MALDIVES SPORTS CORPORATION LIMITED

AUDITOR'S REPORT & FINANCIAL STATEMENTS

Year ended 31 December

2022

AIX
ASSOCIATES

AIX ASSOCIATES

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MALDIVES SPORTS CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maldives Sports Corporation Limited (the "Company"), which comprise the statement of financial position as at 31st December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out in pages 5 to 16.

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

Emphasis of Matter

We draw attention to Note 2.2 in the financial statements which informs that the Company made a significant loss of MVR 5,020,073 for the financial year ended 31 December 2022 and has a retained loss of MVR 34,458,913 as at 31 December 2022. Our opinion is not modified in respect of this matter.

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 Auditors' 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 our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have 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.

Key Audit Matters (continued)

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Right to Use Office Space

Risk Description

The carrying value of Right to Use Office Space is MVR 240,000 as of December 31, 2022. The assumptions that underpin the valuation of the Right to Use Office Space asset are important and also subjective. Uncertainty arises as a result of estimates made based on the availability of the space for future use and Corporations' expectations about market conditions. As a result, the asset recognized may be significantly different to that recognized on the balance sheet since small changes to the assumptions used in the calculation materially affect the valuation.

Our Response

Our audit procedures in this area includes:

- Evaluating management's estimation of useful economic lives by considering our knowledge of the business;
- Critically assessing the carrying value and the related amortization of the assets by evaluating the key assumptions used.
- Assessing the adequacy of the financial statement disclosures included in notes 11.

Responsibilities of Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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 is 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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Auditor's Responsibilities for the Audit of the Financial Statements(continued)

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 judgment and maintain professional skepticism throughout the planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We are required to 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.

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P-0011/2012

Sudhuna Sulaiman
Certified Auditor ICAM-IL-3LL
A.I.X Associates LLP
18th May 2023

MALDIVES SPORTS CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2022

	Notes	2022 MVR	2021 MVR
Revenue	3	61,774	2,156
Direct cost	4	-	-
Gross profit		**61,774**	**2,156**
Other income	5	960,000	960,000
Personnel expenses	6	(4,617,594)	(4,739,114)
Administrative expenses	7	(1,424,253)	(1,553,972)
Sales and marketing expenses	8	-	-
Operating loss		**(5,020,073)**	**(5,330,931)**
Loss before tax		**(5,020,073)**	**(5,330,931)**
Tax expense	9	-	-
Loss for the period		**(5,020,073)**	**(5,330,931)**
Loss per share attributable to the equity holders of the Company during the year	10	**(0.14)**	**(0.17)**

Figures in brackets indicated deductions

The accounting notes on pages 5 through 16 form an integral part of the financial statement.

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MALDIVES SPORTS CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
For the financial year ended 31 December 2022

	Notes	2022 MVR	2021 MVR
ASSETS			
Non-current assets			
Property, plant and equipment	11	708,144	793,945
Right to use office space	12	240,000	240,000
Total non-current assets		**948,144**	**1,033,945**
Current assets			
Cash and cash equivalents	13	1,417,134	1,408,796
Trade and other receivables	14	52,032	35,127
Total current assets		**1,469,166**	**1,443,923**
Total assets		**2,417,310**	**2,477,868**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	36,527,329	31,527,329
Accumulated loss		(34,458,913)	(29,438,840)
Total equity		**2,068,416**	**2,088,489**
Non-current liabilities			
Deferred Income	16	240,000	240,000
Total non-current liabilities		**240,000**	**240,000**
Current liabilities			
Trade and other payables	17	108,894	149,379
Total current liabilities		**108,894**	**149,379**
Total equity and liabilities		**2,417,310**	**2,477,868**

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,

Name of the Director	**Signature**
Mauroof Ahmed	....
Abdul Latheef Abdul Hakeem	....

Date:

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MALDIVES SPORTS CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2022

	Share capital MVR	Accumulated loss MVR	Total equity MVR
As at 1st January 2021	26,527,329	(24,107,909)	2,419,420
Shares issued	5,000,000	-	5,000,000
Loss for the year	-	(5,330,931)	(5,330,931)
As at 31st December 2021	**31,527,329**	**(29,438,840)**	**2,088,489**
As at 1st January 2022	31,527,329	(29,438,840)	2,088,489
Shares issued	5,000,000	-	5,000,000
Loss for the year	-	(5,020,073)	(5,020,073)
As at 31st December 2022	**36,527,329**	**(34,458,913)**	**2,068,416**

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MALDIVES SPORTS CORPORATION LIMITED
STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

