MALDIVES INFLIGHT CATERING PRIVATE LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better working world

Ernst & Young
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NJ/APM/KS

Independent auditor's report to the shareholders of Maldives Inflight Catering Private Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maldives Inflight Catering Private Limited (the "Company") which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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 (including international independence standards) (IESBA Code), 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 matter

The financial statements of Maldives Inflight Catering Private Limited for the year ended December 31, 2021, were audited by another auditor expressed an unmodified opinion on those financial statements on 5 June 2022.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines 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 the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 those charges 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.

For and on behalf of Ernst & Young
Partner: Krishna Rengaraj
Licensed Auditor: ICAM-IL-PKC

18 May 2023
Male'

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Notes	2022 USD	2021 USD
Revenue	4	28,175,432	24,320,673
Cost of sales		(7,418,553)	(6,299,884)
Gross profit		**20,756,879**	**18,020,789**
Other income	5	811,238	26,445
Administrative expenses		(11,019,138)	(8,065,522)
Marketing expenses		(229,112)	(1,785,001)
Profit before tax from operating activities		**10,319,867**	**8,196,711**
Net finance cost	6	(1,462,368)	(1,350,745)
Profit before income tax		**8,857,499**	**6,845,966**
Income tax expense	7	(1,635,678)	(1,059,892)
Profit for the year		**7,221,821**	**5,786,074**
Other comprehensive income			
Gain on revaluation of buildings		2,325,783	-
Deferred tax on revaluation on building		(348,867)	-
Total comprehensive income		**9,198,737**	**5,786,074**
Earnings per share	8	10.32	8.27

The accounting policies and notes form an integral part of the financial statements.

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MALDIVES INFLIGHT CATERING PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 USD	2021 USD
Assets			
Non-current assets			
Property, plant and equipment	9	84,937,875	7,885,455
Capital work-in-progress	10	477,166	63,223,578
Right-of-use assets	11	8,397,269	9,019,108
Intangible assets	12	199,141	31,793
Deferred tax asset	7.3	483,511	1,166,730
		94,494,962	**81,326,664**
Current assets			
Inventories	13	1,339,332	1,198,975
Trade and other receivables	14	9,464,586	7,782,302
Investment in fixed deposits	15	4,618,782	4,393,117
Cash and bank balances	16	6,449,948	12,068,637
		21,872,648	**25,443,031**
Total assets		**116,367,610**	**106,769,695**
Shareholders' equity and liabilities			
Shareholders' equity			
Stated capital	17	240,625	240,625
Revaluation reserve		1,976,916	-
Retained earnings		93,379,598	86,157,777
Total shareholders' equity		**95,597,139**	**86,398,402**
Non-current liabilities			
Lease liability	11	14,413,682	13,991,284
		14,413,682	**13,991,284**
Current liabilities			
Lease liability	11	908,138	424,916
Trade and other payables	18	5,425,299	4,812,926
Income tax payable		23,352	1,142,167
		6,356,789	**6,380,009**
Total shareholders' equity and liabilities		**116,367,610**	**106,769,695**

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the board by,

Name of the Director	**Signature**
Mahjoob Shujau	
Ibrahim Noordeen	

The accounting policies and notes form an integral part of the financial statements.

18 May 2023
Male'

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STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital USD	Revaluation Surplus USD	Retained earnings USD	Total equity USD
Balance as at 01 January 2021	**240,625**	**-**	**80,371,703**	**80,612,328**
Profit for the year	-	-	5,786,074	5,786,074
Balance as at 31 December 2021	**240,625**	**-**	**86,157,777**	**86,398,402**
Profit for the year	-	-	7,221,821	7,221,821
Other comprehensive income	-	2,325,783	-	2,325,783
Deferred tax on revaluation on building	-	(348,867)	-	(348,867)
Balance as at 31 December 2022	**240,625**	**1,976,916**	**93,379,598**	**95,597,139**

The accounting policies and notes form an integral part of the financial statements.

