that with the guidelines now completed, the next phase will focus on the operating model and concept designs for the Rural Fuel Retail Stations, ensuring that they are sustainable and responsive to community needs.

From a governance perspective, I proudly acknowledge the ENPC Board for investing in ensuring that strategic oversight and internal controls were applied diligently to safeguard long term viability and financial sustainability of the Company. This was achieved through processes initiated to close current gaps and to promote the highest standards of accountability and ethical conduct. In retrospect, the achievements of this reporting year reflect a clear trajectory towards fulfilling our Strategic Objectives as the ENPC.

In conclusion, I hereby commend the Board, Management, and Staff together with all of the Company's stakeholders, for their dedication and partnership in advancing our shared vision. Together, we will continue to strengthen our energy infrastructure, safeguard supply security, and contribute meaningfully to the broader National Development Agenda.

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**HRH Prince Lonkhokhela**

Minister of Natural Resources and Energy



**Mr Velaphi Dlamini**  
Board Chairperson

## CHAIRPERSON'S STATEMENT

On behalf of the Board of Directors, I am honoured to present the Annual Report for the 2024/25 financial year. This year was characterised by strategic progress, prudent governance, and a continued focus on positioning the Eswatini National Petroleum Company (ENPC) as a catalyst for growth and sustainability in the petroleum sector. In addition, through a Board-commissioned investigative audit, governance failures and failures of control within the organisation were identified and corrective measures put in place.

A key highlight of the reporting year was the advancement towards securing funding for the construction of the Strategic Fuel Reserve Facility (SFRF), where we, through the Ministry of Finance received a favourable loan term sheet from the EXIM Bank of China (Taiwan). This is a critical step towards the commencement of the construction of this nationally significant infrastructure.

The onus thus remains upon us to maintain the momentum for the establishment of the SFRF as our primary goal as a company, which is earmarked to enhance the country's energy security, improve resilience in fuel supply, and contribute to long-term economic stability once operational.

In pursuit of Operational Excellence (Strategic Focus Area 3), which speaks to implementing world-class business systems, we took the first steps of a comprehensive digital transformation journey through the implementation of an Information Communication and Technology (ICT) Master Plan. This strategic shift will enable us to streamline processes, enhance efficiency, strengthen cybersecurity, and embed data-driven decision-making across the organisation. We also developed key Information Technology (IT) policies for the organisation which include the Information Security Policy and IT Change Management Policy which have closed important gaps and positioned ENPC for sustainable growth through innovation and robust governance.

Further afield, we continued to strengthen our regional partnerships and stakeholder engagements, expanding our collaboration with national oil companies in the SADC region and initiating new conversations with regional and international suppliers. These partnerships are vital in securing technical expertise, supply chain support, and opportunities for growth in a competitive global petroleum market.

Equally important was our investment in people and leadership development, reflecting our commitment to building a resilient and future-ready workforce. This was confirmed by our 85% execution rate of the Company's Annual Training and Development Plan within the reporting period which equipped employees with the skills, knowledge, and leadership capabilities required to drive the Company's strategic objectives. Moreover, our merit-based recruitment and balanced gender representation equally affirmed our dedication to fairness, inclusivity, and high performance in the past financial year. Looking forward, ENPC remains committed to executing its mandate with integrity, efficiency, and innovation to continuously deliver long-term value for stakeholders while supporting national energy security and economic development.

On behalf of the Board, I thus extend my sincere appreciation to the Ministry of Natural Resources and Energy, Management, Staff and all stakeholders for their unwavering support and contributions throughout the year. Together, we are charting a course for ENPC that is sustainable, inclusive, and growth-oriented.



## CEO's REMARKS

I am pleased to present the Annual Report for ENPC for the year ended 31 March 2025. This report provides a transparent account of our financial performance, operations, and strategic direction, highlighting our company's pivotal role in ensuring energy security and fostering sustainable value creation for all our stakeholders.

The past year has been defined by our commitment to strategic foresight and operational excellence. A key achievement has been our participation in the development of the Strategic Fuel Reserve Facility Emergency Petroleum Product Supply Plan. This comprehensive plan, developed under the guidance of the Ministry of Natural Resources and Energy (MNRE), is crucial for safeguarding Eswatini's fuel supply against potential disruptions. The plan is currently under review, and we anticipate its approval in the next financial year, which will be a significant step toward bolstering our nation's security of supply.

Moreover, in line with our dedication to increasing access to cleaner energy and empowering local communities, we made significant progress in the distribution of the Phephile Gas composite cylinders as a safe and viable energy option for clean cooking and heating. In that vein, within the period under review, we successfully engaged local businesses for the filling and distribution of 10,504 cylinders, with a total volume of 110,644 kg, across the four regions of Eswatini. Developments that we take pride in, as the National Petroleum Company.

Despite this encouraging progress, we recognize that operational challenges relating to cylinder shortages persisted during the past year. Hence, we will proactively review and strengthen our strategy to enhance responsiveness and ensure sufficient supply to meet growing demand in the next financial year.

At internal level, our staff remained a top priority which we recognised in our ongoing Talent Management Strategy that focuses on continuous learning and development as a key driver of our organisational performance. We also implemented a range of targeted training initiatives to enhance our employees' technical competencies and leadership capabilities in the reporting period. This was to ensure that we have a skilled and agile workforce ready for the future. As we look ahead, we remain focused on our mission to provide reliable energy solutions while upholding the highest standards of transparency and corporate governance.

At this point, I extend my sincere gratitude to the MNRE our parent ministry, for their continued guidance in the execution of our mandate. I also acknowledge all our stakeholders for enabling us to be the Company we are today, not forgetting our Board, Management and Staff for their hard work and commitment to the success of the Company. As we chart forward, we are confident that our strategic initiatives and unwavering commitment as a Company will drive long-term growth and create lasting value for Eswatini.

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**Mr Musa Shongwe**  
Acting Chief Executive Officer



# INTRODUCTION

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## ABOUT THE ENPC

Established through the Petroleum Act No. 18 of 2020, the Eswatini National Petroleum Company (ENPC) is a 100% state-owned entity under the Ministry of Natural Resources and Energy (MNRE) and is recognised as the country's national oil company by the Petroleum Act of 2020.



### Vision

ENPC has a vision to be an innovative leader in the supply of and access to petroleum products towards economic growth and sustainability.



### Mission

ENPC is committed to enhancing local supply and access to quality petroleum products through optimal storage and trading.

### Our Tagline: "Fuelling tomorrow"

ENPC's primary function is to ensure fuel supply security in the country. Hence, the company's tagline is 'Fuelling tomorrow', which reflects how the Company is committed to ensuring that the fuel needs of the Kingdom of Eswatini are consistently and efficiently met today and sustainably ensured for the future.

### ENPC Mandate

According to the Petroleum Act of 2020, ENPC has the primary mandate of ensuring fuel supply security in the country. As encapsulated in its objectives in the Petroleum Act of 2020, ENPC is also expected to secure, market and trade in crude oil and petroleum products and carry out the business of supplying and distributing petroleum and petroleum products into and from the Kingdom of Eswatini.

Moreover the ENPC should carry the business of importing and exporting petroleum products into and from the Kingdom of Eswatini, issue rural area licenses in Key Development Areas and carry out the blending of fuel for the production of biofuels in Eswatini amongst other objectives. Central to the company's mandate is the construction of the country's Strategic Fuel Reserve Facility (SFRF) to ensure the security of fuel supply in the country through the establishment of an 80 million litre storage facility to provide a 60-day fuel buffer for the country.

### Our Strategic Direction

As part of its long-term vision to optimise resource allocation, improve decision making, manage risks, gain a competitive advantage in a dynamic market and ensure that the Company remains proactive and adaptable to change. ENPC is guided by a 3-year Strategic Plan (2023- 2026) that is anchored on four Strategic Focus Areas (SFA's) which include,

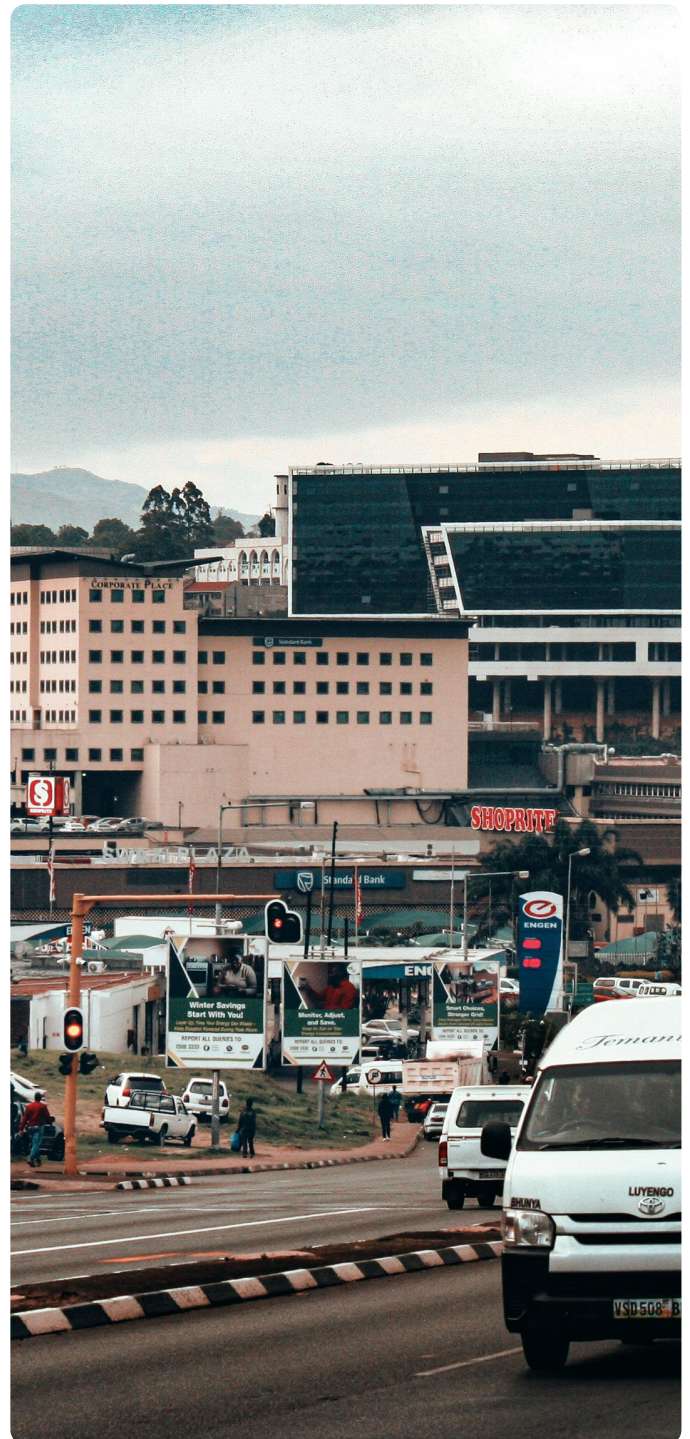
- i. Access and fuel supply security
- ii. Customer and stakeholder orientation
- iii. Operational excellence and
- iv. Financial growth and sustainability

These SFAs are intended to ensure fuel supply security, in line with the company's mandate and reduce the nation's vulnerability to price shocks that may be experienced due to the volatile nature of the petroleum industry while also supporting economic development.