	Notes	2022 MVR	2021 MVR
Cash flow from operating activities			
Loss before taxation		(5,020,073)	(5,330,931)
Adjustments for:			
Amortization	12	960,000	960,000
Depreciation	11	133,014	172,839
Government grant	5	(960,000)	(960,000)
Operating loss before working capital changes		**(4,887,059)**	**(5,158,092)**
Working capital changes			
(Increase)/decrease in trade and other receivables	14	(16,905)	(30,501)
Increase/(decrease) in trade and other payables	17	(40,485)	(109,920)
		(57,390)	(140,422)
Net cash flows from operating activities		**(4,944,449)**	**(5,298,514)**
Cash flow from investing activities			
Acquisition of property and equipment	11	(47,213)	(24,248)
Net cash flows used in investing activities		**(47,213)**	**(24,248)**
Cash flow from financing activities			
Proceeds from capital contributed	15	5,000,000	5,000,000
Net cash flows from financing activities		**5,000,000**	**5,000,000**
Net increase/(decrease) in cash and cash equivalents		**8,338**	**(322,762)**
Cash and cash equivalents at the beginning of the year		1,408,796	1,731,558
Cash and cash equivalents at the end of the year		**1,417,134**	**1,408,796**

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MALDIVES SPORTS CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

1. Corporate information

Maldives Sports Corporation Limited (Sportsco) is a limited liability company, fully owned by the Government of Maldives. The company is incorporated under Sports Act 30/2015 in Republic of Maldives on 15th day of March 2016 bearing Registration no:C- 280/2016. The address of its registered office is Ministry of Youth and Sports, Velaanaage 4th Floor, Male', Republic of Maldives and Principal place of business is Youth Accommodation Block, 1st Floor, Sabnam magu, Male',Maldives.

The main business activity of the company is development of Sports related infrastructure and generating income through sports related activities.

2. Summary of significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 Standards Board (IASB). The Financial Statements have been prepared under the historical cost convention. No adjustments are made for inflationary factors affecting these financial statements. The Financial Statements are presented in Maldivian Rufiyaa and all the values are rounded to nearest integral, except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant.

2.2 Going Concern

The company has incurred an accumulated loss of MVR 34,458,914. The financial statements have nevertheless been prepared on the basis of the Company being a going concern on the assumption that the Shareholder of the Company, Government of Maldives, intends to continue providing working capital requirements.

If the Company is unable to be in operational existence in the foreseeable future, provision would have to be made to reduce the value of assets to their estimated recoverable amounts, and for any further liabilities that may arise in winding up, and fixed assets will have to be reclassified as current assets.

2.3 Foreign currency translation

2.3.1 Functional and presentational currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Maldivian Rufiyaa, which is the company's functional and presentation currency.

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2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

2.4 Property, Plant and Equipment

Property, plant, and equipment are measured at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The cost of the self-constructed assets includes the cost of materials, direct labour cost and appropriate proportion of production overheads. The cost of property, plant and equipment acquired by the company includes the cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use.

When a major inspection of plant and machinery is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met.

Depreciation on property plant and equipment of the group is charged on a straight-line basis to write off the cost over the estimated useful life of the assets, and depreciation is charged fully to the year it was purchased.

The following annual rates are used for the depreciation of property, plant and equipment:

Land and Building	4%
Furniture and Fitting	10%
Office Equipment	20%
Computer Equipment	20%

2.5 Intangible assets

2.5.1 Intangible assets acquired separately.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.5.2 Derecognition of intangible assets

An intangible asset is derecognized at disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

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2.6 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash- generating unit for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Expenditure on software used to enhance functionality of computers is capitalised and amortised using the straight-line method over 3 years.

Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

2.7 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's business activities. Revenue is shown, net of estimated returns, rebates and discounts. Revenue is recognised as follows:

2.8 Financial Assets

Loans and receivable are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

The Company assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

2.9 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement within 'selling and marketing costs

2.10 Cash and equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.11 Share capital

Ordinary shares are classified as equity. Funds received from the Ministry of Finance and Treasury towards the operation cost of the corporation is treated as share capital.

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2.12 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from a supplier. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.13 Provisions

Provisions are recognized if as a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits

Provisions are determined by discounting the expected future cashflows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.14 Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The company is liable to an income tax rate of 15% if the taxable profit of the year exceeds MVR500, 000.

Deferred business profit tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred business profit tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred business profit tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred business profit tax asset is realized or the deferred business profit tax liability is settled.

Deferred business profit tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. Since company does not forsee making a profit in the next twelve months, deferred tax asset has not been recogised on the timing differences.

Deferred business profit tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred business profit taxes assets and liabilities relate to business profit taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

Effective 01 January 2020 the company will be subject to Income Tax levid under Act number 25/2019. As a result of this Act the Business Profit Tax Regime will be repealed and incorporated in the new Income Tax System.

2.15 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.16 Changes in Accounting Estimates and Errors

Changes in Accounting Estimates and Errors are applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting correction of prior period errors. The comparative amounts for the prior period have been restated to correct the errors which occurred.