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STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	2022 USD	2021 USD
Cash flows from operating activities			
Profit before tax from operating activities		8,857,499	6,845,966
Adjustments for:			
Gain on disposal of property plant and equipment	5	-	(6,485)
Interest income	6.2	(164,950)	(163,077)
Interest expense on lease liabilities	11.3	1,623,896	1,506,366
Depreciation of property, plant and equipment	9.1	1,903,132	1,969,249
Depreciation of right-of-use assets		621,839	615,786
Amortisation of intangible assets	12	7,932	8,393
Impairment loss		44,979	-
Allowance for impairment loss on trade receivables	14	(717,828)	1,523,050
		12,176,500	12,299,248
Working capital adjustments			
Changes in inventories		(140,357)	(704,283)
Changes in trade and other receivables		(964,457)	(4,082,191)
Changes in trade and other payables		612,372	1,783,803
Cash flows generated from operations		11,684,058	9,296,577
Interest Paid		(294,925)	-
Tax paid		(2,420,141)	(135,785)
Net cash from operating activities		8,968,992	9,160,792
Cash flows from investing activities:			
Net (Investment in)/withdrawals fixed deposits	15	(225,665)	6,100,638
Purchase and construction of property, plant and equipment	9	(13,928,336)	(12,778,093)
Proceeds from disposal of property, plant and equipment		-	6,485
Purchase of intangible assets	12	(175,280)	(1,480)
Lease extension fee payments		-	(35,000)
Interest income received		164,950	163,076
Net cash used in investing activities		(14,164,331)	(6,544,374)
Cash flows from financing activities:			
Principal Payment of lease liabilities		(423,350)	(676,489)
Net cash used in financing activities		(423,350)	(676,489)
Net (decrease)/increase in cash and cash equivalents		**(5,618,689)**	**1,939,929**
Cash and cash equivalents at beginning of the year		12,068,637	10,128,708
Cash and cash equivalents at the end of the year		**6,449,948**	**12,068,637**

The accounting policies and notes form an integral part of the financial statements.

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1. Corporate information

Maldives Inflight Catering Private Limited (the "Company") is a company incorporated and domiciled in the Republic of Maldives as a private limited company since 2nd April 1988 under the company Act No: 10 of 1996, with the registered office at Hulhule' Island, Republic of Maldives.

Principal activities and nature of operations

The operational activities of the Company are carried out in collaboration with SATS Limited. The Company operates two divisions namely "Maldives Inflight Kitchen" which provide supply of cabin food, refreshment and catering services to airlines and private jets. The other division, Hulhule Island Hotel" is a hotel which provide hospitality services to transit passengers, cabin crews and tourist. In addition to that company constructed a resort in Madifushi Island in Meemu Atoll which will commence its operations on 5th January 2023.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with international financial reporting standards (IFRS) as issued by the International Accounting Standard Board (IASB). The financial statements are prepared on a historical cost basis expect buildings. No adjustments are made for inflationary factors affecting these financial statements. The financial statements are presented in United states dollars (USD) and all the values are rounded to nearest integral, except when otherwise indicated.

Date of authorization for issue

The financial statements of Maldives Inflight Catering Private Limited for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the board of directors on 18th May 2023.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

Changes in accounting policies and disclosures

New and amended standards and interpretations

Following amendments and interpretations apply for the first time in 2022, but do not have material impact on the company's financial statements.

(i) Reference to the Conceptual Framework – Amendments to IFRS 3

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

(iii) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

(iv) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

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Reg. No.: 192/95

2.2 Summary of other significant accounting policies

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to customer.

The following provides information about the nature and timing of the satisfaction of performance obligation in contract with customers;

- Revenue from catering, cabin handling an aircraft interior cleaning is recognized at the time of services.
- Room revenue which recognized on rooms occupied on a daily basis net of tax. In relation to the sale of food, beverage and mini bar sales, and the revenue has been recognized by reference to the time of sales.
- In relation to the income of communication, rental, business centre, gym membership revenue, board operation, spa, shop rental and laundry, the revenue has been recognized by reference to the time of service rendered.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, contract asset is recognized for the earned consideration that conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Expenditure recognition

Expenses are recognised in the Statement of profit and loss based on a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant, and equipment in a state of efficiency has been charged to statement of profit or loss.

Expenditure incurred for the purpose of acquiring, expanding, or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

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Reg. No.: 192/95

2.2 Summary of other significant accounting policies (Continued)

Finance Income and Finance Expense

Finance income comprises interest income on funds invested in fixed deposits and foreign exchange gains. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance expense comprises interest expense on lease liabilities and foreign exchange losses.

Foreign exchange gain and losses are reported on the net basis.

Taxation

(i) Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of the reporting period.

(ii) Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Significant judgement relating to deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that is probable that taxable profit will be available against which losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

2.2 Summary of other significant accounting policies (Continued)

Foreign currencies

The Company's financial statements are prepared in United states dollars, which is also the Company's functional currency. Transactions in foreign currencies initially recorded by the Company at the respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monitory assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit or loss and other comprehensive income.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transaction. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or

loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e, translation differences on items whose fair value gain or loss recognised in OCI or income statements are also recognised are also recognised in OCI or income statement, respectively).

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is :

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability at least twelve months after the reporting date.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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2.2 Summary of other significant accounting policies (Continued)

Fair Value measurement

The Company measures non-financial assets such as leasehold buildings classified under property, plant and equipment at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, *or*
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as leasehold buildings. Involvement of external valuers is determined periodically by the Company in accordance with the Company procurement policy approved by the Board of Directors selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures. The Company has determined classes of assets and liabilities on the basis of the nature. Characteristics and risks of the asset or liability and the level of the hierarchy, as explained above,

Fair value related disclosures for non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the Property, plant and equipment (Note 09)

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2.2 Summary of other significant accounting policies (Continued)

Property Plant and Equipment

Recognition and measurement

Item of 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. The cost of self-constructed asset includes the cost of material and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the item and restoring the site on which they are located and capitalized borrowing cost. 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 component) of property plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceed from disposal with the carrying amount of property plant and equipment, and are recognized net within other income in profit or loss.

Subsequent cost

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 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 cost of day-to-day is a servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substitute 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 benefit 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.

The estimated useful lives for the current and competitive period as follows:

Leasehold Buildings	Over the remaining lease period or 25 years whichever is lower
Furniture, Fixtures and Office Equipment	3-5 years
Ground Support Equipment	3-7 years
Computer Hardware	3-5 years
Plant and Machinery	5 years
Cutleries and Crockeries	3 years
Motor Vehicles	3-10 years
Linen and Fabrics	3 years
Laundry, Kitchen and Housekeeping Equipment	3-10 years

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2.2 Summary of other significant accounting policies (Continued)

Property Plant and Equipment (Continued)

The charge for the depreciation commences from the date in which the property, plant and equipment is ready for use and depreciation is provided after the date of disposal.

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

Capital work in progress

Capital work in progress is stated at cost and includes all development expenditures and other direct cos attributable to such projects. Capital work in progress is not depreciated until its completion of construction and the asset is put into use upon which the cost is completed construction work is transferred to the appropriate category of property, plant and equipment.

Intangible Asset

(i) Recognition and measurement

Intangible asset that are acquired by the Company and have finished useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent Expenditures

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

(iii) Amortization

Amortization is calculated over the cost of the asset or other amount substitute for cost, less its residual value. Amortization is recognized in profit or loss on a straight-line basis or the estimated useful lives of intangible asset from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefit embodied in the asset. The estimated useful lives for the current and competitive period are as follows.

Computer Software	3-5 years

Amortization methods, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. A full month's amortization is provided in the month of intended use.

Leases

The company assesses at the inception of the contract whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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2.2 Summary of other significant accounting policies (Continued)

Lease (Continued)

Right-of-use assets

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

Land	Over the lease period
Building	Over the lease period

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Impairment of non- financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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Malé , Maldives
Reg. No.: 192/95

2.2 Summary of other significant accounting policies (Continued)

Lease (Continued)

Impairment of non- financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, estimated future cash flows are 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. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that largely are independent from other assets and Company.

Impairment/ reversal of impairment

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 amortisation, if no impairment loss had been recognised.

Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

2.2 Summary of other significant accounting policies (Continued)

Financial Instruments - Initial recognition and subsequent measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with the recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Company's financial assets include cash and bank balances, investment in fixed deposits, trade, and other receivables.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables and investment in fixed deposits.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.2 Summary of other significant accounting policies (Continued)

Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

2.2 Summary of other significant accounting policies (Continued)

ii. Financial liabilities (Continued)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where 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, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

Employee benefits

Defined contribution plans – Maldives Retirement Pension Scheme

All local (Maldivian National) Employees are eligible for Maldives Retirement Pension Scheme (MRPS) contribution according to the terms of the Maldives Pension Act Law No. 8/2009 handled by Maldives Pension Administration Office (MPAO) from May 2011.

Ernst & Young
Chartered Accountants
Malé, Maldives
Reg. No.: 192/95

2.2 Summary of other significant accounting policies (Continued)

Other employee benefits

Short-term employee benefit obligations of the Company are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Event Occurring After the Reporting Date

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

2.3 Significant accounting judgements, estimates and assumptions

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment

The Company carries its lease hold buildings at fair value, with changes in fair value being recognised in other comprehensive income. Valuation methodology based on a cost model was used, The Company engaged an independent valuation specialist to assess fair values as at 31 December 2022 for the leasehold buildings.

3. Standard Issued but not yet effective

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the financial statements of the Company in the foreseeable future. The Company intends to adopt these amended standards, if applicable, when they become effective.

3.1 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

3. Standard Issued but not yet effective (Continued)

3.2 Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

3.3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

3.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Th amendments are effective for annual periods beginning on or after 01 January 2023. The Company does not expect this will result in a material impact on its Financial Statement.

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

		2022	2021
		USD	USD
4	**Revenue**		
4.1	**Major revenue**		
	Set out below is the disaggregation of the Company's revenue from contracts with customers:		
	Inflight Catering Operation		
	Catering revenue	16,488,418	15,548,396
	Cabin handling revenue	3,964,254	3,102,886
		20,452,672	**18,651,282**
	Hotel Operation		
	Room revenue	5,111,044	3,972,405
	Food and beverage revenue	2,515,868	1,595,358
	Income from other hotel operating departments	95,848	101,628
		7,722,760	**5,669,391**
	Total revenue	**28,175,432**	**24,320,673**
5	**Other income**		
	Miscellaneous income	542,779	14,357
	Management fee received	264,257	-
	Gain on disposal of property, plant and equipment	-	6,485
	Rental income	4,202	5,603
		811,238	**26,445**
6	**Net finance cost**		
6.1	**Finance Cost**		
	Interest expense on lease liabilities	1,623,896	1,506,366
	Foreign exchange gain	3,422	7,456
		1,627,318	**1,513,822**
6.2	**Finance income**		
	Interest on fixed deposits	164,950	163,077
		164,950	**163,077**
	Net finance cost	**(1,462,368)**	**(1,350,745)**
7	**Income tax**		
	Income tax on profit (Note 7.1)	1,301,326	1,277,952
	Deferred tax relating to temporary differences	334,352	(218,060)
	Income tax reported in the statement of profit or loss	**1,635,678**	**1,059,892**

(Continued)

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Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

7 Income tax (Continued)

7.1 Income tax on profit

Income tax has been calculated at 15% on the taxable profit for the year end in accordance with the Income Tax Act no. 25/2019. A reconciliation between taxable profit and accounting profit for the years ended 31 December is as follows:

	2022 USD	2021 USD
Profit before tax from operating activities	8,857,499	6,845,966
Add: Depreciation charge for the year	1,911,064	1,977,644
Other disallowable expenses	439,586	1,824,052
Less: Capital allowances	(1,656,411)	(1,706,584)
Other allowable expenses	(860,018)	(68,345)
Taxable (loss)/Profit before adjustments	8,691,720	8,872,733
Loss Brought forward		(336,839)
Less: Tax free allowance	(16,213)	(16,213)
Taxable profit	**8,675,507**	**8,519,681**
Income tax on taxable profit at 15%	**1,301,326**	**1,277,952**