ENPC also implements programmes and strategies that take into consideration the needs and expectations of customers and stakeholders by getting valuable feedback and insight from customers, identifying problems and measuring progress to increase and improve stakeholder satisfaction as part of its Customer and Stakeholder Orientation.

### About the Report

ENPC is pleased to present its Annual Report for the year ended 31 March 2025 as a transparent account of its financial performance, operations and strategic direction, highlighting the company's role in energy security, sustainability and stakeholder value creation. This is in line with the prescribed reporting standards and guiding legislations that govern the Company.





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GOVERNANCE



## BOARD OF DIRECTORS

ENPC's board offers strategic guidance, executive oversight, financial stewardship and ensures the Company's adherence to its governance framework amongst its broad functions in order to meet the interests of the company stakeholders and those of the Government of Eswatini as its shareholder. The ENPC Board comprises of nine (9) members appointed by the Minister of Natural Resources and Energy (MNRE) as provided for in Section 28 of the Petroleum Act, 2020. Moreover, in accordance with the Public Enterprises (Control and Monitoring) Act 1989.

### Term of Office

ENPC's Board members serve for a period of three (3) years may be re-appointed by the Minister for one more term of three (3) years. Apart from the CEO, a Board member may not be appointed for a period longer than six years, as stated in the Petroleum Act of 2020. At the end of the financial year 2024/25, there were no changes to the Board of Directors.



**Mr Velaphi Dlamini**  
Board Chairperson



**Mr Pius Gumbi**  
Non-Executive Director



**Mr Dumezweni Dlamini**  
Non-Executive Director



**Ms Thabile Nkosi**  
Non-Executive Director



**Mr Justice F. Dlamini**  
Non-Executive Director



**Mr Armstrong Dlamini**  
Non-Executive Director



**Mr Khetsimphilo Dlamini**  
Non-Executive Director



**Mr Mfanaleni Kunene**  
Non-Executive Director

### Board Committees

The Board has three (3) committees that assist with its governance and oversight, namely the Audit and Risk Committee, the Remuneration Committee and the Technical Committee. All Committees are chaired by Non-executive directors and meet at least four (4) times per year to perform their roles and discharge their responsibilities. More information on the composition of each of the Board committees, their roles, and meeting attendance during the year is provided in the following pages.

#### Audit and Risk Committee

The Audit and Risk Committee provides independent oversight on the assurance functions and services of the Company, with particular focus on combined assurance arrangements that include external assurance service providers, internal audits, and finance.

This committee also ensures the integrity of the Company's Annual Financial Statements (AFS) and other external reports issued by the company to the extent of its delegation. The Audit and Risk Committee also oversees all aspects of the Company's financial position, regarding its quantum, nature, and terms of

its debt facilities, investments, and its ability to meet its debts and other obligations as they fall due. Furthermore, it oversees the identification, profiling, and management of the company's enterprise-wide risks.

#### Remuneration Committee

The Remuneration Committee supports the Board by providing independent oversight on human resources policies and practices that create an appropriate environment to attract and retain high-performing individuals who can facilitate the achievement of the ENPC's strategic objectives.

Hence, it focuses on remuneration governance, ensuring fair, responsible and transparent remuneration for the company's employees, thereby promoting the achievement of the company's strategic objectives to ensure positive outcomes in the short, medium, and long term.

#### Technical Committee

The Technical Committee plays a vital role in the oversight of ENPC's core mandate which is focused on the establishment of the (SFRF). Hence, the committee provides oversight on the



construction of ENPC’s facilities which include the SFRF and is also expected to provide oversight on the company’s Liquefied Petroleum Gas facility and the rural fuel retail stations once they are established.

As part of its additional functions, the committee also promotes business development by ensuring the review of ENPC’s business strategies, plans and operating models before submission to the Board. In addition, the Technical Committee oversees the performance of the Company’s operational businesses to provide guidance on efficiency improvements and to review proposed operational improvement initiatives before Board approval. The Technical Committee will also oversee the management of the inventory levels at the SFRF.



## BOARD ACTIVITIES

### Board Induction And Training

Following the appointment of the Board by the Minister on the 15th of July 2024, ENPC’s Board members underwent an induction process for a week between the 19th and the 23rd of August 2024. The induction process was primarily to equip the Board with the requisite knowledge, skills and understanding of their roles as well as get insights into the ENPC strategy. In addition, it was also aimed at outlining ENPC’s governance principles, ethos and values.

The induction process also gave board members an additional opportunity to further understand the legislative environment under which ENPC operates through presentations on the Petroleum Act of 2020, the Public Enterprise (Control and Monitoring) Act of 1989, and the Eswatini Public Procurement Act among others. After the induction process, the Board held a meeting where they adopted the 2023- 2026 ENPC Strategic Plan and also approved the Balanced Scorecard and budget for the 2024/25 financial year.

### Annual General Meeting

The Board, together with ENPC’s shareholder represented by the Minister of Natural Resources and Energy, held the 3rd Annual General Meeting on 26th March 2025 at the Hilton Garden Inn Hotel.

### Board Meeting Attendance

The Board held three statutory Board meetings and six extraordinary Board meetings over the financial year. Attendance during the year for all Board meetings is summarised in Table 1.

**Table 1:** Attendance and Composition of the Board Meetings

Board member	Role	Statutory Meetings	Extraordinary Meetings
Mr. Velaphi Dlamini	Chairperson	3/3	6/6
Mr. Justice Dlamini	Member	2/3	5/6
Mr. Dumezweni Dlamini	Member	3/3	6/6
Mr. Armstrong Dlamini	Member	3/3	6/6
Mr. Mfanaleni Kunene	Member	3/3	6/6
Mr. Khetsimphilo Dlamini	Member	3/3	6/6
Mr. Pius Gumbi	Member	1/3	5/6
Ms. Thabile Nkosi	Member	3/3	5/6

**Table 2:** Attendance and Composition of the Audit and Risk Committee Meetings

Board member	Role	Meetings Attended
Mr. Armstrong Dlamini	Chairperson	2/3
Mr. Khetsimphilo Dlamini	Member	3/3
Mr. Justice Dlamini	Member	3/3
Mr. Pius Gumbi	Member	2/3
Mr. Mfanaleni Kunene	Member	3/3

**Table 3:** Attendance and Composition of the Remuneration Committee Meetings

		Meetings
Mr. Khetsimphilo Dlamini	Chairperson	2/2
Mr. Velaphi Dlamini	Member	2/2
Ms Thabile Nkosi	Member	2/2
Mr. Dumezweni Dlamini	Member	2/2
Mr. Armstrong Dlamini	Member	1/2

**Table 4:** Attendance and Composition of the Technical Committee Meetings

Board member	Role	Meetings Attended
Mr. Dumezweni Dlamini	Chairperson	2/2
Mr. Pius Gumbi	Member	1/2
Mr. Justice Dlamini	Member	2/2
Mr. Mfanaleni Kunene	Member	2/2
Ms. Thabile Nkosi	Member	2/2



Good governance is less about structure and rules than being focused, effective and accountable.



### Executive Management

ENPC's Executive Committee serves as a central decision-making and oversight body responsible for shaping the organisation's strategic direction, policies, and operations. It also plays a crucial role in organisations' success and sustainable growth, discussing important issues, setting priorities, and aligning the organisation's objectives with its overall mission and vision.



**Buyile Dlamini - Nojekwa**  
Business Development  
Manager



**Bongekile Matsenjwa**  
Engineering  
Manager



**Mr Musa Shongwe**  
Acting Chief Executive  
Officer



**Ms Susan Nkumane**  
Chief Financial Officer



**Gugulethu Bennett**  
Marketing & Communications  
Manager



**Ms Ziyanda Mtetwa**  
Human Resources  
Manager



**Mr Sihle Mavimbela**  
General Manager  
Operations



**Mr Victor Dlamini**  
IT Manager

### Senior Management

ENPC's Senior Management is responsible for developing and implementing company-wide strategies, setting organisational objectives, and managing departmental budgets to maximise performance and profitability. Furthermore, its responsibilities include guiding and supervising other managers and ensuring effective communication and alignment with company goals across all levels of the organisation.



**Sisana Mondlane**  
Finance Manager



**Ms Qinisile Maseko**  
Legal & Company Secretary



Every challenge we faced became a stepping stone toward a stronger, more innovative tomorrow.



## Governance Framework

### Statement of Compliance

The ENPC applies sound corporate governance principles, practices, and processes in an ethical and transparent manner. Moreover, the Company prudentially undertakes its operations with a focus on ensuring the long-term viability and sustainability of the Company's operations. The Board furthermore remains fully committed to maintaining best practice standards in ENPC's operations.

### Board Charter

The ENPC Board is governed by a Board Charter that outlines the principles, roles, responsibilities and functions of the Board members in fulfilling their duties and carrying out their mandate as members of the Board. The Board Charter outlines the Board's composition, duties, the extent of its authority and the procedures that the Board must follow in carrying out its duties, which are of paramount importance to the success and sustainability of the Company.



### Conflict of Interest

The Conflict-of-Interest Policy enables ENPC to hold the Board and employees accountable when issues related to conflict of interest arise. The Board is thus expected to execute its functions with integrity in line with the Company's values. In this light, all Board members are bound by the Conflict-of-Interest Policy, where members who are conflicted, be it in a personal or financial capacity in accordance with the Companies Act, are recused from attending the meetings and participating in agenda items. As such, conflicted Board members recused themselves in matters where there was perceived conflict in the reporting period.

### Ethical Conduct

Ethical Conduct is enshrined in the ENPC Values, spurring the Board and staff to align themselves with these ethos. In that vein, the ENPC Board resolved that a preliminary investigation be undertaken by the Audit and Risk Committee to assess and establish prima facie evidence of malfeasance, corruption, or collusion between management and suppliers in areas of consulting, policy formulation, project management, and other

matters incidental thereto. Terms of Reference were thus shared with EXCO by the Board to conduct the investigation and report back to the Board. Thereafter, the Audit and Risk Committee conducted the investigation and presented a final report to the Board and Honourable Minister of Natural Resources and Energy.

