TRADENET MALDIVES CORPORATION LIMITED

Audited Financial Statements for the year ended
31st December 2021

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CA Maldives approved audit firm

PARTNERS
Rifaath Jaleel, CPA, FCA
Saffan Ahmed, ACCA
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TRADENET MALDIVES CORPORATION LIMITED

Audited Financial Statements for the year ended
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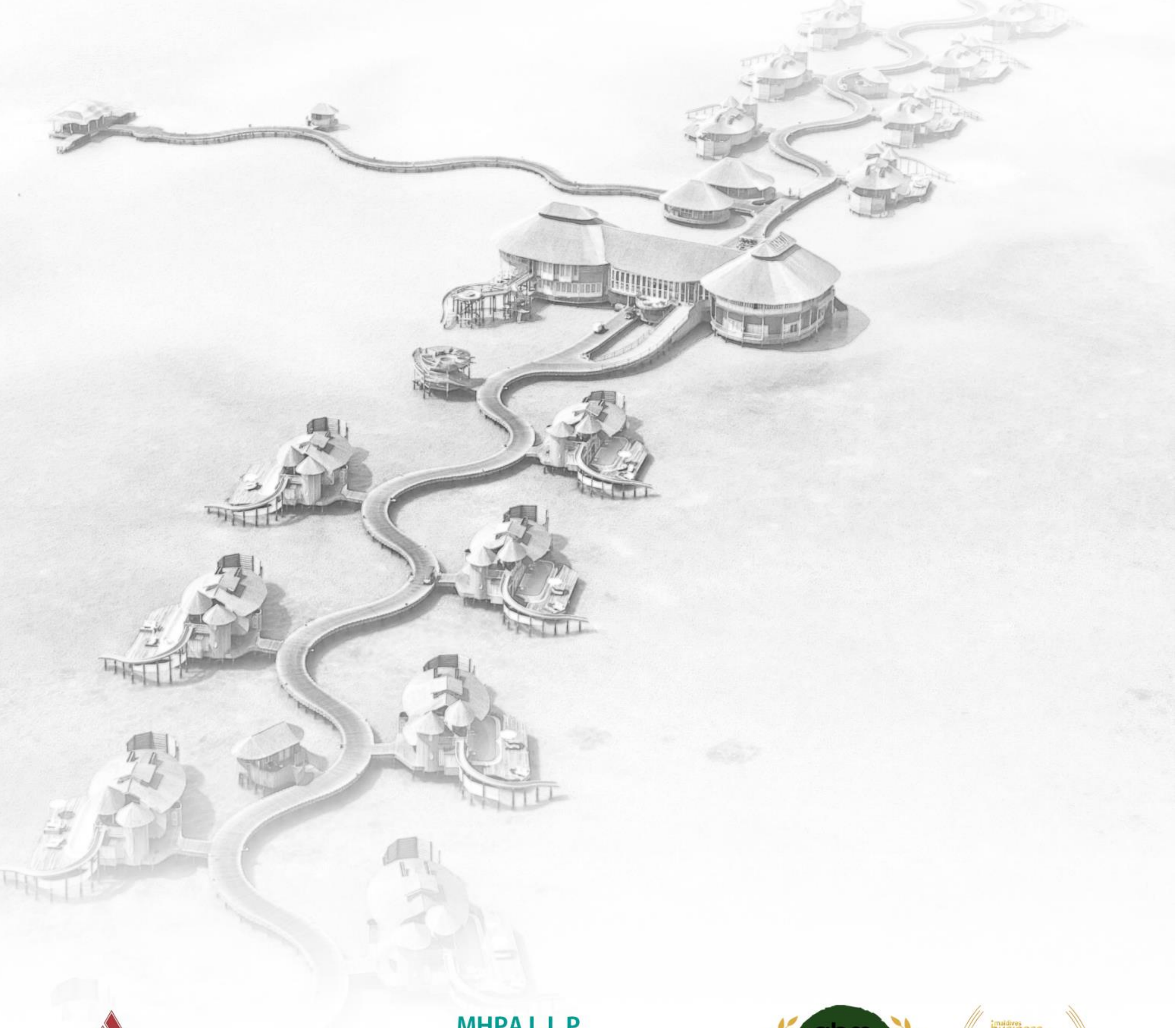

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February 06, 2024

MHPA-144-A/2022

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Tradenet Maldives Corporation Limited,

Opinion

We have audited the financial statements of Tradenet Maldives Corporation Limited (Company), comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with these requirements.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue Recognition – Project Income from Contract Revenue

