



Report No: FIN-2025-43(E)

27th May 2025

MALDIVES AIRPORTS COMPANY LIMITED

FINANCIAL YEAR 2024



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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S REPORT

TO THE SHAREHOLDER AND BOARD OF DIRECTORS OF MALDIVES AIRPORTS COMPANY LIMITED

Opinion

We have audited the financial statements of Maldives Airports Company Limited (the “Company”) and the consolidated financial statements of the Company and its Subsidiary (the “Group”) which comprise the statement of financial position as of 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies exhibited on pages 5 to 23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company and the Group as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other 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 judgement, 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 the auditors’ opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors’ responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p><u>Carrying value of Property Plant and Equipment and Capital Work in Progress</u></p> <p>As at 31 December 2024, Group’s property plant and equipment and capital work in progress balances together amounted to MVR 20.37 Billion and represents 59% of the Group’s total assets. This was a key audit matter due to:</p> <ul style="list-style-type: none"> • Capitalization of assets amounting to MVR 1.69 Billion to the relevant asset classes, which were held in capital work in progress until such assets are available for use. • Management’s assessment of the eligibility and reasonableness of capitalization of expenditure incurred during the period of construction including borrowing costs. • Management’s assessment of existence of impairment indicators. <p>The Group’s disclosures on property, plant and equipment are included in Notes 2.7 (g), 9 and 10 to the Group’s financial statement.</p>	<p><u>Our audit procedures included the following key procedures:</u></p> <ul style="list-style-type: none"> • Tested whether assets commissioned during the year have been appropriately transferred from capital work in progress to the relevant class of property plant and equipment upon completion of construction. • Evaluated the eligibility and reasonableness of expenditure capitalized including borrowing costs by inspecting project feasibility reports, interim progress certificates, relevant loan agreements and other supporting documents. • Assessed whether management has identified possible indicators of impairment including evaluating the reasonableness of management judgements applied and assumptions used. • Assessed the adequacy of related disclosures made in Notes 2.7.g, 9 and 10 to the financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as 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, the management is responsible for assessing the Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 based on 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and Group.
- 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 Group'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 Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

26th May 2025



Hussain Niyazy
Auditor General



Maldives Airports Company Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

	Notes	Group		Company	
		2024	2023	2024	2023
Revenue from contracts with customers	3	8,587,130	7,593,480	7,796,165	7,021,777
Cost of sales		(4,602,806)	(4,333,137)	(4,376,696)	(4,179,449)
Gross profit		3,984,324	3,260,343	3,419,469	2,842,328
Other income	4	213,605	211,492	368,309	202,154
Administrative expenses		(2,603,421)	(2,033,140)	(2,246,027)	(1,728,322)
Selling and marketing costs		(17,994)	(12,098)	(7,005)	(2,726)
Operating profit		1,576,514	1,426,597	1,534,746	1,313,434
Net finance cost	5	(277,603)	(276,296)	(257,764)	(251,919)
Profit before tax from operations		1,298,911	1,150,301	1,276,982	1,061,515
Income tax credit / (expense)	6	(203,747)	(247,501)	(174,964)	(227,988)
Profit After Tax		1,095,164	902,800	1,102,018	833,527
Profit attributable to:					
Equity holders of the parent		1,040,896	876,517	1,102,018	833,527
Non-controlling interest		54,268	26,283	-	-
		1,095,164	902,800	1,102,018	833,527
Other Comprehensive Income					
Other Comprehensive that will not be reclassified to profit or loss in subsequent period (net of tax)					
Remeasurement Gain/(Loss) of defined benefit liability	26	(287,254)	(17,036)	(284,355)	(15,711)
Deferred Tax - Remeasurement of defined benefit liability	25.1	43,088	2,555	42,653	2,357
Other comprehensive (loss)/income for the year net of tax		(244,166)	(14,481)	(241,702)	(13,354)
Total comprehensive income for the year		850,998	888,319	860,316	820,173
Total comprehensive income attributable to:					
Equity holders of the parent		796,755	862,047	860,316	820,173
Non-controlling interest		54,243	26,272	-	-
		850,998	888,319	860,316	820,173
Earnings per share (MVR)	7	694	584	735	556
Basic profit the year attributable to ordinary equity holders of the parent					
Total comprehensive income (MVR)					
Attributable to ordinary equity holders of the parent		531	575	574	547
Attributable to Non controlling interest		36	18	-	-
Dividend per share (MVR)	8	-	-	50	-

The accounting policies and notes on pages 9 to 52 form an integral part of the financial statements.