### Responsible Citizenship

The ENPC advocates for policies and programmes that create social justice, embody good values, and promote responsible corporate citizenship. In that light, the Board approved the Corporate Social Investment (CSI) Implementation Plan in the reporting period. This Implementation outlines ENPC's commitment to promote positive environmental and socio-economic development in the communities and organisations which are impacted by its products and services.

### Company Strategy

The Board endorsed the 2023 to 2026 Strategic Plan for the Company during the reporting period and further reviewed the Strategy and Annual Implementation Plan in alignment with the core mandate of the Company. The Strategy is focused on four focus areas, namely Access and Fuel Supply Security, Customer and Stakeholder Orientation, Operational Excellence as well as Financial Growth and Sustainability. The Board receives quarterly updates on the progress made in implementing the Strategic Plan from the EXCO.

### Risk Oversight

In the reporting period, the Board approved the Annual Enterprise Risk Management Plan for 2024/25, giving oversight to the Audit and Risk Committee on how the organisation is identifying and managing enterprise-wide risks. This was in line with one of the Board's highest priorities which is mitigating organisational risk.

### ICT Governance

The Board approved the implementation of the ICT Masterplan, which includes the procurement of critical ICT infrastructure to ensure that IT audit gaps are closed off. The Board plays a critical role in the governance of Information Communication Technology (ICT) by developing policies that protect the organisation from internal and external influences from potential cyber risks.

### Compliance Management

The Board governs compliance with applicable laws and adopts rules, codes and standards that support the ENPC's ethical corporate citizenship stance. Over the reporting period, the ENPC commenced the Implementation Plan for the ISO 37301:2021 Compliance Management System. Testament to that, ENPC did not receive any penalties, sanctions, or fines for contravention or non-compliance with statutory obligations.

### Fair Remuneration

The Board is in the process of finalising ENPC's Remuneration Policy. In that vein, a service provider has been engaged to assist in developing the organisation's Remuneration Policy to ensure alignment with the Public Enterprise Unit (PEU) circulars, and to ensure proper benchmarking with industry peers. At present, the Board and EXCO are remunerated in accordance with the Public Enterprise Unit circular, while the governance of remuneration is delegated to the Remuneration Committee.





03

**OPERATIONS  
REPORT**

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## KEY OPERATIONAL MILESTONES

### Construction of Strategic Fuel Reserve Facility

During the year under review, ENPC signed a contract agreement with the Overseas Electric & Engineering Corporation (OEEC) for the Engineering, Procurement and Construction of the SFRF. OEEC will be responsible for the detailed design of the SFRF, procurement of construction materials and the construction of the facility.

The company, with assistance from the Ministry of Natural Resources and Energy (MNRE) engaged in discussions with EXIM Bank to secure loan funding for the construction of the SFRF. The discussions on the loan funding are proposed to be concluded in 2025/26. The construction of the facility will commence once the funding has been secured and will be completed in 3 years.

### Interim Fuel Supply Strategy

Some key fuel stakeholders in Eswatini communicated to ENPC the challenges that they experience in terms of fuel shortages that negatively impact the sustainability of their businesses as well as fuel supply in the Kingdom. ENPC embarked on desktop research following the request for assistance from the stakeholders to develop solutions that will address the fuel supply shocks impacting the stakeholders and affecting the country.

The research led to the development of an Interim Fuel Supply Strategy that ENPC can embark on to achieve the mandate of providing fuel security in the country. The purpose of the Strategy is to ensure uninterrupted supply of Unleaded Petrol (ULP) and Diesel in Eswatini while awaiting the construction and completion of the SFRF.

### Emergency Petroleum Product Supply Plan and Operation Modalities for The Strategy Oil Reserve Facility

To outline how Eswatini will ensure the availability, distribution and management of fuel during an emergency (such as a supply disruption, natural disaster, or crisis), the Company participated in the development of and the SFRF Operational Modalities and Emergency Product Supply Plan, which was led by the MNRE. The Plan has been completed and is undergoing review, with the approval of the plan expected in the next financial year.

### LPG Filling and Distribution

To increase access to clean energy in Eswatini as well as empower local Emaswati, the company engaged local businesses for the filling and distribution of its LPG composite cylinders. In 2024/25, a total 10, 504 cylinders with a total volume of 110, 644 kg were filled and distributed across the four regions of Eswatini. By the end of the period under review, Phephile Gas was sold at 50 outlets across the country. Despite the success realised in the first year of operation, the business faced a number of operational challenges largely due to cylinder shortages against the backdrop of unprecedented demand for the product.

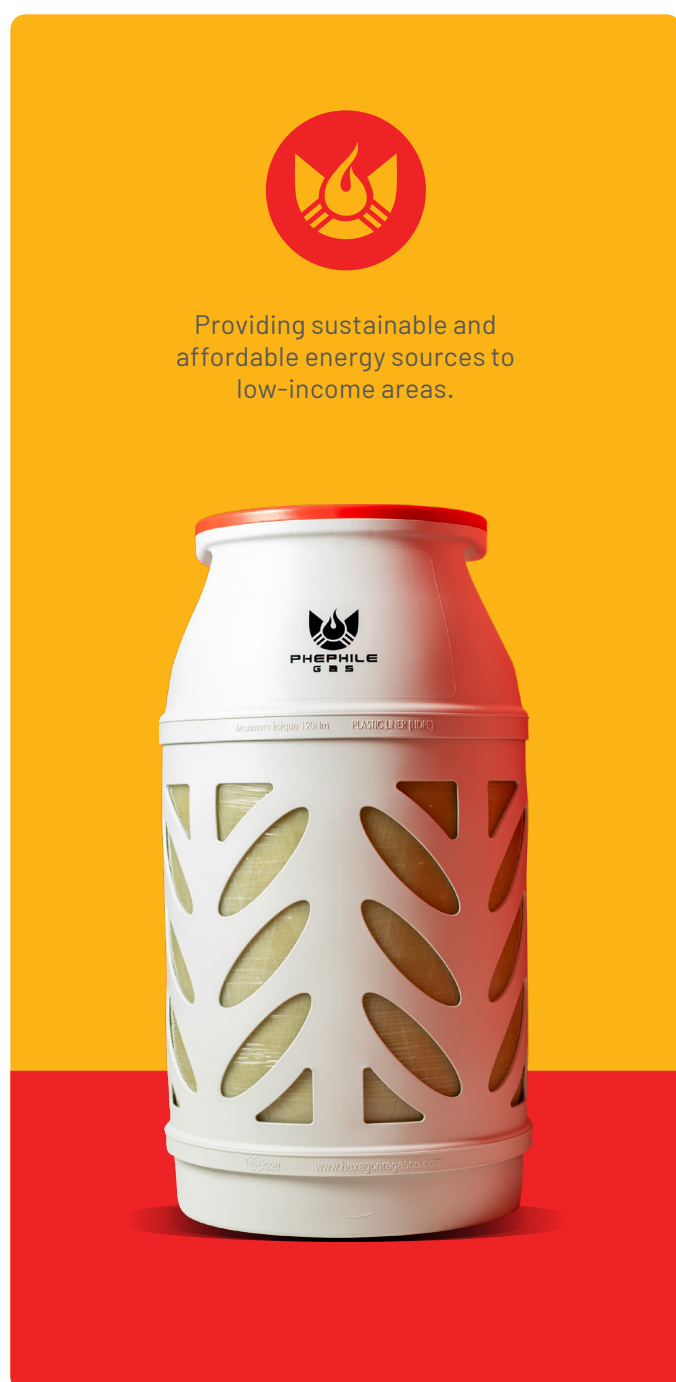
### Fire Fighting Training

The Company partnered with ESERA and the Eswatini Fire and Emergency Services (EFES) department to facilitate two trainings for all third-party personnel involved in the Phephile

Gas value chain, i.e. filling, distribution and retailing. Over 100 people were trained on composite cylinder handling, basic fire safety awareness and sensitised on LPG safety and compliance. The objective of the training was to capacitate LPG retailers on the quality and safety standards for handling and distributing LPG cylinders to ensure compliance.

### Construction and Licensing of Rural Fuel Retail Stations

In August 2024, the Cabinet approved the designation of 25 Key National Development Areas (KNDAs) for licensing by ENPC, as informed by the results of the Network Survey conducted by ENPC. Development of the licensing guidelines for the Rural Fuel Retail Stations was completed, and the licensing framework will be approved by the Parliament in the next financial year. The next step of the project will be the development of an operating model as well as concept designs for the filling stations.





04

IT REPORT

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## EXECUTIVE SUMMARY

The Information Technology (IT) Department's 2024/25 report outlines key activities, strategic deliverables and operational highlights undertaken during the financial year. These initiatives directly support Strategic Focus Area 3 (SFA 3): Operational Excellence, which focuses on strengthening internal systems and processes to enhance performance and deliver world-class business capabilities.

### SFA 3: Operational Excellence

SFA 3 drives the implementation of internal business systems that improve efficiency, enhance communication, strengthen data management, and elevate ENPC's competitive position. A central objective is the creation of a fully integrated digital environment that:

- Enhances efficiency through digital tools and automation
- Improves communication across staff, customers and stakeholders
- Strengthens data collection, analysis and management
- Improves responsiveness to customer needs
- Supports ENPC's market presence and competitive advantage

### ICT Master Plan

In 2024/25, ENPC advanced its digital transformation journey through the implementation of the ICT Master Plan—an initiative that marks a significant strategic transition toward technology-enabled operations. The plan positions ICT as a core driver of operational efficiency, informed decision-making and sustainable growth.

During the year, the IT Department delivered major milestones that strengthened cybersecurity, improved system performance and promoted data-driven operations.

### IT Governance & Compliance

#### Information Security Policy

The IT Department developed and formalised key governance instruments to address previous gaps in approved ICT policies, procedures and standards. A notable achievement was the development of the ENPC Information Security Policy, which establishes principles for the protection and management of ENPC's information assets. The policy ensures confidentiality, integrity and availability of information, and aligns with applicable legal, regulatory and contractual standards.

#### Electronic Devices Policy

The ENPC Electronic Devices Policy was developed to guide the appropriate use, management and security of electronic devices. The policy promotes responsible usage, protects sensitive information and mitigates risks associated with cybersecurity threats and workplace distractions.

#### Change Management Policy

The IT Change Management Policy was also established to minimise disruptions arising from system changes, strengthen stakeholder communication and ensure that all IT changes support ENPC's strategic objectives.