Key Audit Matter	How our audit addressed the Key Audit Matter
Refer to the significant accounting policy notes *#4.2 Project Income* and *#6 Revenue* of the financial statements.	Specific work that we performed on the determination by the management on using the input method of revenue recognition included the following:
The contract between the Company and the Ministry of Economic Development (Ministry) outlines the establishment of IT services and infrastructure. Amendments were made to adjust project costs and extend project duration, with additional payments intended to cover operational expenses. The challenge arises in determining when to recognize revenue, as the payments from the Ministry are designed to cover both capital and ongoing operational costs for the project. There have been amendments after the balance sheet date, extending the project duration and additional payments to compensate the operational costs of the Company. To address uncertainty in measurement, revenue recognized is limited to costs expected to be recoverable, ensuring it doesn't exceed total probable recoverable costs. Management judgement has been made on treating "costs incurred" as cash-only costs, to represent the Company and its operations more accurately.	- Review and identify the key features of the contract, its terms and amendments, which include the Scope of Work, total budget, and the impact of the amendments on the budget to obtain a proper understanding of the contract. - Establish whether the satisfaction of the performance obligations relates to the revenue recognition - as the payments by the Ministry are intended to cover the investment and the operational cost of the Company to complete the service project. - Assess the reasonableness of Management's determination for concluding that there is no purpose of measuring progress towards satisfaction of the performance obligations and that allocating the transaction price to the performance obligations would be problematic due to the changing transaction price. - Review the budgeted costs provided in the contract to understand how they are categorized into capital and operational expenses and assess the company's methodology and rationale behind matching these costs to revenue. - Enquire the rationale behind management's judgment to consider "costs incurred" as cash-only costs and assess its alignment with the company's operations and business model to verify the impact of this judgment on revenue recognition.

	Based on the work performed we found that the process followed by the Company to recognize revenue and the estimates to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the annual report for the year ended 31 December 2021 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as 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, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or on 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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

Rifaath Jaleel, CPA, FCA
License No: ICAM-IL-DHD
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Certified Practicing Accountants

TRADENET MALDIVES CORPORATION LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	NOTES	2021 MVR	2020 MVR
ASSETS			
Non-current Assets			
Property, Plant & Equipment	13	2,892,963	2,451,830
Project Assets	14	2,366,641	-
Capital Work-In Progress	15	470,264	-
ROU Assets	16	9,847,706	8,603,206
		15,577,573	**11,055,036**
Current Assets			
Cash and Cash Equivalents	17	2,433,088	2,106,329
Trade and Other Receivables	18	821,630	440,674
Amount Due from Related Parties	19	14,556,970	202,460
		17,811,688	**2,749,463**
TOTAL ASSETS		**33,389,261**	**13,804,499**
EQUITY & LIABILITIES			
Equity and Reserves			
Ordinary Share Capital	20	17,396,530	9,446,530
Retained Earnings		(10,358,926)	(5,830,108)
		7,037,604	**3,616,422**
Non-current Liabilities			
Deferred Tax	11.4	419,527	337,073
Deferred Income	21	1,369,530	801,875
Lease Liabilities	24	7,933,667	7,452,658
		9,722,724	**8,591,606**
Current Liabilities			
Trade and Other Payables	22	2,222,969	59,405
Amount Due to Related Parties	23	9,749	37,067
Lease Liabilities	24	2,614,234	1,500,000
Contract Liability	25	11,781,981	-
		16,628,933	**1,596,471**
TOTAL LIABILITIES		**26,351,657**	**10,188,077**
TOTAL EQUITY & LIABILITIES		**33,389,261**	**13,804,499**

Approved by the Board of Directors on 23rd January 2024 and signed on its behalf by;

Saeeda Umar
Managing Director

Siyah Khaleel
Chairman

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TRADENET MALDIVES CORPORATION LIMITED
STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 MVR	2020 MVR
Revenue	6	12,784,551	1,081,148
Cost of Services	7	6,241,548	438,173
GROSS PROFIT		**6,543,004**	**642,975**
Administrative Expense	8	10,022,507	4,927,948
Marketing and Promotional Expense	9	36,500	-
Financing Cost	10	930,359	893,541
Profit / (Loss) Before Tax		**(4,446,363)**	**(5,178,515)**
Income Tax	11	82,455	337,073
NET PROFIT / (LOSS)		**(4,528,817)**	**(5,515,587)**
EARNINGS PER SHARE	12	(2.60)	(5.84)

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TRADENET MALDIVES CORPORATION LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 MVR	2020 MVR
Share Capital			
Balance as at 01st January		9,446,530	-
Issue of shares during the year	20	7,950,000	9,446,530
Balance as at 31st December		**17,396,530**	**9,446,530**
Retained Earnings			
Balance as at 01st January		(5,830,108)	(314,521)
Profit / (loss) during the year		(4,528,817)	(5,515,587)
Balance as at 31st December		**(10,358,926)**	**(5,830,108)**
		7,037,604	**3,616,422**

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TRADENET MALDIVES CORPORATION LIMITED
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 MVR	2020 MVR
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before Tax		(4,446,363)	(5,178,515)
Adjustment for			
Deferred Income	21	(118,842)	(25,604)
Depreciation & Amortization	13	725,216	116,496
ROU Amortization	16	1,159,187	955,912
ROU Lease Interest	24	930,359	893,541
Operating profit/(loss) before working capital changes		**(1,750,442)**	**(3,238,170)**
Working Capital Changes			
Trade and Other Receivables	18	(380,956)	(440,674)
Amount Due from Related Parties	19	(14,354,510)	(202,460)
Trade and Other Payables	22	2,183,062	(135,752)
Amount Due to Related Parties	23	(46,815)	(37,067)
Contract Liability	25	11,781,981	-
Cash generated from operating activities		**(2,567,681)**	**(4,054,123)**
Interest Paid (ROU)	24	(930,359)	(893,541)
Income Tax Paid	11	-	-
Net Cash Generated from / (Used in) Operating Activities		**(3,498,040)**	**(4,947,664)**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment	13	(2,846,492)	(1,740,848)
Investment in Work-in Progress	15	(470,264)	-
Net Cash Used in Investing Activities		**(3,316,755)**	**(1,740,848)**
CASH FLOW FROM FINANCING ACTIVITIES			
Paid-up Ordinary Share Capital	20	7,950,000	9,401,300
Principal Lease Payment (ROU)	24	(808,444)	(606,459)
Net Cash Generated from / (Used in) Financing Activities		**7,141,556**	**8,794,841**
Net Increase / (Decrease) in Cash and Cash Equivalents		**326,760**	**2,106,329**
Cash and Cash Equivalents at the Beginning of the Year		**2,106,329**	**-**
Cash and Cash Equivalents at the End of the Year		**2,433,088**	**2,106,329**