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2.17 Government Grant

A government grant that become receivable as compensation for expenses and losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognized in profit or loss of the period in which it becomes receivable. Non-monetary grants, such as land or other resources, have been accounted for at fair value. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2.18 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

	2022 MVR	2021 MVR
3 Revenue		
Sale of Goods	-	2,156
Miscellaneous Income	61,774	-
	61,774	**2,156**
4 Direct cost		
Cost of Sales	-	-
	-	-
5 Other income		
Government grant	960,000	960,000
	960,000	**960,000**
6 Personnel expenses		
Salary	2,185,472	2,288,309
Living allowance	524,557	573,770
Executive responsibility allowance	227,321	193,786
Attendance allowance	437,050	509,484
Board remuneration	416,286	444,600
Ramazan allowance	51,000	54,000
Financial performance allowance	432,000	306,871
Management performance allowance	108,000	68,748
Company secretary allowance	29,520	29,520
Pension contribution	152,054	159,334
Phone allowance	29,414	27,756
Leave encashment	24,920	82,936
	4,617,594	**4,739,114**
7 Administrative expenses		
Depreciation	133,014	172,839
Amortisation	960,000	960,000
Cleaning & safety expenses	49,820	40,900
Bank charges and other commissions	2,068	3,152
Sware/hware licensing	6,106	6,614
Travel, taxi & ferry expenses	150	550
Permit, license, and other fees	2,000	3,450
Water	1,850	1,696
Telephone, internet & data communication	69,795	72,584
Tea, refreshments and entertainment	8,387	10,650
Others miscellaneous expenses	1,180	4,985
Stationary, printing and postage	11,555	17,577

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	2022 MVR	2021 MVR
7 Administrative expenses (Continued...)		
Repairs & maintenance	31,515	12,850
Computer expenses -consumables	3,470	13,118
Staff training and development	2,000	2,700
Staff recreation	13,583	-
Professional fees	127,760	230,307
	1,424,253	**1,553,972**

8 Sales and Marketing Expenses		
Advertisement, marketing and promotion	-	-
	-	-

	2022 MVR	2021 MVR
9 Income tax expense		
Tax on business profit (9.1)	-	-
Deferred tax on temporary differences (9.3)	-	-
Income tax expense reported in the income statement	-	-

In accordance with the provisions of the Income Tax Act No.25 of 2019, the relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profits at the rate of 15%. However, no tax provision has been recognized since the Company has incurred tax loss for the year.

9.1 Tax on business profit

Income Tax Act No. 25/2019. A reconciliation between tax expense and the product of accounting profit and Maldives's domestic tax rate for the year ended 31 December 2022 is as follows:

	2022 MVR	2021 MVR
Loss before tax	(5,020,073)	(5,330,931)
Add:		
Depreciation charge for the period	1,093,014	1,132,839
Other disallowable expenses	152,054	166,978
Less:		
Capital allowances	(1,097,916)	(1,181,831)
Other allowable expenses	(152,054)	(166,978)
Taxable loss before adjustments	(5,024,975)	(5,379,923)
Less: Tax free allowance	(500,000)	(500,000)
Total Taxable loss	-	-
Income tax on taxable profit @ 15%	-	-

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9.2 Accumulated Tax Losses

	2022 MVR	2021 MVR
Loss carried forward from the previous tax year	(24,401,967)	(19,022,044)
Tax loss for the year of assessment	(5,024,975)	(5,379,923)
At the end of the year	**(29,426,942)**	**(24,401,967)**

9.3 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 31 December 2022.

	2022 MVR	2021 MVR
Deferred tax asset (Note 9.4)	753,746	806,988
Deferred tax liability (Note 9.4)	(518)	(5,084)
Deferred tax asset as at 31 December 2022	**753,229**	**801,904**

The deferred tax asset resulting from carried forwarded 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.

9.4 Deferred tax assets / (liability) are attributable to the following:

	2022 MVR	2021 MVR
Deferred tax asset		
Loss before tax	(5,020,073)	(5,330,931)
Add: Disallowable expenses		
Depreciation	1,093,014	1,132,839
Cost of low value asset	-	7,644
Pension contribution	152,054	166,978
	(3,775,004)	(4,023,469)
Less: Allowable expenses		
Capital allowance	(1,097,916)	(1,181,831)
Cost of low value asset	-	(7,644)
Pension contribution	(152,054)	(166,978)
Withholding tax expense	-	-
	(1,249,970)	(1,356,454)
Tax based loss	**(5,024,974)**	**(5,379,922)**
Deferred tax assets on tax losses	**753,746**	**806,988**
Deferred tax liability		
Net book value as per accounting base	708,144	793,945
Written down value as per tax base	711,594	827,838
Temporary difference	(3,450)	(33,893)
Deferred tax liability	**(518)**	**(5,084)**
Deferred tax assets on tax losses	**753,229**	**801,904**