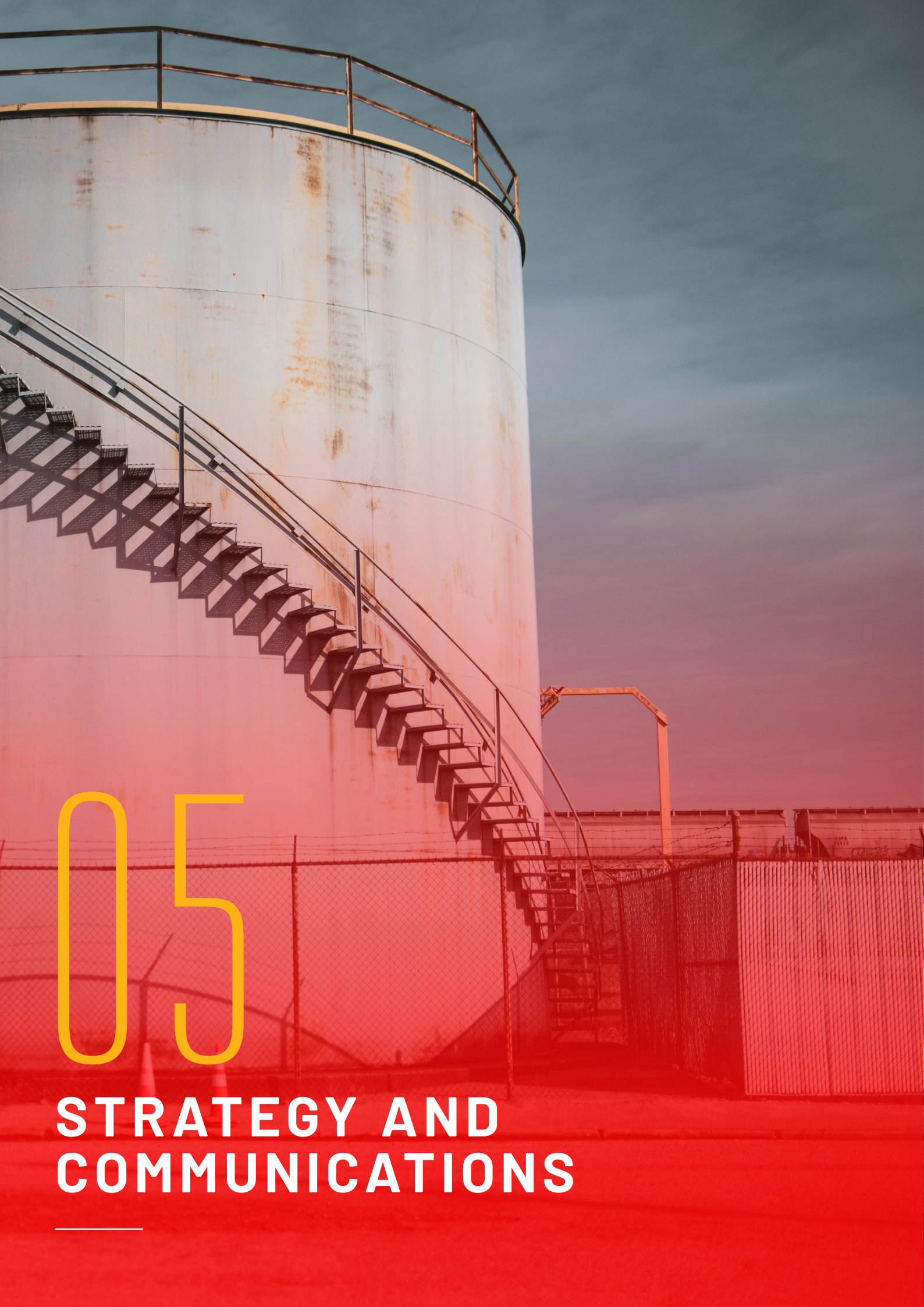
### Cybersecurity Enhancement

To strengthen organisational resilience, the Department delivered data-protection training to employees. This initiative extended beyond compliance, reinforcing ENPC's commitment to creating a secure digital workplace and ensuring the integrity and safety of its information systems.

### Challenges

A key challenge remains the predominantly manual nature of ENPC's operations. The Company continues to prioritise digitalisation and automation efforts to keep pace with advancements in today's rapidly evolving digital landscape.





05

**STRATEGY AND  
COMMUNICATIONS**

---

## STRATEGY 2023-26

During the reporting period, ENPC implemented the second year of its 2023–2026 Strategic Plan. The strategy is anchored on four Strategic Focus Areas:

- Access and Fuel Supply Security
- Customer and Stakeholder Orientation
- Operational Excellence
- Financial Growth and Sustainability

The key strategic priority for the period was the development of the Strategic Fuel Reserve Facility (SFRF) at Phuzumoya. Additionally, the strategy emphasizes strengthening revenue streams to support operations and, eventually, service the loan associated with SFRF construction.

Recognising the importance of stakeholder engagement, the strategy also prioritises systematic stakeholder management. The successful delivery of ENPC’s mandate relies on robust internal processes—hence the continued focus on developing and improving organizational systems.

The 2024/25 Balanced Scorecard was developed and costed in Q4 of 2023/24. However, final Board approval was delayed until August 2024 due to the absence of a Board between March and July. This delay contributed significantly to the reduced annual performance score of 56%, down from 77% in 2023/24. In line with PEU requirements and the Board Charter, ENPC continued to submit quarterly strategic performance reports.

### Key Strategic Achievements

Despite challenges, ENPC delivered notable achievements during the reporting period, including:

- Appointment of the EPC contractor for the SFRF construction
- Completion of the first Customer Satisfaction Survey for Phephile Gas.
- Attaining a 1.09% market share and establishing 50 distribution outlets nationwide within the first year of Phephile Gas operation
- Development and approval of the ENPC Interim Fuel Trading Strategy
- Approval of Key National Development Areas by Cabinet
- Development of Licensing Guidelines for rural retail fuel stations
- Development and implementation of key business processes

### Strategic Partnerships

#### Cooperation

ENPC has existing cooperation agreements with several national oil companies in the SADC region and through these partnerships, the organisation was able to engage on technical matters pertaining to the construction of the SFRF and other day-to-day business operations. During the period under review, ENPC also started conversations with two more national oil companies for the purpose of formalising relations to be able to gain support from these key stakeholders.

### Marketing and communications

As a State-owned Enterprise which serves the interests of diverse stakeholder segments in the country, ENPC is intentional about rolling out coherent, transparent, effective communications about its activities, programmes and initiatives. This is as outlined in the Company’s Strategic Plan 2023/26 which spells out Customer and Stakeholder Orientation as one of its Strategic Focus Areas (SFA’s) where ENPC will implement programs and strategies that take into consideration the needs and expectations of its customers and stakeholders. Hence, the Marketing Department undertook a series of robust stakeholder awareness and engagement activities in the reporting period to improve perceptions of ENPC as a viable, transparent and innovative petroleum company.

### Communications

#### Phephile Gas Roadshows

The Eswatini National Petroleum Company (ENPC) also held road shows to promote the Phephile Gas Liquefied Petroleum Gas (LPG) product, which were aimed at educating the public about the benefits of using the product. ENPC thus outlined the safety of the Phephile Gas composite cylinders which are also portable, affordable and easy to use. In addition, the ENPC team also outlined the environmental benefits of using Phephile Gas as a clean-burning fuel for cooking, heating, and other applications.

The roadshows were held at the Nhlangano and Manzini Bus ranks with the aim of reaching a wide audience, where attendees were able to purchase the product at the event and even pay for refills via Mobile Money. The Marketing Department aims to hold more road shows in more towns and villages across Eswatini.



### Media Coverage And Public Engagement

In the reporting period, ENPC ensured the dissemination of strategic information in the mainstream media that underlined the activities that it continues to roll out in line with its mandate. This included event coverage of the roadshows it undertook, the events it participated in and feature articles on the Phephile Gas product in the mainstream media, all outlining the execution of its mandate and its alignment with the United Nations (UN) Sustainable Development Goal (SDG) 7 on Clean Energy, among other objectives.

### Social Media

In order to build brand awareness, engage directly with stakeholders and gather real-time feedback, ENPC implemented structured monthly social media campaigns in the



period under review. The campaigns were aligned with national events, product promotions, and customer education themes to ensure relevance and sustained engagement.

As Key Performance Indicators (KPI's) on its social media platforms, ENPC achieved consistent growth in digital reach and online engagement. This was as outlined by the combined growth in following across all platforms, as outlined in the following table which reflected far-reaching communications and engagement.

**Table 5:** ENPC Followers on social media pages 2024/25

Platform	Total Followers 2024	Total Followers 2025
Linked In	5 813	7 153
Twitter	94	209
Facebook	2 432	4 794
Instagram	572	954
<b>Total</b>	<b>8 911</b>	<b>13 020</b>

### Marketing

ENPC intensified its marketing efforts in the reporting period to enlarge the footprint of the Phephile Gas product through nationwide activations and brand promotion campaigns. Furthermore, strategic partnerships were forged with brand influencers to help expand the reach of the product across diverse market segments to promote brand allegiance.

As a result, Phephile Gas achieved a Customer Satisfaction Score of 70% in the Phephile Gas Customer Satisfaction survey, reflecting the effectiveness of these initiatives in enhancing customer experience. In addition, brand-building activities contributed to achieving a brand awareness score of 60% in the same survey, standing out as a significant milestone for a product that was only recently introduced to the market. Over and above these efforts, ENPC's distribution footprint expanded, ensuring improved nationwide access to Phephile Gas, which now has coverage in 50 retail outlets across the country.

### Stakeholder Management

Stakeholder engagement remained central to ENPC's strategy during the reporting period. As such, multiple engagements were conducted with government, regulatory bodies, retail partners, and community stakeholders to strengthen collaboration and maintain alignment with national energy goals.

On the international front, ENPC actively participated in regional and global petroleum and LPG conferences, creating opportunities for knowledge sharing, networking, and positioning Phephile Gas as a competitive and sustainable energy solution. These engagements not only enhanced ENPC's industry visibility but also reinforced trust and partnerships with both in-country and out-of-country stakeholders.

### Phephile Gas Stakeholder Engagement

ENPC understands that the success of the business is reliant on its stakeholders. To that end, the organisation implements a Stakeholder Management Strategy, which is executed through

annual stakeholder management plans. For the period under review, some of the activities undertaken by ENPC include the annual stakeholder engagement session with Phephile Gas distributors in acknowledgement of the distributors' formidable efforts in expanding the brand and to strengthen the symbiotic relationship between the distributors and ENPC.

The event, which drew participants from Phephile Gas retailers across all four Regions of the country, was also a platform for sharing of experiences and recognition of best sellers, where ENPC handed out Certificates of Recognition to its top-performing distributors. ENPC will expand on such initiatives in the next financial year to keep the morale high among its distributors.