7.2 Tax loss carried forwarded

	2022	2021
Tax loss brought forward	-	336,839
Loss claimed during the year	-	(336,839)
Balance as at 31 December	-	-

7.3 Deferred tax

The deferred tax is arrived at by applying the tax rate of 15% to the timing differences between the tax written down value and accounts carrying value. The deferred tax calculated as at 31 December is as follows:

	2022 USD	2021 USD
On property, plant and equipment	256,926	567,260
On debtors general provision	491,795	599,470
On revaluation gain	(348,867)	-
On other provision	83,657	-
	483,511	**1,166,730**

7.4 Movement in deferred tax

	2022 USD	2021 USD
As at 1 January	1,166,730	948,670
Provision (reversed)/made during the year	(334,352)	218,060
Deferred tax charged to OCI	(348,867)	-
As at 31 December	**483,511**	**1,166,730**

7.5 Reflected in the statement of financial position as follows:

	2022	2021
Deferred tax assets	**483,511**	**1,166,730**

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

8 Basic earnings per share

Earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and shares data used in the earnings per share computation.

	2022 USD	2021 USD
Profit for the year	7,221,821	5,786,074
Weighted average number of shares	700,000	700,000
Earnings per share	**10.32**	**8.27**

9 Property, plant and equipment

Gross carrying amount At cost/Valuation	Balance as at 01.01.2022 USD	Additions/ Transfers USD	Revaluation Gain USD	Disposals/ Transfers USD	Balance as at 31.12.2022 USD
Leasehold buildings	29,741,792	30,757	2,325,783	(24,508,190)	7,590,142
Resort building	-	70,558,887	-	-	70,558,887
Furniture, fixtures & office equipment	1,658,857	1,310,255	-	(8,036)	2,961,076
Motor vehicles	2,259,787	166,222	-	-	2,426,009
Laundry, kitchen & housekeeping equipment	2,670,615	2,002,457	-	(53,052)	4,620,020
Crockery and cutleries	104,858	-	-	-	104,858
Plant and machinery	1,501,637	2,071,355	-	(46,801)	3,526,191
Linen and fabrics	485,647	375,516	-	-	861,163
Ground support equipment	347,685	18,177	-	-	365,862
Computer hardware	550,630	96,143	-	-	646,773
Total value of depreciable assets	**39,321,508**	**76,629,769**	**2,325,783**	**(24,616,079)**	**93,660,981**

9.1 Depreciation

Depreciation	Balance as at 01.01.2022 USD	Depreciation for the year USD	Revaluation Gain USD	Disposals/ transfers USD	Balance as at 30.12.2022 USD
Buildings on leasehold land	23,074,091	1,434,099	-	(24,508,190)	-
Furniture, fixtures & office equipment	1,337,666	136,324	-	(8,036)	1,465,954
Motor vehicles	1,979,648	103,692	-	-	2,083,340
Laundry, kitchen & housekeeping equipment	2,480,006	46,491	-	(53,052)	2,473,445
Crockery and cutleries	104,858	-	-	-	104,858
Plant and machinery	1,193,780	127,761	-	(46,801)	1,274,740
Linen and fabrics	440,364	25,123	-	-	465,487
Ground support equipment	324,325	10,008	-	-	334,333
Computer hardware	501,315	19,634	-	-	520,949
Total depreciation	**31,436,053**	**1,903,132**	**-**	**(24,616,079)**	**8,723,106**

9.2 Net book value

	2022 USD	2021 USD
Buildings on leasehold land	7,590,142	6,667,701
Resort building	70,558,887	-
Furniture, fixtures & office equipment	1,495,122	321,191
Motor vehicles	342,669	280,139
Laundry, kitchen & housekeeping equipment	2,146,575	190,609
Plant and machinery	2,251,451	307,857
Linen and fabrics	395,676	45,283
Ground support equipment	31,529	23,360
Computer hardware	125,824	49,315
	84,937,875	**7,885,455**

9.3 During the financial year, the Company acquired property, plant and equipment to the aggregate value of USD 244,370/- (2021-USD.242,997/-).In addition to that amount transferred from capital work in progress amounting USD.76.385,400/-