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10 Loss per share

Loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	2022 MVR	2021 MVR
Loss attributable to equity holders of the Company	(5,020,073)	(5,330,931)
Weighted average number of ordinary shares in issue	36,527,329	31,527,329
Basic loss per share	**(0.14)**	**(0.17)**

11 Property, plant and equipment

	Office Interior MVR	Furniture and Fittings MVR	Office Equipment MVR	Computer Equipment MVR	Total MVR
2021					
Cost					
As at 1st January 2021	555,950	518,958	290,430	541,602	1,906,940
Additions during the year	-	-	-	24,248	24,248
As at 31st December 2021	**555,950**	**518,958**	**290,430**	**565,850**	**1,931,188**
Accumulated Depreciation					
As at 1st January 2021	88,952	202,554	203,637	469,261	964,404
Charge for the year	22,238	51,896	55,008	43,697	172,839
As at 31st December 2021	**111,190**	**254,450**	**258,645**	**512,958**	**1,137,243**
Net Carrying Value					
As at 1st January 2021	466,998	316,404	86,793	72,341	942,536
As at 31st December 2021	**444,760**	**264,508**	**31,785**	**52,892**	**793,945**
2022					
Cost					
As at 1st January 2022	555,950	518,958	290,430	565,850	1,931,188
Additions during the year	13,790	5,069	1,240	27,114	47,213
As at 31st December 2022	**569,740**	**524,027**	**291,670**	**592,964**	**1,978,401**
Accumulated Depreciation					
As at 1st January 2022	111,190	254,450	258,645	512,958	1,137,243
Charge for the year	22,238	52,403	31,396	26,977	133,014
As at 31st December 2022	**133,428**	**306,853**	**290,041**	**539,935**	**1,270,257**
Net Carrying Value					
As at 1st January 2022	444,760	264,508	31,785	52,892	793,945
As at 31st December 2022	**436,312**	**217,174**	**1,629**	**53,029**	**708,144**

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12 Right to use office space

	Office Space MVR	Total MVR
2021		
Cost		
As at 01 January 2021	3,840,000	3,840,000
Additions during the year	960,000	960,000
As at 31 December 2021	4,800,000	4,800,000
Accumulated Ammortization		
As at 01 January 2021	3,600,000	3,600,000
Charge for the year	960,000	960,000
As at 31 December 2021	4,560,000	4,560,000
Net Carrying Value		
As at 01 January 2021	240,000	240,000
As at 31 December 2021	**240,000**	**240,000**
2022		
Cost		
As at 01 January 2022	4,800,000	4,800,000
Additions during the year	960,000	960,000
As at 31 December 2022	5,760,000	5,760,000
Accumulated Ammortization		
As at 01 January 2022	4,560,000	4,560,000
Charge for the year	960,000	960,000
As at 31 December 2022	5,520,000	5,520,000
Net Carrying Value		
As at 01 January 2022	240,000	240,000
As at 31 December 2022	**240,000**	**240,000**

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		2022 MVR	2021 MVR
13	**Cash and cash equivalents**		
	Cash in hand	120	120
	Cash at bank	1,417,014	1,408,676
		1,417,134	**1,408,796**
14	**Trade and other receivables**		
	Accounts receivable	-	4,626
	Expense prepaid	57	56
	GST receivable	51,975	30,445
		52,032	**35,127**
15	**Share capital**		
	Authorised share capital		
	2,000,000 ordinary shares of MVR 100/- each		
	Issued share capital		
	Opening balance	31,527,329	26,527,329
	Share capital Issued	5,000,000	5,000,000
	Closing balance	**36,527,329**	**31,527,329**
	No of shares issued	**365,273**	**315,273**
16	**Deferred Income**		
	Opening Balance	240,000	240,000
	Government Grant	960,000	960,000
	Amortization	(960,000)	(960,000)
	Closing Balance	**240,000**	**240,000**
17	**Trade and other payables**		
	Accounts payable	94,460	148,219
	Customer credits	1,160	1,160
	Customer Advance	13,274	-
		108,894	**149,379**

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18. Capital commitments and contingent liabilities

There were no capital commitments and contingent liabilities as at the reporting date.

19. Financial assets

Loans and receivable are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as "trade and other? receivables" in the statement of financial position.

The Company assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

20. Events after the reporting period

Bill amendment of Sportsco Act 30/2015 has been submitted to the parliament by the Government of the Maldives to dissolve the corporation. There have been no further material events, other than that discussed in above, occurring after the reporting date that require adjustments or to disclosure in the financial statement.

21. Risk management objectives and policies

21.1 Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework.

21.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. As a part of its overall prudent liquidity management, the Company maintains a sufficient level of cash and cash equivalents to meet its working capital requirement.

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