### Exhibitions, awards and recognitions

ENPC participated in the Eswatini International Trade Fair (EITF) 2024, held between the 30th of August and the 8th of September 2024. The participation in the trade fair was an opportunity to interface with a diverse cross-section of its stakeholders from far and wide.

Further to that, ENPC was awarded a Stand Excellence Award for State-Owned Entities by the Eswatini Investment Promotion Authority (EIPA), a development that highly motivated the ENPC team. This was in alignment with our SFA 3 which promotes organisational excellence through implementing world-class business systems.



### Business Development

#### Innovation Challenge 2024/25

One of the strategic objectives under the ENPC Financial Growth and Sustainability Focus Area's was to create a diversification road map with three pipeline products for long-term and short-term growth. As such, using the Product and Service Monitoring and Evaluation Plan which seeks to promote the culture of innovation at ENPC, a competition was launched called "Innovation Challenge 2024/25". This competition invited all staff to participate in the growth of the organisation by submitting product and service ideas which ENPC could embark on in the near and distant future. Following submissions from all staff, three products and services were shortlisted and the three staff members each received prizes for their innovative contributions. Therefore, extensive research will be undertaken on the products and services together with feasibility studies to assess their viability and feasibility for the company in the near future.

#### Business Process

Five key business processes were documented during the 2023/24 financial year and three of these were implemented and operational during 2024/25. All staff were thus oriented on these operational processes as well as their related sub-processes. Further to that, a Business Process Compliance Monitoring tool was developed to assess the level of adherence to the documented processes, as well as to identify process gaps, bottlenecks and challenges to allow for process efficiency and improvement currently and in the future.

### Risk Management

In light of the susceptibility of the Company to various unforeseen circumstances that can affect the Company's

performance, ENPC developed an Enterprise Risk Management Framework and Register within the period under review. This Framework has enabled the organisation to identify, profile and strategically handle risks, improving the likelihood of success on its strategic goals. The ENPC Risk Register thus identified ten key risks for management as listed below:

1. Inability to meet fuel supply security demand
2. Inadequate stakeholder management
3. Inadequate organisational capacity to fully execute the mandate
4. Inadequate or ineffective business processes
5. Regulatory risk
6. Fraud and corruption risk
7. Liquidity risk
8. Inability to fully fund CAPEX requirements
9. Inability to achieve market share targets within the planning period
10. Inability to respond to the global shift towards green energy

The Risk Register considered the causes and impacts of the risks together with the rating and treatment of the risks resulting in a total of 60 mitigation actions to address these risks. New causes to the existing risks were also identified in the reporting period, resulting in the company realising a closure rate of 72% on all the mitigation actions. A budget provision was thus made for the execution of the outstanding actions in the next financial year.

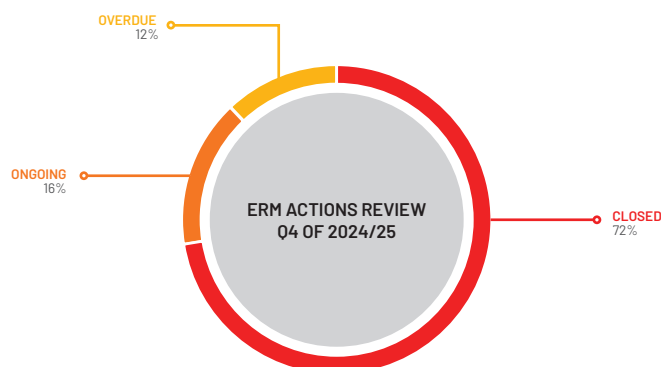


Figure 7: Summary of risk performance (March 2025)





06

HUMAN CAPITAL

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# HUMAN CAPITAL DASHBOARD

During the current report period, the company successfully attracted high-calibre talent into strategically critical roles, reinforcing its capacity to deliver on its mandate effectively. Notably, the organisation achieved a 0% turnover rate, reflecting a stable and engaged workforce.

Despite the exceptional retention performance, ENPC remains committed to continuously enhancing its Talent Management Framework. In that light, proactive strategies are being implemented to sustain this momentum including targeted recruitment initiatives, employee engagement programs and retention-focused interventions. These efforts are designed to ensure that the organisation not only retains its top talent but also remains competitive in attracting new skills aligned with its long-term strategic objectives.

## ENPC Staff Headcount

- Staff complement – 23 employees
- Employees on fixed-term contracts – 12 employees
- Permanent employees – 11 employees
- Vacancies – 19 positions

## Gender Representation And Equal Opportunity Employment

During the reporting period, the company maintained its gender composition in line with the previous financial year. While this reflects a degree of consistency, ENPC remains committed to advancing a more balanced gender representation across all levels.

ENPC continues to uphold its core principles of being an equal opportunity employer while all its recruitment and selection processes are strictly merit-based. This approach reinforces the company’s commitment to fairness, inclusivity and the creation of a diverse and high performing workforce.

Gender Distribution FY 2023/2024	Gender Distribution FY 2024/2025
43% males 57% females	43% males 57% females



ENPC Staff

## Recruitment and Acquisition

New staff were recruited in the company in the reporting period which included an IT Manager and a Finance and Revenue Assurance Officer, who are both Emaswati. ENPC prides itself in attracting and recruiting local talent to foster economic growth through job creation and create a stable, future-ready workforce and long-term sustainability.

## Human Capital Strategic Performance

### Talent development and Capability Building

As part of ENPC’s ongoing Talent Management Strategy, the company continues to prioritise workforce learning and development as a key driver of organisational performance. Hence, a range of targeted training and development initiatives were implemented to enhance employees’ technical competencies as well as their leadership capabilities during the reporting period.

These initiatives included leadership coaching, participation in industry-specific conferences, enrolment in short courses and management development programmes. The objective was to ensure that employees are not only equipped with the necessary knowledge, skills and abilities to perform their roles effectively but are also empowered to grow into future leadership positions. This holistic approach to talent development reinforces the company’s commitment to building a resilient, agile and future-ready workforce. As testament to that, ENPC achieved an 85% execution rate of the Annual Training and Development Plan for the 2024/25 financial year.

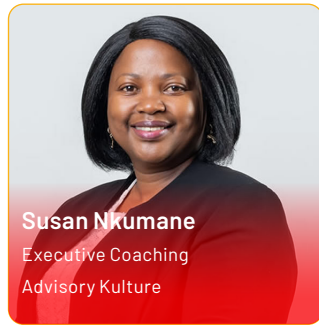
Leadership Coaching	Management Dev. Programmes	Short Courses Certificates
4	2	24

Below is a sample of some of the employees who successfully completed their programmes:

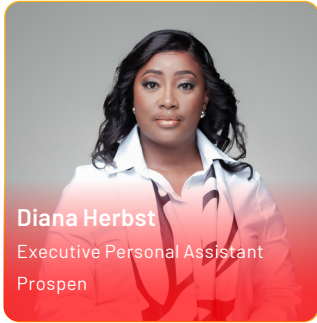




**Musa Shongwe**  
Executive Coaching  
Advisory Culture



**Susan Nkumane**  
Executive Coaching  
Advisory Culture



**Diana Herbst**  
Executive Personal Assistant  
Prospen



**Madoda Dlamini**  
Transport & Fleet Management  
IDM

sessions, financial literacy workshops, team building exercises, gender-based violence awareness campaigns, participation in the Sibebe Hiking Challenge and subsidised gym memberships.

These initiatives are designed to promote holistic employee well-being – supporting physical, mental, emotional and financial health contributing to improved productivity, reduced absenteeism and enhanced morale.



Cancer Awareness Session



World Aids Day Commemoration



Sibebe Hiking Challenge

### Performance Management System

To support the implementation of the organizational strategy and attainment of the mandate of ENPC, the organization implements a performance management system which is cascaded from top management to all levels. The summary performance for the financial year under review is depicted below;

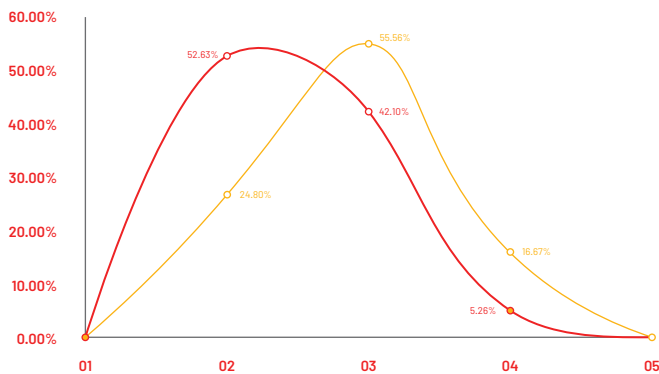


Figure 5: Performance Distribution Curve – FY 2023-24 vs FY 2024-25

### Performance Measurement Overview

The performance measurement outcomes for 2024/25 reflect a notable improvement compared to 2023/24. The proportion of employees requiring performance improvement has significantly declined, from 52.6% in the year 2023/24 to 27.9% in the year under review. Concurrently, there has been an increase in the percentage of employees demonstrating effective performance, rising from 42.1% to 55.6%. Most notably, the share of high-performing employees has tripled, increasing from 5.3% to 16.7%. These results indicate a positive trajectory in overall workforce performance and effectiveness.

### Employee Wellbeing

During the reporting period, the company achieved full implementation of its Employee Wellness Programme, delivering 100% of the planned initiatives. A diverse range of targeted activities were rolled out. These included the commemoration of World AIDS Day, breast cancer awareness



## Policies

In alignment with the organisation’s strategic priorities for the year, two key policies were developed and approved during the reporting period which include the Talent Management Policy as well as the Wellness Management Policy and Guidelines. The Talent Management Policy provides a structured framework for attracting, developing and retaining high-performing individuals, ensuring that the company’s human capital is effectively aligned with its long-term goals, while the Wellness Management Policy focuses on other elements.

It does so by underscoring the company’s commitment to employee well-being by addressing staff physical, mental and emotional health needs through a proactive and supportive approach. Together, these policies strengthen the company’s ability to build a resilient, engaged and future-ready workforce while positioning it as a prospective employer of choice.

## Organizational Culture Transformation

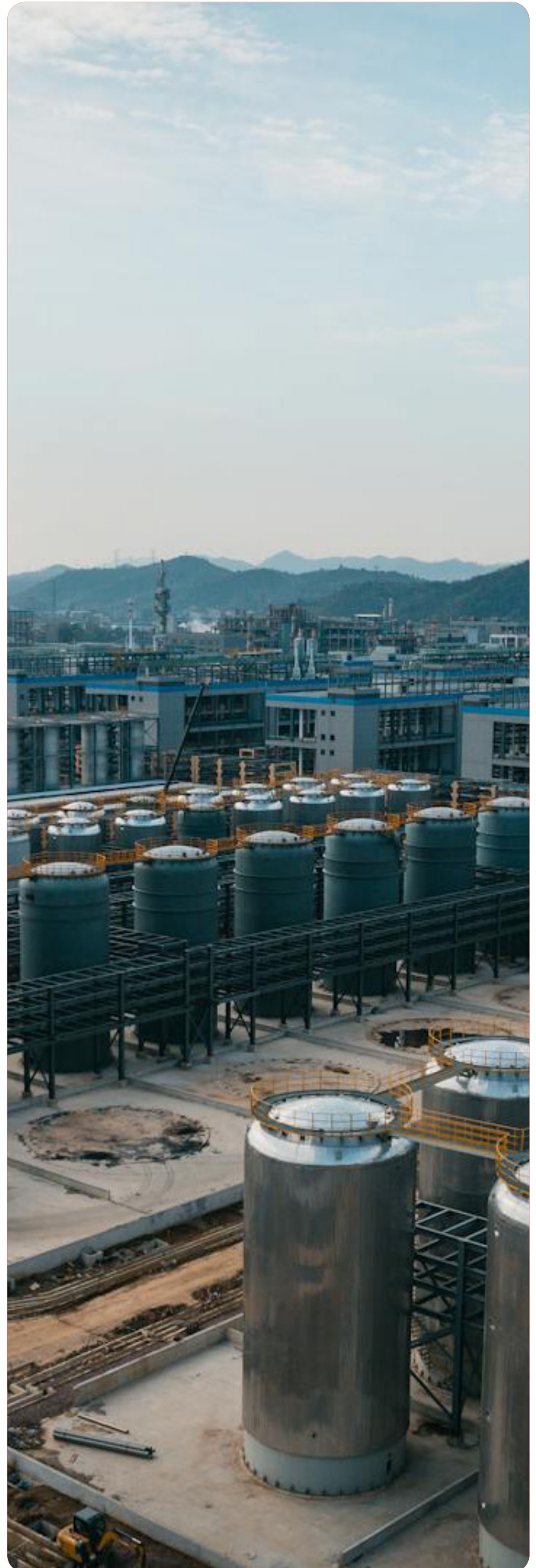
During the reporting period, ENPC launched an Organisational Culture Transformation Programme aimed at aligning all employees with the organisation’s strategic objectives. This initiative was aimed at fostering a results-driven, innovative, collaborative, agile, and adaptable workforce. Recognising that organisational culture—shaped by structure and leadership—directly influences employee behaviour, this initiative is critical to ensuring that culture actively supports strategy execution.

The Culture transformation project also introduced a refreshed culture statement and core values designed to cultivate a positive, high-performance work environment during the period under review. This transformation enhanced employee engagement, improved operational capabilities and strengthened ENPC’s ability to adapt to challenges.



Companies are communities. There’s a spirit of working together. Communities are not a place where a few people allow themselves to be singled out as solely responsible for success.

Henry Mintzberg





07

**FINANCIAL  
REPORT**

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**SNG**  
**Grant Thornton**

**ESWATINI NATIONAL PETROLEUM COMPANY**

**FINANCIAL STATEMENTS**

*for the year ended 31 March 2025*

**ESWATINI NATIONAL PETROLEUM COMPANY**

**FINANCIAL STATEMENTS**

*for the year ended 31 March 2025*

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Statement of cash flows	12
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**ESWATINI NATIONAL PETROLEUM COMPANY**

**DIRECTORS' RESPONSIBILITY STATEMENT**

*for the year ended 31 March 2025*

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements of the Eswatini National Petroleum Company, comprising the statement of financial position at 31 March 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, and the directors' report, in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

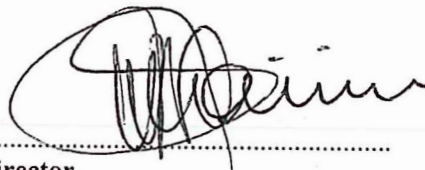
The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

**Approval of the financial statements**

The financial statements of the Eswatini National Petroleum Company, as identified in the first paragraph, were approved by the directors on <sup>19<sup>th</sup></sup> ~~September~~, 2025 and are signed on their behalf by:



.....  
**Director**



.....  
**Director**

**Independent auditor's report**  
**To the Shareholder of Eswatini National Petroleum Company**

Opinion

We have audited the financial statements of the Eswatini National Petroleum Company (the Company) set out on pages 9 to 28, which comprise the statement of financial position as at 31 March 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information; set out on pages 9 to 28 and the directors' report as set out on page 6 to 8.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Eswatini National Petroleum Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Petroleum Act No. 18 of 2020.

Basis for Opinion

We conducted our audit opinion in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Eswatini National Petroleum Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including international independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' responsibility statement and the detailed income statement attached to the financial statements which were received prior to the date of the audit report. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an opinion or any form of assurance conclusion 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Petroleum Act No. 18 of 2020, and for such internal control as the directors 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*SNG Grant Thornton*

**SNG Grant Thornton Chartered Accountants (Eswatini)**

2 October 2025

## ESWATINI NATIONAL PETROLEUM COMPANY

### DIRECTORS' REPORT

*for the year ended 31 March 2025*

The directors have pleasure in presenting their report for the year ended 31 March 2025.

#### General business review

##### *Background*

The company is engaged in securing, marketing and trading of crude oil and petroleum products and their administration and operates principally in Eswatini.

The operating results and state of affairs of the Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

#### Going concern

The Board of directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

#### Subsequent events

There were no events or conditions that occurred subsequent to the reporting date that required adjustments to amounts recognised in the financial statements.

#### Dividends

The Board of Directors has not recommended or declared any dividend for the financial year ended 31 March 2025. This decision was taken after careful consideration of the Company's current financial position, liquidity needs, and strategic priorities.

The board believes that retaining earnings will better serve the long-term interests of the Company and its stakeholders by supporting reinvestment into core operations and preserving capital for future growth opportunities.

In the previous financial year, no dividends were declared and paid. The Company remains committed to returning value to shareholders and will review its dividend policy periodically in line with its performance and financial condition.

*SNG*

## ESWATINI NATIONAL PETROLEUM COMPANY

### DIRECTORS' REPORT

for the year ended 31 March 2025 (Continued)

#### Management of the Company

##### The Board

The following were Board members' until expiry of their term in 31 March 2024:

Mr. Muziwandile Dlamini – Chairman  
 Mr. Armstrong Dlamini – Member  
 Mr. Thabiso Masina – Member  
 Mrs. Thabile Nkosi – Member  
 Ms. Bonisiwe Masuku – Member  
 Mr. Solomon Nkabinde – Member  
 Mr. Justice F. Dlamini – Member  
 Mr. Mancoba Dlamini – Member  
 Mr. Nhlanhla Dlamini – CEO and Executive Member

The following are the board members appointed in 15 July 2024

	<b>Appointed</b>
Mr. Velaphi Dlamini – Chairman	15 July 2024
Mr. Dumezweni Dlamini – Member	15 July 2024
Mr. Pius Gumbi – Member	15 July 2024
Mr. Mfanaleni Kunene – Member	15 July 2024
Mr. Armstrong Dlamini – Member	15 July 2024
Mrs. Thabile Nkosi – Member	15 July 2024
Mr. Justice F. Dlamini – Member	15 July 2024
Mr. Khetsimphilo Dlamini – Member	15 July 2024
Mr. Nhlanhla Dlamini – CEO and Executive Member	15 July 2024*

\*Contract ended on 30 April 2025

#### Business and postal addresses

The registered business and postal addresses for the Company are shown below:

<b>Business address</b>	<b>Postal address</b>
Sibekelo Building Second floor Mbabane Eswatini	P O Box 8307 Mbabane H100

*SNG 45*

**ESWATINI NATIONAL PETROLEUM COMPANY**

**DIRECTORS' REPORT**

*for the year ended 31 March 2025 (Continued)*

**Auditors**

The Company is audited by SNG Grant Thornton Chartered Accountants (Eswatini)

**Business address**

Umkhiwa House  
Kal Grant Street  
Mbabane  
Eswatini

*SNG GT*

**Postal address**

P.O. Box 331  
Mbabane  
H100

**ESWATINI NATIONAL PETROLEUM COMPANY**

**STATEMENT OF COMPREHENSIVE INCOME**

*for the year ended 31 March 2025*

	Notes	2025 E	2024- restated E
Revenue	8	122 341 923	119 060 429
Cost of Sales	9	(4 617 574)	-
Other income		661 315	2 004 237
Interest received		25 508 077	21 710 666
<b>Total income</b>		<b>143 893 741</b>	<b>142 775 332</b>
Operating expenses		(46 947 338)	(37 105 035)
<b>Operating surplus for the period</b>	10	<b>96 946 403</b>	<b>105 670 297</b>
Tax expense	12	(6 755 440)	(6 099 777)
Net surplus for the period after tax		90 190 963	99 570 520
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>90 190 963</b>	<b>99 570 520</b>

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 Grant Thornton  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 March 2025*

	Notes	2025 E	2024 - Restated E
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	52 951 340	52 675 727
<b>Current assets</b>			
Investments	2	269 396 103	240 564 731
Trade and other receivables	3	11 792 020	10 850 257
Inventory	2.1	16 917 566	17 939 840
Current tax receivable	12.1	119 146	-
Cash and cash equivalents	2	74 873 525	26 419 240
<b>Total current assets</b>		<u>373 098 360</u>	<u>295 774 068</u>
<b>Total assets</b>		<u>426 049 700</u>	<u>348 449 795</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4	2	2
Distributable reserve		366 110 176	276 667 163
Capital Grant Reserve		44 954 869	44 206 919
		<u>411 065 047</u>	<u>320 874 084</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Distributable funds	5	9 176 426	10 214 672
Borrowings	6	1 775 266	2 384 139
		10 951 692	12 598 811
<b>Current liabilities</b>			
Trade and other payables	7	2 895 733	9 810 598
Borrowings	6	613 055	568 715
Leave Provision		524 173	601 952
Tax payable	12	-	3 995 635
<b>Total Current liabilities</b>		<u>4 032 961</u>	<u>14 976 900</u>
<b>Total liabilities</b>		<u>14 984 653</u>	<u>27 575 710</u>
<b>Total equity and liabilities</b>		<u>426 049 700</u>	<u>348 449 795</u>

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ESWATINI NATIONAL PETROLEUM COMPANY

STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2025

	Note	Share Capital E	Distributable Reserve E	Capital Grant Reserve E	Total equity E
<b>Balance at 1 April 2023</b>		2	8 668 574	-	8 668 576
Transfer to Capital Grant Reserve	1		(1 457 656)	1 457 656	-
Strategic Oil reserves adjustment	13		212 634 988	-	212 634 988
<b>Restated balance as at 01 April 2023</b>		2	<u>219 845 906</u>	<u>1 457 656</u>	<u>221 303 564</u>
Total comprehensive income for the year – restated			99 570 520	-	99 570 520
Transfer to Capital Grant Reserve	1		(42 749 263)	42 749 263	-
<b>Balance at 31 March 2024</b>		2	<u>276 667 163</u>	<u>44 206 919</u>	<u>320 874 084</u>
<b>Balance at 1 April 2024</b>		2	276 667 163	44 206 919	320 874 084
Total comprehensive income for the year			90 190 963	-	90 190 963
Transfer to Capital Grant Reserve	1		(747 950)	747 950	-
<b>Balance at 31 March 2025</b>		2	<u>366 110 176</u>	<u>44 954 869</u>	<u>411 065 047</u>

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**ESWATINI NATIONAL PETROLEUM COMPANY**

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2025

	Notes	2025 E	2024 E
<b>Cash flows from operating activities</b>			
Cash generated by operation	11	62 469 600	85 686 296
Interest received		25 508 077	21 710 666
Interest expense		(499 120)	(799 645)
Taxation paid		(6 874 586)	(6 099 777)
<b>Net cash flow from operating activities</b>		<b>80 603 971</b>	<b>100 497 540</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	1	(1 715 535)	(47 065 218)
Sale of property		-	65 000
<b>Net cash flow from investing activities</b>		<b>(1 715 535)</b>	<b>(47 000 218)</b>
<b>Cash flows from financing activities</b>			
Movement in distributable funds		(1 038 246)	(736 405)
Repayment of loans		(564 533)	2 952 854
<b>Net cash flow from financing activities</b>		<b>(1 602 779)</b>	<b>2 216 449</b>
Movement in cash and cash equivalents		77 285 657	55 713 771
Cash and cash equivalents at beginning of the year		266 983 971	211 270 200
<b>Cash and cash equivalents at end of the year</b>	2	<b>344 269 628</b>	<b>266 983 971</b>

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the year ended 31 March 2025

#### General information

Eswatini National Petroleum Company (ENPC) is a government parastatal established according to the Petroleum Act of 2020, and in terms of the Companies Act of 2009 for the purpose of securing, marketing and trading in crude oil and petroleum products and to carry out the business of supplying and distributing petroleum and petroleum products into and from the Kingdom. It is a corporate body with perpetual succession capable of suing and being sued, subject to the provisions of the Act.

#### Statement of compliance

The Board has elected to adopt the International Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SME’s”) for the year ended 31 March 2025.

The following are the principal accounting policies adopted in the preparation of these financial statements as set out below. These policies have been consistently applied in all material respects with those of the previous year, unless otherwise stated.

#### Basis of preparation

The financial statements of Eswatini National Petroleum Company are prepared in accordance with the International Financial Standards for small and medium entities (IFRS for SMEs), and in the manner required by the Petroleum Act No. 18 of 2020. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

The financial statements were approved by the Board of Directors on 19 September 2025.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### Functional and presentation currency

These financial statements are presented in Emalangeni, which is the entity's functional currency. All financial information presented in the Emalangeni have been rounded to the nearest figure.

#### Use of estimates and judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include trade receivables and property plant and equipment.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the year ended 31 March 2025 (continued)

#### Trade receivables

The Company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the diminishing balance method over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	10 years
Other equipment	10 years
Computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the year ended 31 March 2025 (continued)

#### Property, plant and equipment (continued)

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

#### Financial instruments

##### Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortized cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

##### Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

##### Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the year ended 31 March 2025 (continued)

#### Financial instruments (continued)

##### Trade and other receivables (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

##### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Inventory

Inventories are measured at the lower of cost and net realisable value. Cost of inventory items is determined in accordance with the purchase price of the inventory. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

##### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

##### Tax

The Company is exempt from income tax according to Section 12(1) (a) (iii) read together with Section 2 of the Income Tax Order 1975, as amended.

##### Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the year ended 31 March 2025 (continued)

#### Finance leases - lessor

The Company recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the finance lease.

#### Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and 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 on the remaining balance of the liability.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

#### Impairment of assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

*for the year ended 31 March 2025 (continued)*

#### **Employee benefits**

##### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

##### **Statutory obligations**

The Company contributes to a statutory fund, Eswatini National Provident Fund (ENPF) in accordance with the Eswatini National Provident Fund Order of 1974.

##### **Provisions and contingencies**

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions for future operating losses are not recognised.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES

*for the year ended 31 March 2025 (continued)*

#### **Provisions and contingencies (continued)**

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognized as a provision; and
- the amount initially recognized less cumulative amortization.

Contingent assets and contingent liabilities are not recognised.

#### **Borrowing costs**

All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **Related parties**

The major related party to the Company apart from board of directors is the Government of Eswatini who exercises significant influence over its financial and operating decisions as it provides funding for its annual budget. The Company did not receive a subvention in the current year under review nor the previous year.

#### **Revenue**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to ENPC and the amounts of revenue can be reliably measured.

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## ESWATINI NATIONAL PETROLEUM COMPANY

### SUMMARY OF MATERIAL ACCOUNTING POLICIES *for the year ended 31 March 2025 (continued)*

#### **Governments grants**

Capital based government grants are included within deferred income in the statement of financial position and credited to the statement of comprehensive income over the estimated useful economic lives of the assets which they relate. Revenue based government grants are credited to the statement of comprehensive income in the year in which the expenditure to which they relate is incurred.

Grants are not recognised in the financial statements until there is a reasonable assurance that they will be received, and that ENPC will comply with the conditions applying to the grants. A Government grant that becomes receivable as compensation for the purpose of giving immediate financial support to the entity with no future related cost is recognised as income of the period in which it becomes receivable.

#### **Fuel levies**

The company in February 2021 started receiving fuel levies from petroleum companies which are 35cent per litre sold. Fuel levies are recognised based on the provision of the Petroleum Act of 2020.

#### **LPG Revenue**

In the financial year 2024/2025 the entity began trading in liquified petroleum gas (LPG). Cylinders were rented to customers.

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

Property, plant and equipment	2025			2024		
	Cost E	Accumulated Depreciation E	Carrying E	Cost E	Accumulated E	Carrying E
<i>Owned assets</i>						
Furniture and fixtures	4 030 332	(838 867)	3 191 464	3 914 925	(491 806)	3 423 119
Motor vehicles	4 272 321	(1 536 134)	2 736 187	4 272 321	(852 087)	3 420 234
Office equipment	507 631	(106 627)	401 004	433 408	(66 861)	366 547
Computer equipment	1 048 913	(589 045)	459 868	921 164	(507 178)	413 986
Other equipment	1 130 078	(170 806)	959 273	918 918	(73 996)	844 922
Intangible assets	308 700	(60 025)	248 675	-	-	-
Work in Progress	44 954 869	-	44 954 869	44 206 919	-	-
	<b>56 252 844</b>	<b>(3 301 504)</b>	<b>52 951 340</b>	<b>54 667 654</b>	<b>(1 991 928)</b>	<b>52 675 726</b>

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

2025 Reconciliation of property, plant and equipment		2024								
	Opening Balance	Additions	Disposals/ Adjustments	Depreciation & Impairment	Total	Opening balance	Additions	Disposals	Depreciation	Total
	E	E	E	E	E	E	E	E	E	E
Furniture and fixtures	3 423 119	115 406	-	(347 061)	3 191 464	3 586 202	208 043	-	(371 126)	3 423 119
Motor vehicles	3 420 234	-	-	(684 047)	2 736 187	740 671	3 250 392	-	(570 829)	3 420 234
Office equipment	366 547	74 223	-	(39 767)	401 003	454 501	75 357	(121 033)	(42 278)	366 547
Computer equipment	413 986	258 095	(22 812)	(189 400)	459 869	571 438	38 360	-	(195 812)	413 985
Other equipment	844 922	211 161	-	(96 810)	959 273	157 056	743 803	-	(55 937)	844 922
Intangible Assets	-	308 700	-	(60 025)	248 675	1 457 656	42 749 263	-	-	44 206 919
Work- In Progress	44 206 919	747 950	-	-	44 954 869	6 967 524	47 065 218	(121 033)	(1 235 982)	52 675 726
	<b>52 675 726</b>	<b>1 715 535</b>	<b>(22 812)</b>	<b>(1 417 110)</b>	<b>52 951 340</b>					<b>52 675 726</b>

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**ESWATINI NATIONAL PETROLEUM COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**  
*for the year ended 31 March 2025 (continued)*

	2025	2024
	E	E
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	3 105	831
Bank balances held at are the following:		
Capex funding – Fuel Levy	62 704 857	15 168 865
Ministry of Natural Resources and Energy- Petroleum Policy Funds	9 176 430	10 937 675
Cash held at the bank	2 989 133	311 869
	<u>74 873 525</u>	<u>26 419 240</u>
 <b>Investments</b>		
Investments consist of:		
Inhlonhla	67 063 320	56 795 158
Eswatini Bank	31 147 808	42 801 507
African Alliance	43 078 036	33 058 543
Old Mutual Investment Group	21 677 349	32 548 482
Standard Bank	32 176 520	75 361 041
ALPH SZ	10 739 726	-
Nedbank	15 589 973	-
Umelusi	10 842 152	-
Eswatini Building Society	37 081 219	-
	<u>269 396 103</u>	<u>240 564 731</u>
 <b>2.1 Inventory</b>		
Gas cylinders and accessories	<u>16 917 566</u>	<u>17 939 840</u>
 <b>3. Trade and other receivables</b>		
Other receivables	2 017 378	-
Rent deposit	177 314	165 714
Prepayment	-	11 006
Staff loans	11 667	37 667
Fuel levies	11 286 891	10 635 871
	<u>13 493 250</u>	<u>10 850 258</u>
Impairment	<u>(1 701 230)</u>	<u>-</u>
	<u>11 792 020</u>	<u>-</u>
 <b>Fuel levies</b>		
Engen Eswatini	28 231 244	28 266 304
Galp Energia Eswatini	32 732 636	34 683 314
Mitra Energy Eswatini	471 053	567 731
Total Energies Marketing Eswatini	31 252 800	32 564 638
Puma Energy Eswatini	26 436 079	22 978 442
<b>Gross Fuel Levy</b>	<u>119 123 812</u>	<u>119 060 429</u>

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

3. Trade and other receivables (continued)

The Board of directors believes that the above values of fuel levy and other receivables approximate fair value. Fuel levy receivable include levies for the month of March 2025 which were received in April 2025 with the exception of:

- Mitra Energy Eswatini (Pty) Ltd's receivable relates to fuel levy for December 2021 to March 2025, debt settlement still outstanding.