9.4 The leasehold buildings of the Company were revalued on 31 December 2022 by KPMG Maldives, an independent valuer, in reference to Contractor's method by analyzing information provided by the client. The results of such revaluation were incorporated in these financial statements company recongnized revaluation gain amounting USD.2,325,784/- as at 31 December 2022

Revaluation surplus	**Leasehold Buildings**
Carrying amount prior to revaluation	5,264,359
Add: Gain on revaluation recognize in equity	2,325,783
Carrying amount after the revaluation	**7,590,142**

9.5 Valuation technique, inputs and relationship with fair value

The fair value measurement for the leasehold buildings of the company has been categorized as a Level 3 fair value measurement based on the inputs to the valuation technique used.

Valuation is effective from 31.12.2022

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

9.5 Fair value technique, inputs and relationship with fair value (Continued)

Property	Fair Value measurement using Significant unobservable inputs(Level 3)	Effect Due	Revaluation Technique	Sensitivity
Buildings	Rate per square metre of Building: MVR 600 - MVR 1,810	31-Dec-22	Depreciated Replacement cost	Estimated fair value would increase/decrease if rate per sq feet increase/decrease

9.6 If buildings were measured using the cost model, the carrying amounts would be as follows.

	2022 USD	2021 USD
Leasehold buildings		
Cost	29,772,549	29,741,792
Accumulated depreciation	(24,508,190)	(23,074,091)
Net carrying value	**5,264,359**	**6,667,701**

10 Capital work-in-progress

Balance as at 01 January 2022	63,223,578	50,678,323
Additions during the Year	13,829,123	12,545,255
Transferred to property, plant and equipment	(76,530,556)	-
Impairment loss on capital work in progress	(44,979)	-
Balance as at 31 December 2022	**477,166**	**63,223,578**

11 Lease

11.1 Right of use assets

The ROU assets consists of right of use of Land leased from Maldives Airports Company Limited and The Government of Republic of Maldives. The lease agreements entered with Maldives Airport Company Limited in connection with Hulhule Island Resort operation and catering operations commenced in 2000 and due to expire in 2025 and 2029 respectively. The lease agreement entered with Government of Republic of Maldives in connection with Madifusdhi resort island commenced in 2013 and due to expire in 2063.

	2022 USD	2021 USD
Cost		
Balance as at 01 January 2022	10,852,731	9,271,191
Lease modification during the year	-	1,546,540
Additions during the year	-	35,000
Balance as at 31 December 2022	**10,852,731**	**10,852,731**

11.2 Accumulated depreciation

Balance as at 01 January 2022	1,833,623	1,217,837
Charged during the Year	621,839	615,786
Balance as at 31 December 2022	**2,455,462**	**1,833,623**
Net book value	**8,397,269**	**9,019,108**

11.3 Lease liability

Balance as at 01 January 2022		14,416,200	12,039,783
Modification during the year		-	1,546,540
Interest charged during the year		1,623,895	1,506,366
Payments made during the year		(718,275)	(676,489)
Balance as at 31 December 2022		**15,321,820**	**14,416,200**
Lease liabilities	**Interest Rate**		
Current	11%	908,138	424,916
Non - Current	11%	14,413,682	13,991,284
		15,321,820	**14,416,200**

11.4 The following are the amounts recognised in profit or loss:

Depreciations expense of right-of-use assets	621,839	615,786
Interest expense on lease liabilities	1,623,895	1,506,366
Total amount recognised in profit or loss	**2,245,734**	**2,122,152**

Ernst & Young
Chartered Accountants
Malé, Maldives
Reg. No.: 192/95

		2022 USD	2021 USD
12	**Intangible asset**		
12.1	**Cost**		
	Balance as at 01 January 2022	151,548	150,068
	Additions/Transfers during the year	175,280	1,480
	Balance as at 31 December 2022	**326,828**	**151,548**
12.2	**Accumulated Amortization**		
	Balance as at 01 January 2022	119,755	111,362
	Amortised during the year	7,932	8,393
	Balance as at 31 December 2022	**127,687**	**119,755**
	Net book value	**199,141**	**31,793**

