

HITHADHOO PORT LIMITED

AUDITED FINANCIAL STATEMENTS

December 31, 2022

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**Independent Auditors Report to the shareholders of
Hithadhoo Port Limited****Disclaimer of Opinion**

We were engaged to audit the accompanying financial statements of Hithadhoo Port Limited which comprises the statement of financial position as at 31 December 2022, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- 1 As per the Memorandum of Association dated 22nd April 2009, the Company has issued 500,000 shares at the consideration of MVR 100/- each to the Government of Maldives ("GoM"). However, the Company has recorded only MVR 250,000/- as its share capital as at 31st December 2022 and comparative year ended 31st December 2021. Further, we have not been provided with sufficient and appropriate audit evidences to verify the amounts recorded in the financial statements. Accordingly, we were unable to assess the accuracy, existence and completeness of share capital recognised in the financial statements.
- 2 As per the addendum to the Transfer of Assets, Rights and obligations of Hithadhoo Regional Port ("HRP") dated 1st January 2011 between Maldives Ports Limited ("MPL") and Hithadhoo Port Limited ("HPL"), all the assets and liabilities owned by HRP should be transferred to HPL on the same day. However, the Company has recorded only the net book value of property plant and equipment of MVR 91,943,852/- as at 1st January 2011. Further, the above balances have been used as the opening balance for the year ended 31st December 2022. Accordingly, we are unable to determine whether any adjustment is required for the financial statements for the year ended 31st December 2022, and for the comparative year ended 31st December 2021 due to absence of sufficient and appropriate audit evidence.
- 3 Company has not submitted the 2019 Business Profit Tax return and 2020 & 2021 Income Tax returns. There is a payable balance as fines with regard to Business Profit Tax and Income Tax amounting to MVR 97,450 as per the tax clearance certificate obtained by the company for the year ending 31.12.2022 and the same has not been adjusted in the financial statements.

Other Matter

The financial statements of the Company for the year ended 31st December 2021 were audited by another auditor who expressed a disclaimer of opinion on those statements on 22.05.2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (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 are responsible for overseeing the company's financial reporting process.



**Independent Auditors Report to the shareholders of
Hithadhoo Ports Limited**

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Ali Faris Mohamed
ICAM-IL-7NB
Faris & Co LLP
14 June 2023
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**HITHADHOO PORT LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE PERIOD ENDED 31 DECEMBER	Note	2022 MVR	2021 MVR
Revenue	4	21,337,334	16,898,496
Other Income	5	593,076	752,910
		<u>21,930,410</u>	<u>17,651,406</u>
Operating Costs	6	(6,592,604)	(4,061,568)
Personnel Costs	7	(16,380,319)	(10,498,667)
Earnings Before Depreciation, Amortization, Finance Cost and Tax		<u>(1,042,513)</u>	<u>3,091,171</u>
Depreciation and Amortization Expenses	8	(3,500,268)	(3,415,552)
Reversal / (Provision) for Impairment Loss on Trade and other Receivables and Amounts due from Related Parties	13.1 / 14.1.1	-	266,305
Profit / (Loss) Before Tax From Operating Activities		(4,542,782)	(58,076)
Income Tax (Expense)/ Credit	9	-	-
Profit/ (Loss) For The Year		(4,542,782)	(58,076)
<u>Other Comprehensive Income</u>			
Remeasurement of Defined Benefit Liability		(655,026)	-
Total Comprehensive Income For The Year		(5,197,808)	(58,076)
Earning/ (Loss) Per Share	10	(18.17)	(0.23)

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements