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TRADENET MALDIVES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. REPORTING ENTITY

Tradenet Maldives Corporation Limited (the "Company") is a Company incorporated and resided in the Republic of Maldives as a private limited liability Company. The Company is a 100% State-Owned Enterprise incorporated on 15th October 2019. The Company was established under Presidential Decree No: 2019/11 and governed by the Companies Act 1996.

Principal activities and nature of operation

Tradenet is the designated operator of the National Single Window (NSW) system in the Maldives, an initiative that utilizes information and Communications Technologies (ICT) to streamline international trade procedures by allowing electronic information exchange between Cross Border Regulatory Authority (CBRA) information systems by automating operations across stakeholder systems.

Additionally, Tradenet carries out design, development, and operation of One Service Maldives (OSM Project), which aims to integrate the digital services of numerous government agencies under a single platform, improving public service delivery through citizen centric services, increasing people's engagement, enhancing transparency, accountability, and inclusion, and ultimately making life better for all.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

2.2 Basis of Measurement

The financial statements have been formulated using the historical cost accounting method.

2.3 Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All financial information presented has been rounded to the nearest Rufiyaa.

2.4 Going Concern

During the year ending 31st December 2021, the Company incurred a loss of MVR 4,446,363, and as of that reporting date, it had accumulated losses of MVR 9,939,398.

Despite the losses, the Board of Directors has determined that it is appropriate to use the going concern basis of accounting for the year, and they do not plan to liquidate or discontinue the Company. The Board has conducted a thorough evaluation of the Company's ability to continue as a going concern in the foreseeable future, taking into account the financial and operational support expected from the Ministry of Finance, as the sole shareholder of the Company.

2.5 Use of Estimates and Judgements

While formulating these financial statements, management has exercised judgment and made estimations that impact the application of the Company's accounting policies and the disclosed figures for assets, liabilities, income, and expenses. Actual outcomes may deviate from these estimations.
Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognized in a prospective manner.

(i) Judgements
Details regarding key judgments used in the application of accounting policies, which have the most substantial impact on the figures reported in the financial statements, are provided in the relevant notes,

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- classification of financial assets involves evaluating the business model in which the assets are held and determining whether the contractual terms of the financial asset meet the criteria for "SPPI" (Solely Payments of Principal and Interest) on the outstanding principal amount.
- recognition and measurement of contingencies involve essential assumptions regarding the probability and extent of a potential outflow of resources.

(ii) Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties as at 31st December 2021 that which poses a substantial risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are provided in the relevant notes.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the period ended 31st December 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Foreign Currency Transactions

The Company's financial statements are presented in MVR which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. All differences are taken to the profit or loss as a financing cost.

Non-monetary assets and liabilities recorded at historical cost in a foreign currency are converted using the exchange rates in effect at the time of the initial transactions. Non-monetary items valued at fair value in a foreign currency are translated using the exchange rates prevailing on the date when the fair value is determined.

4.2 Revenue

To determine whether to recognise revenue, the follows a 5-step process:

(a) Identifying the contract with a customer
(b) Identifying the performance obligations
(c) Determining the transaction price
(d) Allocating the transaction price to the performance obligations, and then
(e) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognized as the Company satisfies each performance obligation. Revenue is recognized over time (as progress is made) or at a point in time (when control is transferred) dependent on the contract terms.

(i) Recognize Revenue at the Point in Time
The company recognize revenue at the identified point in time when control is transferred to the customer. The amount recognized as revenue is the transaction price allocated to the specific goods or services that were transferred at that moment.

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(ii) Revenue Recognised Over Time

Company recognises revenue as the performance obligations are being fulfilled or as the progress is made towards fulfilling its obligations and revenue is recognised gradually over a contract duration. Revenue will be measured using,

- output method: progress is measured directly assessing the goods or services transferred to the customer.
- input method: progress is measured on the Company's contributions or inputs to fulfil the performance obligations.

Service Income

The Company recognises the revenue over time by measuring the progress towards complete satisfaction of the performance obligation.

Project Income

In the case of Project Income, particularly for the OSM project, revenue recognition is not tied to the fulfilment of performance obligations. Payments made by the Ministry of Economic Development are intended to cover the Company's investment and operational costs, rendering the measurement of progress towards satisfying performance obligations unnecessary. Therefore, revenue is recognised based the Companies contribution to meet the obligation of the contract.

4.3 Government Grant

The Company, as the assigned operator of the National Single Window (NSW) in the Maldives, has received government grants, funded by ADB. These grants have been extended to facilitate the establishment and operation of the NSW operator. The grants comprise of two main components:

(i) Capital Expenditure

The government grants pertain to the capital expenditures necessary for the establishment of the NSW operator, with a primary focus on the development of IT infrastructure and the setup of office facilities.

(ii) Recurrent Costs

In addition to capital expenditure, the grants encompass a contribution towards certain elements of recurrent expenses. These include partial coverage of office rental, communication expenditures, and subscriptions essential for the efficient functioning of the NSW.

Recognition and Measurement

Government grants are acknowledged in the financial statements when there is a reasonable expectation that the Company will comply with the conditions stipulated in conjunction with the grant, and the grant is assured of being received.

(i) Capital Expenditure

Grants related to capital expenditures are initially recognized as deferred income on the Statement of Financial Position. Subsequently, they are systematically recognized as income in the income statement over the expected useful life of the associated assets. This method ensures that the grant income is recognized in a manner aligned with the period over which it benefits the Company.

(ii) Recurrent Costs

Grants pertaining to partial office rent, communication expenses, and subscriptions are recognized as grant income in the income statement as and when the relevant expenses are incurred.

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4.4 Cost of Operations
The Company incurs cost of operations primarily from the labour cost attributed to generate the revenue from projects and running the call centre to its clients.

4.5 Expenditure recognition
In the statement of comprehensive income, expenses are recorded based on a direct correlation between the costs incurred and the generation of specific income items. This includes all expenses related to the operation of the business and the upkeep of property, plant, and equipment to ensure their efficient functioning, which have been accounted for in the statement of comprehensive income to determine the profit for the year.

Expenditure spent on acquiring, expanding, or enhancing permanent assets that enable business operations or enhance the business's earning potential is categorized as capital expenditure.

4.6 Income Tax
Income tax expense comprises both current and deferred taxes and is recorded in the profit or loss statement, unless it pertains to a business combination or items recognized directly in equity or other comprehensive income (OCI). The Company has concluded that interest and penalties related to income taxes, including those associated with uncertain tax treatments, do not meet the criteria for classification as income taxes and, therefore, has accounted for them in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

(i) Current Tax
Current tax includes the anticipated tax that will be payable, or receivable based on the taxable income or loss for the current year, along with any revisions to the tax payable or refundable related to prior years. The current tax amount to be paid or received is the most reliable estimate of the expected tax payment or refund, considering any uncertainties associated with income taxes. This estimation is determined using the tax rates that have been officially enacted or are substantially certain as of the reporting date. Current tax assets and liabilities are consolidated only when specific conditions are satisfied.

(ii) Deferred Tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.7 Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. For self-constructed assets cost includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

(ii) Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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The estimated useful lives for the current and comparative periods are as follows:

Computer Hardware	05 Years
Computer Hardware	03 Years
Machinery and Equipment	10 Years
Motor Vehicles	05 Years
Office Equipment	05 Years
Office Equipment	03 Years
Furniture and Fittings	10 Years
Leasehold Improvements	Lease Period

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and are adjusted if appropriate.

Depreciation starts when the asset is delivered and ready to use while, depreciation ends on the disposal date, or at the end of its useful life.

(iv) Capital Work in Progress
Assets under construction as at the year-end represents the costs incurred or accrued for the assets which have not commenced the usage as at the year end.

4.8 Intangible Assets

(i) Recognition and Measurement
Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

(ii) Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognized in profit or loss as incurred.

(iii) Amortization
Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of assets unless such lives are indefinite. The estimated useful lives for the current and comparative periods are as follows:

Computer Software	03 Years

4.9 Financial Instruments

(i) Recognition and Initial Measurement
Trade receivables and debt securities are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at Fair Value through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement
Financial assets
On initial recognition, a financial asset is classified as measured at: amortized cost, Fair Value through Other Comprehensive Income ("FVOCI") - Debt investment, FVOCI - equity investment or FVTPL.

Financial assets are not classified subsequent to their initial recognition unless the Company changes its business model for managing financial assets. In which case all affected financial assets are classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading: the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by- investment basis. Accordingly, the Company has irrevocably elected to present subsequent changes in fair value in OCI.

Financial assets designated at FVOCI comprise Company's investments in equity shares. All other financial assets are classified as measured at FVTPL.

Financial assets - Business Model Assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the management.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment Whether the Cash Flows are Solely Payment of Principal and Interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Equity instruments have contractual cash flows that do not meet the SPPP criterion. Accordingly, all such financial assets are measured at FVOCI.

(iii) Financial assets - Subsequent Measurement and gains and losses
Financial Assets at Amortized Cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

(iv) Financial liabilities - classification, subsequent measurement and gains and losses
Financial Liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The Company's non-derivative financial liabilities consist of amount due to related patties, loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Interest Rate Benchmark Reform
When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

(v) De-recognition
Financial assets
The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

Financial Liabilities
The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows

C10472019

of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(vi) Offsetting
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the assert and settle the liability simultaneously.

4.10 Impairment
(i) Non-derivative financial assets
Financial instruments
The Company recognizes loss allowances for Expected Credit Loss (ECL) on financial assets (including lease receivables) measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12 month ECLs.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:
- significant financial difficulty of the sub lessee;
- a breach of contract such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;

Presentation of allowance for ECL in the statement of financial position

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Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(ii) Non-financial assets
At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.11 Share Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

4.12 Leases
At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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Maldives Corporation Limited
C10472019

MHPA

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.

The lease payments included in the measurement of the lease liability comprise the following,

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of- use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as separately and lease liabilities separately in the statement of financial position.

Short-term Leases and Leases of Low-value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low- value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.13 Events Occurring After the Reporting Date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

4.14 Defined contribution plan

Employees are entitled to participate in the Maldives Retirement Pension Scheme in accordance with applicable statutes and regulations. The Company allocates a 7% contribution from the basic salary of Maldivian employees to the Maldives Retirement Pension Scheme

4.15 Other Liabilities and Provision

In the process of preparing the financial statements, we have included all known liabilities. Additionally, we have assessed the significance of events occurring after the reporting period and, where deemed necessary, have incorporated suitable adjustments and provisions in the financial statements.

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Maldives Corporation Limited
C10472019

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Current liabilities listed in the statement of financial position comprise amounts due for payment either upon demand or within one year from the end of the reporting period. Non-current liabilities consist of balances that become due more than one year after the reporting period's end.

Provisions are recognized when the Company has a present obligation (legal or Constructive) 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 amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income of any reimbursement.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning from 01st January 2022 and earlier application is permitted; however, the Company has not adopted any of the new or amended standards in preparing these financial statements.

The Company anticipates that the revised standards and interpretations listed below will not have a substantial impact on its financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to TFRS3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Onerous Contract, cost of full filling a contract (Amendments to IAS 37).
- Deferred Tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12).
- Annual improvements to IFRS standards 2018-2020.

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Maldives Corporation Limited
C10472019

		2021	2020
		MVR	MVR
6	**Revenue**		
	Grant Income	1,338,018	878,688
	Service Income	2,311,847	202,460
	Project Income	9,134,686	-
		12,784,551	**1,081,148**

Grant income comprises of financial support provided by the Asian Development Bank (ADB) under the SACEC's National Single Window (NSW) Project, for capital expenditures and reimbursements for specific recurring costs associated with the designated NSW operator.

Service Income is generated from contracts signed with clients to provide Contact Centre Services.

Project Revenue consists of revenue generated from the contract signed between the Ministry of Economic Development and the Company (OSM Project). The contract start date was June 2021 and concludes in June 2023. The total contract value is MVR 66,998,273. The progress is measured using the input method, by identifying cost incurred to meet its performance obligations.

		2021	2020
		MVR	MVR
7	**Cost of Services**		
	Staff Cost of Contact Centre	2,397,189	438,173
	Staff Cost of Projects	3,844,359	-
		6,241,548	**438,173**

The cost of service includes labour expenses associated with both contact centre operations and labour costs attributed to the development of the OSM Project.

		2021	2020
		MVR	MVR
8	**Administrative Expense**		
	Salaries and Benefits	3,114,913	2,004,818
	Professional Fees	1,429,097	210,345
	Training Expense	240,159	2,368
	Directors Remuneration	1,125,984	1,056,821
	Pension	311,364	180,307
	Recreational Expense	38,517	-
	Utilities	157,597	42,990
	Communication Expense	444,010	138,888
	Licenses and Subscriptions	605,466	57,321
	Office Supplies and Stationaries	113,612	45,670
	Refreshments and Entertainment	27,066	18,926
	Bank Charges	6,367	3,651
	Travel Expenses	136,641	-
	Repair and Maintenance	60,018	12,929
	IT Consumables	101,202	33,351
	Depreciation	725,216	116,496
	ROU Amortization	1,159,187	955,912
	Insurance	33,499	-
	Office Cleaning	97,471	46,907
	Transportation and Logistical Expenses	20,141	250
	Fines and Penalties	74,980	-
		10,022,507	**4,927,948**

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C10472019

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		2021 MVR	2020 MVR
9	**Marketing and Promotional Expense**		
	Branding and Promotion Expense	36,500	-
		36,500	**-**

		2021 MVR	2020 MVR
10	**Financing Cost**		
	ROU Lease Interest	930,359	893,541
		930,359	**893,541**

		2021 MVR	RESTATED 2020 MVR
11	**Income Tax**		
11.1	**Income Tax**		
	Profit/ (Loss) Before Tax (Accounting Profit)	(4,446,363)	(5,178,515)
	Disallowable Expenses	4,327,090	3,203,076
	Allowable Expenses	(3,583,855)	(2,773,947)
	Taxable Profit/ (Loss) Before Threshold Allowance	(3,703,128)	(4,749,386)
	Tax-free Threshold	(500,000)	(500,000)
	Taxable Profit	-	-
	Income Tax on Taxable Profit at 15%	**-**	**-**

		2021 MVR	RESTATED 2020 MVR
11.2	**Accumulated Tax Loss**		
	Taxable Loss Carried Forward as at period starting, 01st January	(5,063,906)	(314,520)
	Taxable Loss for the year	(3,703,128)	(4,749,386)
	Accumulated Tax Loss as at period ending, 31st December	**(8,767,033)**	**(5,063,906)**

Under the stipulations of the Income Tax Act (Law No. 25/2019), which became effective on 01st January 2020, along with applicable regulations and any subsequent revisions, the Company is liable for income tax on its taxable profits at a rate of 15%.

11.3 Deferred Tax on Temporary Differences

The deferred tax is arrived at by applying the income tax rate of 15% to the timing differences as at 31st December 2021.