		2022 USD	2021 USD
13	**Inventories**		
	Food and beverages	919,468	897,878
	House keeping, maintenance and other	419,864	301,097
		1,339,332	**1,198,975**

		2022 USD	2021 USD
14	**Trade and other receivables**		
	Trade Receivables	7,735,167	8,324,133
	Less: Allowance for Impairment Loss (Note 14.1)	(3,278,637)	(3,996,465)
		4,456,530	4,327,668
	Prepayments	87,444	171,074
	Advances and deposits	1,561,857	626,142
	Other receivables	3,255,070	2,541,001
	Amounts due from related party (14.2)	103,685	116,417
		9,464,586	**7,782,302**
14.1	**Allowance for expected credit losses**		
	Balance as at 01 January 2022	3,996,465	2,473,415
	Provision for the year	(717,828)	1,523,050
	Balance as at 31 December 2022	**3,278,637**	**3,996,465**

		Relationship	2022 USD	2021 USD
14.2	**Amounts due from related parties**	**Relationship**		
	Singapore Airport Terminal Services Limited (SATS)	Affiliate	103,685	116,417
			103,685	**116,417**

		2022 USD	2021 USD
15	**Investment in fixed deposit**		
	Short term deposits	4,618,782	4,393,117
		4,618,782	**4,393,117**
16	**Cash and bank balances**		
	Cash in hand	166,629	121,105
	Cash at bank	6,283,319	11,947,532
		6,449,948	**12,068,637**

Ernst & Young
Chartered Accountants
Malé, Maldives
Reg. No.: 192/95

17 Share Capital

	2022 USD	2021 USD
Authorised share capital		
5,000,000 shares of MVR 4.40/- each (USD 1 = MVR 12.80)	1,718,750	1,718,750
	1,718,750	**1,718,750**
Issued and fully paid		
700,000 shares of MVR 4.40/- each , (USD 1 = MVR 12.80)	240,625	240,625
	240,625	**240,625**

18 Trade and other payables

	2022 USD	2021 USD
Trade payables	1,362,892	815,669
Accruals	626,670	634,707
Other Payables	1,293,365	1,156,028
Amounts due to related parties (Note 18.1)	1,890,077	2,206,522
Contract liability	252,295	-
	5,425,299	**4,812,926**

18.1 Amounts due to related parties

	Relationship	2022 USD	2021 USD
Maldives Airports Company Limited	Parent company	1,890,077	2,206,522
		1,890,077	**2,206,522**

19 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables including payables to related parties and deposits received from guests. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has financial assets such as trade receivables and balances with banks which arise directly from its operations. The Company is exposed to foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks and the Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

19.1 Foreign currency risk

The Company has transactional currency exposures. Such exposure arises from sales, purchases and borrowings in currencies other than the Company's functional currency. The Company enters into transactions in USD whenever possible. The Maldivian Rufiya (MVR) is pegged against the USD therefore there is no adverse foreign currency risk from domestic currency transaction.

19.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of payables. As part of its overall prudent liquidity management, the Company maintains sufficient level of cash balances and supported by trade receivables to meet its working capital requirement.

At 31 December 2022	Less than 3 months	3 to 12 Months	1 and 2 Years	2 Years and above
Trade payables	168,733	1,194,175	-	-
Lease Liability	417,472	1,252,416	2,532,388	14,574,137
	586,205	2,446,591	2,532,388	14,574,137

At 31 December 2021	Less than 3 months	3 to 12 Months	1 and 2 Years	2 Years and above
Trade payables	815,669	-	-	-
Lease Liability	101,908	323,008	1,145,062	12,846,222
	917,577	323,008	1,145,062	12,846,222

19.3 Credit risk

Credit risk is the possibility that counterparty will not fulfil its contractual obligation, resulting in a financial loss. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all the customers who wish to trade on credit terms are subject to credit evaluation procedures and required to place advances for the hotel bookings. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Ernst & Young
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

20 Capital management

Capital includes the ordinary share capital and accumulated reserves. The Company's objective is to maintain a healthy capital ratio in order to support the business and maximise the shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in the Company's operations. To manage capital structure the Company may raise new capital or make dividend payments.