4. Share capital

	2025 E	2024 E
<b>Issued</b>		
50 000 000 Ordinary shares of E1 each	<u>50 000 000</u>	<u>50 000 000</u>
<b>Issued</b>		
2 Ordinary shares of E1 each	<u>2</u>	<u>2</u>

5. Distributable funds

	Opening Balance E	Received fund E	Utilised funds E	Transfer from operation E	Balance E
<b>2025</b>					
<i>Held in trust:</i>					
Petroleum Policy Funds	10 214 672	-	(1 038 246)	-	9 176 426
	<u>10 214 672</u>	<u>-</u>	<u>(1 038 246)</u>	<u>-</u>	<u>9 176 426</u>
<b>2024</b>					
Petroleum Policy Funds	10 951 077	340 998	(1 077 403)	-	10 214 672
	<u>10 951 077</u>	<u>340 998</u>	<u>(1 077 403)</u>	<u>-</u>	<u>10 214 672</u>

Strategic Oil Reserve Facility

Funds were received from Government of Eswatini through the Ministry of Natural Resources and Energy for the support in petroleum related policy activities. Payments paid from the funds require approval by the PS of the Ministry of Natural Resources and Energy. The project commenced activities in 2021, and it is ongoing.

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

6. Borrowings

Borrowings pertain leases obtained during the year through standard bank.

The balance of which consists of the following:

	Short term portion (within 1 year) E	Long term portion (2-5 years) E	Total E
Principal	851 853	2 035 588	2 887 441
Less: Interest	(238 798)	(260 322)	(499 120)
	<u>613 055</u>	<u>1 775 266</u>	<u>2 388 321</u>

7. Trade and other payables

	2025 E	2024 E
Trade payables	1 462 010	9 472 449
Accrued expenses	20 453	80 000
Other payables	-	12 760
VAT Reverse charge	42 720	245 389
Cylinder deposits	1 370 550	-
	<u>2 895 733</u>	<u>9 810 598</u>

7.1 Leave Provision

	<u>524 173</u>	<u>601 951</u>
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8. Revenue

Fuel Levy	119 123 812	119 060 429
LPG sales	3 218 111	-
	<u>122 341 923</u>	<u>119 060 429</u>

The analysis of fuel levies per oil company in respect of fuel sold in the country is as follows:

*Fuel levy at 35 cent per litre*

Engen Eswatini	28 231 244	28 266 304
Galp Energia Eswatini	32 732 636	34 683 314
Mitra Energy Eswatini	471 053	567 731
Total Energies Marketing Eswatini	31 252 800	32 564 638
Puma Energy Eswatini	26 436 079	22 978 442
<b>Gross fuel levy</b>	<u>119 123 812</u>	<u>119 060 429</u>

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2025 (continued)

	2025 E	2024 E
<b>9. LPG Revenue</b>		
Revenue	3 218 111	-
Cost of sales	(4 617 574)	-
<b>Surplus/(deficit)</b>	<u>(1 399 463)</u>	<u>-</u>
<b>10. Operating surplus</b>		
<i>Operating surplus for the year is stated after accounting for the following:</i>		
Auditor's fees	154 381	92 446
Board expenses	1 394 231	1 738 050
Consulting fees	4 057 140	5 259 086
Depreciation of property, plant and equipment	1 417 109	1 235 982
Employee costs	14 340 847	13 135 220
Rental expenses	<u>1 947 517</u>	<u>1 645 383</u>
<b>11. Cash used in operations</b>		
Profit before taxation	96 946 403	105 670 297
Adjustments for:		
Interest received	(25 508 077)	(21 710 666)
Interest expense	499 120	799 645
Depreciation and amortisation	1 417 110	1 235 982
Loss on sale of PPE	22 812	56 034
Interest charged on levies	(696 331)	-
Movement in distributable funds	(1 124 046)	-
Impairment	<u>1 701 230</u>	<u>-</u>
	<u>73 258 221</u>	<u>86 051 292</u>
<b>Changes in working capital:</b>		
Trade and other receivables	(941 763)	(131 670)
Inventory	1 022 275	(11 488 649)
Tax payable	(3 876 489)	1 891 493
Provisions	(77 779)	150 717
Trade and other payables	<u>(6 914 865)</u>	<u>9 213 113</u>
	<u>62 469 600</u>	<u>85 686 296</u>

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**ESWATINI NATIONAL PETROLEUM COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2025 (continued)

**12. Taxation**

In terms of Section 2 read with Section 12 of the Income Tax Order of 1975 as amended, an organization which is exempt from paying income tax is only charged tax on investment income.

<b>Taxation expense</b>	<b>2025</b>	<b>2024</b>
	<b>E</b>	<b>E</b>
Income tax expense		
Eswatini normal tax		
- Current tax on interest income	7 140 292	6 099 777
- Current tax LPG	(384 852)	-
- Deferred tax	-	-
	<u>6 755 440</u>	<u>6 099 777</u>

**12.1 Current tax receivable**

- Tax paid	6 874 586	-
- Current year tax	(6 755 440)	-
	<u>119 146</u>	<u>-</u>

**13. Change in accounting policy and estimate**

1. In line with section 10, Accounting Policies, Estimates and Errors, the financial statements have been adjusted to address a prior year period reclassification issue on designated funds, deferred income and revenue from income statements to statement of financial position.

2. The entity from prior years was reclassifying 86% of their revenue to designated funds which is also equivalent to 0.30c of their total rate of 0.35c revenue collection.

In the current year the total levy was reclassified as revenue, the financial statements were restated retrospectively.

**Nature of change in accounting policy**

In terms of section 33 (1) (b) of the Petroleum Act No. 18 of 2020, revenue for the ENPC consists of , among other sources a fuel levy of 35 cents per litre of fuel sold by the service stations in the country. It was noted that the ENPC Board, resolved that the prescribed revenue threshold of 35 cents per litre of fuel sold be prorated. The board resolved that 5 cents be allocated for operations and the 30 cents for capital funding.

The entity received a recommendation from the Auditor General on the 29 July 2025, and the Board approved the changes on 09 August 2025 to fully comply with the provision of the Petroleum Act 18 of 2020. The above lead to the financial statements to be restated on the classification of designated funds to revenue.

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2025 (continued)

13. Change in accounting policy and estimate (continued)

Impact on prior year periods - Ended 31 March 2023

Designated funds decreased by the revenue levy amount of E203 651 782 and deferred income decreased by E21 199 269, work in progress decreased by E12 216 063, E1 457 656 was transformed to Capital Reserves as at beginning of the comparative period and retained earnings by increased E211 177 332. The change was corrected retrospectively.

Impact on prior year periods - Ended 31 March 2024

In the 2024 financial year designated funds decreased by E55 049 075 and revenue increased by the same amount. Deferred income decreased by E31 159 778, Capital grant was increased by E44 206 919 and accumulated funds increased by E39 206 613.

Impact on the financial statements:

The change has been corrected retrospectively in compliance with section 10. The opening balance of the accumulated surplus as at 2023 financial year has been adjusted accordingly and comparative figures for prior periods have been restated.

The specific impacts of these corrections on the financial statements are detailed below:

Statement of Financial Position	As previously stated	Adjustments	As restated
<b>31 March 2024</b>			
<b>Total assets</b>	<b>60 676 440</b>	<b>(16 469 521)</b>	<b>44 206 919</b>
Work-In-Progress	60 676 440	(16 469 521)	44 206 919
<b>Total Liabilities</b>	<b>(347 558 276)</b>	<b>16 469 521</b>	<b>(331 088 755)</b>
Accumulated funds	(26 283 700)	(250 383 463)	(276 667 163)
Distributable funds	(268 915 529)	258 700 856	(10 214 672)
Deferred Income	(52 359 047)	52 359 047	-
Capital Grant Reserve	-	(44 206 919)	(44 206 919)

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ESWATINI NATIONAL PETROLEUM COMPANY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2025 (continued)

13. Change in accounting policy and estimate (continued)

Specific impacts on;

Statement of Profit/Loss	As previously stated	Adjustments	As restated
<b>31 March 2024</b>			
Revenue	64 011 354	55 049 075	119 060 429
Operating surplus transferred from designated funds	(31 159 778)	31 159 778	-
Operating expenses	(32 851 576)	(4 253 459)	(37 105 035)
Operating Surplus	-	81 955 394	81 955 394

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## ESWATINI NATIONAL PETROLEUM COMPANY

### DETAILED INCOME STATEMENT

for the year ended 31 March 2025

	2025 E	2024 E
<b>Income</b>		
Fuel levy	119 123 812	119 060 429
LPG Sales	3 218 111	-
Funds recovered	-	129 344
Cost of sales	(4 617 574)	-
Interest charged on levies	506 575	427 436
Sundry income	114 425	109 500
Tender fees received	40 315	81 257
Inventory adjustment	-	1 256 700
Interest received	25 508 077	21 710 666
<b>Total income</b>	<u>143 893 741</u>	<u>142 775 332</u>
<b>Operating expenses</b>		
Accounting fees	(19 184)	(7 200)
Advertising	(2 498 036)	(1 036 314)
Auditors' fees	(154 381)	(92 466)
Board fees	(1 394 231)	(1 738 050)
Bank charges	(69 922)	(58 360)
Cleaning expenses	(37 131)	(6 533)
Computer expenses	(98 555)	(133 674)
Corporate and social responsibility	(410 950)	(257 484)
Consulting fees	(4 057 140)	(5 259 086)
Depreciation	(1 417 109)	(1 235 982)
Employee cost	(14 340 847)	(13 135 220)
Finance charges	(291 128)	(230 781)
Fines and penalties	-	(565 004)
Impairment	(1 701 230)	-
Insurance	(402 106)	(354 209)
Legal expenses	(96 433)	(195 601)
LPG Expenses	(420 010)	-
Loss on sale of assets	(22 812)	(56 033)
Meeting expenses	(268 974)	(113 789)
Motor vehicles expenses	(52 461)	(175 735)
Offices Expenses	(134 239)	(526 060)
Printing and stationery	(457 847)	(251 674)
Project Costs	(10 808 730)	(4 253 459)
Promotional items	(121 738)	(384 160)
Rent	(1 947 517)	(1 645 383)
Repairs and maintenance	(32 763)	(143 733)
Security services	(205 838)	(176 813)
Staff welfare	(891 745)	(382 961)
Subscriptions and licences	(883 050)	(576 126)
Telephone and fax	(718 595)	(653 821)
Tender evaluation expenses	-	(96 592)
Training	(869 268)	(1 100 381)
Travelling expenses	(2 123 368)	(2 108 308)
VAT Reverse charge	-	(154 043)
<b>Total operating expenses</b>	<u>(46 947 338)</u>	<u>(37 105 035)</u>
<b>Surplus for the year</b>	<u>96 946 403</u>	<u>105 670 297</u>



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