	2021 MVR	RESTATED 2020 MVR
Deferred Tax Asset (Note 11.4)	555,469	712,408
Deferred Tax Liability (Note 11.4)	419,527	337,073
Deferred Tax Asset as at 31st December	**135,942**	**375,335**

The deferred tax asset resulting from carried forward tax losses has not been recognised in these financial statements since it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

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Maldives Corporation Limited
C10472019

11.4 Unrecognised Deferred Tax Assets / (Liability) are attributable to the following

	2021 MVR	RESTATED 2020 MVR
Deferred Tax Asset		
Loss Before Tax	(4,446,363)	(5,178,515)
Disallowable Expenses	4,327,090	3,203,076
Allowable Expenses	(3,583,855)	(2,773,947)
Taxable Loss	(3,703,128)	(4,749,386)
Deferred Tax Asset on Tax Losses at 15%	**555,469**	**712,408**
Deferred Tax Liability		
Net Carrying Value as per Accounting Base	5,259,603	2,451,830
Written Down Value as per Tax Base	2,462,756	204,679
Temporary Difference	2,796,848	2,247,151
Deferred Tax Liability on Tax Losses at 15%	**419,527**	**337,073**

12 Earnings Per Share

	2021 MVR	2020 MVR
Profit/(Loss) for the year	(4,528,817)	(5,515,587)
Number of Ordinary Shares	1,739,653	944,653
	(2.60)	**(5.84)**

Earnings per share is determined by dividing the profit for the year attributed to ordinary shareholders by the number of ordinary shares outstanding at the end of the year.

tradenet Maldives Corporation Limited C10472019

MHPA Limited Liability Partnership P-0006/2013 Certified Practicing Accountants

	2021 MVR	2020 MVR
13 Property, Plant and Equipment		
COST		
Office Equipment		
Balance as at 01st January	361,478	-
Acquisitions during the year	30,337	361,478
Grants Received during the year	94,298	-
Disposal during the year	-	-
Transferred from Capital Work-In Progress	-	-
Balance as at 31st December	486,112	361,478
Computer Hardware & Accessories		
Balance as at 01st January	523,896	-
Acquisitions during the year	232,582	523,896
Grants Received during the year	592,199	-
Disposal during the year	-	-
Transferred from Capital Work-In Progress	-	-
Balance as at 31st December	1,348,677	523,896
Leasehold Improvement		
Balance as at 01st January	658,360	-
Acquisitions during the year	-	658,360
Grants Received during the year	-	-
Disposal during the year	-	-
Transferred from Capital Work-In Progress	-	-
Balance as at 31st December	658,360	658,360
Furniture & Fittings		
Balance as at 01st January	1,024,594	-
Acquisitions during the year	24,715	197,115
Grants Received during the year	-	827,478
Disposal during the year	-	-
Transferred from Capital Work-In Progress	-	-
Balance as at 31st December	1,049,309	1,024,594
TOTAL COST	**3,542,458**	**2,568,327**

The grants recognized under Property, Plant and Equipment represent acquisitions through the financial support provided by the Asian Development Bank (ADB) under the SACEC National Single Window project.

tradenet Maldives Corporation Limited C10472019

MHPA Limited Liability Partnership P-0006/2013

TRADENET MALDIVES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 MVR	2020 MVR
13	**Property, Plant & Equipment (continued)**		
	ACCUMULATED DEPRECIATION		
	Office Equipment		
	Balance as at 01st January	15,727	-
	Depreciation for the year	80,202	15,727
	Disposal during the year	-	-
	Balance as at 31st December	95,929	15,727
	Computer Hardware & Accessories		
	Balance as at 01st January	33,182	-
	Depreciation for the year	278,475	33,182
	Disposal during the year	-	-
	Balance as at 31st December	311,657	33,182
	Leasehold Improvement		
	Balance as at 01st January	30,751	-
	Depreciation for the year	71,163	30,751
	Disposal during the year	-	-
	Balance as at 31st December	101,914	30,751
	Furniture & Fittings		
	Balance as at 01st January	36,837	-
	Depreciation for the year	103,159	36,837
	Disposal during the year	-	-
	Balance as at 31st December	139,996	36,837
	TOTAL ACCUMULATED DEPRECIATION	**649,495**	**116,496**
	NET CARRYING VALUE		
	Office Equipment	390,183	345,751
	Computer Hardware & Accessories	1,037,020	490,714
	Leasehold Improvement	556,446	627,609
	Furniture & Fittings	909,313	987,757
		2,892,963	**2,451,831**

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Maldives Corporation Limited
C10472019

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14 Project Assets

	2021 MVR	2020 MVR
COST		
Office Equipment		
Balance as at 01st January	-	-
Acquisitions during the year	341,724	-
Disposal during the year	-	-
Balance as at 31st December	341,724	-
Computer Hardware & Accessories		
Balance as at 01st January	-	-
Acquisitions during the year	1,288,618	-
Disposal during the year	-	-
Balance as at 31st December	1,288,618	-
Furniture & Fittings		
Balance as at 01st January	-	-
Acquisitions during the year	928,515	-
Disposal during the year	-	-
Balance as at 31st December	928,515	-
TOTAL COST	**2,558,858**	**-**

Project assets encompass all the capital expenditures acquired for the OSM development project. The ownership rights to these assets will only be transferred to the Company upon the conclusion of the contract term.