To manage capital structure, the Company may raise fresh capital, delay dividend, or renegotiate with lenders, suppliers and customers.

21 Events after the reporting period

There have been no material events occurring after the reporting period, that require adjustments to or disclosure in the financial statements.

22 Capital commitments and ontingencies

22.1 Capital Commitments

Other than stated in the note 10, there were no material capital commitments approved or contracted for as at the end of the reporting date.

22.2 Contingencies

Contingent liabilities

There were no other contingent liabilities as at the reporting date which require disclosure in the financial statements.

Contingent assets

There were no material contingent assets recognized at the reporting date.

23 Related party disclosures

	Singapore Airport Terminal Services Limited	Maldives Airports Company Limited	Total
	USD	USD	USD
Balance as at 01.01.2022	116,417	(2,206,522)	(2,090,105)
Purchases	(138,718)	(2,870,402)	(3,009,120)
Sales	-	77,610	77,610
Seconded Staff Salary	(166,384)	-	(166,384)
Lease Rent	-	(677,088)	(677,088)
Expense paid on behalf	-	1,457,327	1,457,327
Fund transfer	292,370	2,328,997	2,621,367
Balance as at 31.12.2022	**103,685**	**(1,890,077)**	**(1,786,392)**

Outstanding balances with related parties as at the end of the reporting date are unsecured and interest free. The amounts due to related parties are expected to be settled on demand. Accordingly, these amounts are classified as current liabilities/current assets in the statement of financial position.

23.1 Transaction with key management personnel

The Board of Directors of the Company are members of the key management personnel. The Company has paid USD 15,000/- as emoluments to key management personnel during the year ended 31 December 2022 (2021 USD 15,000).

MALDIVES INFLIGHT CATERING PRIVATE LIMITED

DETAILED STATEMENT OF EXPENSES

Year ended 31 December 2022

		2022 USD	2021 USD
(i)	**Administrative expenses**		
	Salaries and wages	2,837,550	1,174,348
	Employment benefits	37,677	42,118
	Staff bonus	216,465	164,792
	Staff welfare	1,187,916	544,394
	Repair and maintanance	330,040	298,995
	Miscellaneous expense	187,043	149,637
	Printing and stationary	42,888	37,109
	Utilities	2,257,838	2,151,460
	WHT	3,286	407
	Communication expense	210,614	130,877
	Professional charges	21,390	23,156
	Bank charges	43,428	49,095
	Director remuneration	15,000	15,000
	Fees import licence	162	169
	Laboratory expenses	27,594	24,409
	Legal & secretarial charges	23,031	22,100
	Board meeting expenses	22,467	-
	Travelling Expense	7,251	21,259
	Software Maintenance	25,974	13,372
	Insurance	97,719	63,117
	Depreciation and amortisation	1,911,064	1,977,642
	Depreciation on right of use asset	621,839	615,786
	Commission expenses	269,980	278,868
	Kitchen Stewarding Expenses	83,448	22,029
	Housekeeping Expenses	89,722	2,465
	License charges	27,902	5,312
	Fuel expense	19,100	7,748
	ISO Expenses	4,489	5,383
	Fees residential permit	11,721	1,854
	Fees Others	75,998	43,127
	Indirect Payroll Cost	7,047	4,696
	Legal fees and expenses	9,583	9,060
	Postage & Courier Exp	540	651
	Other General Expenses	12,986	2,734
	Other adminstrative expenses	165,855	105,585
	Subscription fee	53,753	56,768
	Impairment loss on capital work in progress	44,979	-
	Lease rental	13,799	-
		11,019,138	**8,065,522**
(iii)	**Sales and marketing expenses**		
	Sales commission	113,235	179,293
	Miscellaneous expense	16,311	4,575
	Advertistment expense	677	1,473
	Entertainment	4,436	1,375
	Marketing expense	94,453	75,235
	Impairment allowance on trade receivables	-	1,523,050
		229,112	**1,785,001**