	2021 MVR	2020 MVR
ACCUMULATED DEPRECIATION		
Office Equipment		
Balance as at 01st January	-	-
Depreciation for the year	19,593	-
Disposal during the year	-	-
Balance as at 31st December	19,593	-
Computer Hardware & Accessories		
Balance as at 01st January	-	-
Depreciation for the year	150,982	-
Disposal during the year	-	-
Balance as at 31st December	150,982	-
Furniture & Fittings		
Balance as at 01st January	-	-
Depreciation for the year	21,642	-
Disposal during the year	-	-
Balance as at 31st December	21,642	-
TOTAL ACCUMULATED DEPRECIATION	**192,217**	**-**
NET CARRYING VALUE		
Office Equipment	322,131	-
Computer Hardware & Accessories	1,137,636	-
Furniture & Fittings	906,873	-
	2,366,641	**-**

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Maldives Corporation Limited
C10472019

Limited Liability Partnership • P-0006/2013 • MHPA

		2021 MVR	2020 MVR
15	**Capital Work-in Progress**		
	Balance as at 01st January	-	-
	Additions during the year	470,264	-
	Transferred to Property Plant & Equipment	-	-
	Balance as at 31st December	**470,264**	**-**

Capital work-in progress consist of investment on leasehold improvements for the Male' support center.

		2021 MVR	2020 MVR
16	**Right-Of-Use Asset**		
	COST		
	Balance as at 01st January	9,559,117	-
	Additions during the year	2,403,687	9,559,117
	Disposals during the year	-	-
	Balance as at 31st December	11,962,804	9,559,117
	ACCUMULATED AMORTIZATION		
	Balance as at 01st January	955,912	-
	Amortization during the year	1,159,187	955,912
	Disposals during the year	-	-
	Balance as at 31st December	2,115,099	955,912
	NET CARRYING VALUE	**9,847,706**	**8,603,206**

Per the deliverables outlined in the OSM contract, the Company is required to establish three support centers. In 2021, the Company executed two office space lease agreements, one in Male' (2 year lease) and another in Fuvahmulah (5 year lease), to fulfill this obligation.

		2021 MVR	2020 MVR
17	**Cash and Cash Equivalent**		
	Cash in Hand	4,450	552
	Bank Balances	2,428,638	2,105,777
		2,433,088	**2,106,329**

		2021 MVR	2020 MVR
18	**Trade and Other Receivables**		
	Trade Receivables	-	-
	Prepaid Expenses	44,417	169,663
	Advances and Deposits	155,706	-
	Other Receivables	893	2,096
	Accrued Income	620,615	268,914
		821,630	**440,674**

Accrued Income represents the anticipated reimbursement for recurring costs associated with the NSW Project.

tradenet Maldives Corporation Limited C10472019

MHPA Limited Liability Partnership P-0006/2013

		2021 MVR	2020 MVR
19	**Amount Due from Related Parties**		
	Ministry of Economic Development	14,488,220	202,460
	SME Development Finance Corporation	68,750	-
		14,556,970	**202,460**

Receivables from Ministry of Economic Development relates to the OSM contract.

20 Ordinary Share Capital

20.1 Authorised Share Capital

The Authorised Share Capital comprises of 15,000,000 ordinary shares of MVR 10 each.

		2021 MVR	2020 MVR
20.2	**Issued Share Capital**		
	Balance as at 01st January	9,446,530	-
	Issue of Ordinary Shares during the year	7,950,000	9,446,530
	Balance as at 31st December	**17,396,530**	**9,446,530**

During the year 2021 the issued and fully paid-up share capital comprises of 795,000 (2020: 944,653) shares, issued at a par value of MVR 10 per share.

		2021 MVR	2020 MVR
21	**Deferred Income**		
	Balance as at 01st January	801,875	-
	Grant Assets Received during the year	686,497	827,478
	Transferred to Grant Income	(118,842)	(25,604)
	Balance as at 31st December	**1,369,530**	**801,875**

Capital expenditures acquired for the NSW Project, financed through the grant, are capitalised under Property Plant and Equipment. The corresponding grant income is recognized over the useful life of the asset.

		2021 MVR	2020 MVR
22	**Trade and Other Payables**		
	Trade Payables	340,280	20,183
	Accrued Expense	447,926	(647)
	Payroll Liabilities	83,715	39,869
	Tax Liability	1,351,048	-
		2,222,969	**59,405**

Tax Liability comprises the goods and services tax applicable to both the contact center income and OSM Project income.

		2021 MVR	2020 MVR
23	**Amount Due to Related Parties**		
	Fenaka Corporation Limited	1,282	-
	Island Aviation Services Ltd	8,467	-
	State Electric Company Limited	-	8,818
	Dhivehi Raajjeyge Gulhun Plc	-	24,137
	Male' Water and Sewerage Company	-	4,112
		9,749	**37,067**

tradenet Maldives Corporation Limited C10472019

MHPA Limited Liability Partnership P-0006/2013 MHPA

24 Lease Liabilities

	2021 MVR	2020 MVR
Balance as at 01st January	8,952,658	-
Additions during the year	2,403,687	9,559,117
Interest charges for the year	930,359	893,541
Lease Terminations during the year	-	-
Interest paid during the year	(930,359)	(893,541)
Principle lease payments	(808,444)	(606,459)
Balance as at 31st December	10,547,901	8,952,658
Non-current Liabilities	**7,933,667**	**7,452,658**
Current Liabilities	**2,614,234**	**1,500,000**

25 Contract Liability

	2021 MVR	2020 MVR
Balance as at 01st January	-	-
Progress billing during the year	20,916,667	-
Transferred to Income Statement (Project Revenue)	(9,134,686)	-
Balance as at 31st December	**11,781,981**	**-**

26 Related Party Transactions

The Government of Maldives holds 100% ownership of the Company. The Company engages in various transactions with entities under the direct or indirect control of the Government of Maldives, including government authorities, agencies, affiliations, and other organizations, collectively referred to as government entities. These transactions encompass a range of activities, such as sales, purchases, service provisions, leases, and the utilization of public utilities.

	2021 MVR	2020 MVR
State Electric Company Limited		
Outstanding Payable as at 01st January	8,818	-
Transactions during the year	105,941	31,833
Payments made during the year	114,759	23,015
Outstanding Payable as at 31st December	-	8,818
Island Aviation Service Ltd		
Outstanding Payable as at 01st January	-	-
Transactions during the year	96,029	-
Payments made during the year	87,562	-
Outstanding Payable as at 31st December	8,467	-
Maldives Transport and Contracting Company Plc		
Outstanding Payable as at 01st January	-	-
Transactions during the year	103,804	-
Payments made during the year	103,804	-
Outstanding Payable as at 31st December	-	-
Dhivehi Raajjeyge Gulhun Plc		
Outstanding Payable as at 01st January	24,137	-
Transactions during the year	405,176	101,191
Payments made during the year	429,313	77,054
Outstanding Payable as at 31st December	-	24,137

	2021 MVR	2020 MVR
Waste Management Corporation Limited		
Outstanding Payable as at 01st January	-	-
Transactions during the year	1,580	952
Payments made during the year	1,580	952
Outstanding Payable as at 31st December	-	-
Fenaka Corporation Limited		
Outstanding Payable as at 01st January	-	-
Transactions during the year	20,118	-
Payments made during the year	18,835	-
Outstanding Payable as at 31st December	1,282	-
Male' Water and Sewerage Company		
Outstanding Payable as at 01st January	4,112	-
Transactions during the year	16,661	8,244
Payments made during the year	20,773	4,132
Outstanding Payable as at 31st December	-	4,112
State Trading Organization Plc		
Outstanding Payable as at 01st January	-	-
Transactions during the year	33,080	-
Payments made during the year	33,080	-
Outstanding Payable as at 31st December	-	-
SME Development Finance Corporation		
Outstanding Receivable as at 01st January	-	-
Transactions during the year	771,875	-
Payments received during the year	703,125	-
Outstanding Receivable as at 31st December	68,750	-
Ministry of Economic Development		
Outstanding Receivable as at 01st January	202,460	-
Transactions during the year	23,807,587	202,460
Payments received during the year	9,521,827	-
Outstanding Receivable as at 31st December	14,488,220	202,460

27 Transactions with Key Management Personnel

Key Management Personnel (KMP) are individuals that have the authority and responsibility of planning, directing, and controlling the activities of the Company. Key Management Personnel includes members of the Board of Directors and Senior Managment. Seneior managment consists of General Managers and the Company Secretary.

The Company has made MVR 1,105,237 payments to the Baord of Directors during the year ending on 31st December 2021 (2020: MVR 1,101,838).

The Company has made MVR 1,211,226 payments to the Senior Management during the year ending on 31st December 2021 (2020: MVR 1,218,213).

tradenet Maldives Corporation Limited C10472019

MHPA Limited Liability Partnership P-0006/2013

28 Events After Reporting Period

The OSM Project contract, signed between the Ministry of Economic Development and the Company, was amended in January 2023 to reflect an ioncrease in the contarct scope. Both the parties agreed to the change in scope and contact value was increased by MVR 10,397,372 accordingly.

Effective from June 2023, an additional amendment was brought to extend the contract period until the end of 2023. However, as this amendment did not alter the scope of work or the obligations of the Company, this extension was for the sole purpose of continuing the operations of OSM with the existing 8 agencies as agreed in the original contract. Thus, the contract value was revised by MVR 22,774,673 to manage and operate OSM.

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C10472019

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About MHPA

MHPA is a CA Maldives approved audit firm registered in the Republic of Maldives providing audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. Initially registered in 2008, MHPA was the first 100% Maldivian owned and operated professional audit firm with qualified professionals to offer specialized professional assurance and advisory services such as Internal Audits, External Audits, Valuation Services, Feasibility Studies and Due Diligence Services to the micro, small and medium sized business enterprises in the country.

MHPA is a firm with a DIFFERENCE. We pride ourselves in knowing exactly what businesses want and need for successful growth. Our trained professional staff keeps up to date with the latest information in legislation, business management practices and technology so your business can be kept fully informed. A one-stop solution for all your financial requirements, MHPA is an extension of your business and that's what makes the difference. With international affiliations, MHPA brings world-class capabilities and deep local expertise to help clients succeed wherever they operate.

MHPA's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from each other. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. MHPA's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Our people are based throughout Maldives serving clients that range from Maldives' largest companies to smaller businesses with ambition to grow.

MHPA's experts draw on best practice and innovative methodologies from around the world. A long track record and a wealth of international research into the needs of growing organisations has made MHPA one of the country's leading advisor to emerging businesses. For more information about MHPA LLP, visit our website www.mhpaonline.com

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