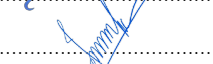



Maldives Airports Company Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

All figures are in MVR '000 unless otherwise stated

	Notes	Group		Company	
		2024	2023	2024	2023
Assets					
Non-current assets					
Property, plant and equipment	9	12,208,043	10,900,739	10,969,731	9,603,336
Capital work-in-progress and capital advances	10	8,162,103	6,327,722	8,151,078	6,315,702
Investment properties	11	550,703	576,170	550,703	576,170
Grant Asset-land use right	12	7,010,127	7,207,595	7,010,127	7,207,595
Right-of-use assets	12.2	165,626	135,217	23,866	27,604
Intangible assets	13	12,401	23,934	7,130	17,759
Investment in subsidiary	14	-	-	120,802	120,648
Investment in joint venture	15	185,040	-	185,040	-
Long term investments	19.2	1,030,056	771,000	1,030,056	771,000
Deferred tax assets	25	96,935	39,519	89,744	33,892
		29,421,034	25,981,896	28,138,277	24,673,706
Current assets					
Inventories	17	800,677	575,030	766,020	537,679
Trade and other receivables	18	2,516,997	2,764,165	2,530,335	2,583,308
Financial assets at amortized cost	19.1	607,268	538,157	531,609	465,239
Cash and bank balances	20	936,855	1,138,906	717,614	786,064
		4,861,797	5,016,258	4,545,578	4,372,290
Total assets		34,282,831	30,998,154	32,683,855	29,045,996
Equity and liabilities					
Equity					
Share capital	21	150,000	150,000	150,000	150,000
Revaluation reserve	22.1	494,860	524,915	481,650	508,403
Fair value reserve	22.2	10,386	10,386	-	-
Currency translation reserve	22.3	26,878	26,878	-	-
Retained earnings		8,529,531	7,785,480	7,633,357	6,829,316
		9,211,655	8,497,659	8,265,007	7,487,719
Non-controlling interest	23	511,927	543,722	-	-
Total equity		9,723,582	9,041,381	8,265,007	7,487,719
Non-current liabilities					
Loans and borrowings	24	10,405,178	9,706,987	10,405,178	9,706,987
Deferred income	12.1	7,010,127	7,207,595	7,010,127	7,207,595
Lease liabilities	12.3	197,482	168,384	11,137	13,254
Employee retirement benefits obligations	26	755,698	400,211	722,839	373,536
		18,368,485	17,483,177	18,149,281	17,301,372
Current liabilities					
Loans and borrowings	24	3,017,221	2,208,661	3,017,221	2,085,301
Trade and other payables	27	2,862,403	2,009,789	2,988,816	1,940,218
Contract liabilities	28	144,835	104,141	135,821	97,609
Lease liabilities	12.3	32,044	25,733	13,845	15,210
Business profit tax payable	6.2	134,261	125,272	113,864	118,568
		6,190,764	4,473,596	6,269,567	4,256,905
Total equity and liabilities		34,282,831	30,998,154	32,683,855	29,045,996

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

Name	Designation	Signature
Ibrahim Mahudhee	Chairperson of Audit Committee & Director	
Ibrahim Shareef Mohamed	CEO & Managing Director	
Ahmed Asad Hashim	Chief Financial Officer	

The accounting policies and notes on pages 9 to 52 form an integral part of the financial statements.

25th May 2025

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Maldives Airports Company Limited
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

Group	Attribute to equity holders of the parent						Non Controlling interests	Total Equity
	Share capital capital	Revaluation reserve	Fair value reserve	Currency translation reserve	Retained earnings	Total		
Balance at 1 January 2023	150,000	554,972	10,386	26,878	6,888,072	7,630,308	515,938	8,146,246
Profit for the year	-	-	-	-	876,517	876,517	26,283	902,800
Other Comprehensive Income	-	-	-	-	(17,023)	(17,023)	(13)	(17,036)
Deffered Tax - Remeasurement of defined benefit liability	-	-	-	-	2,553	2,553	2	2,555
Total Comprehensive Income	-	-	-	-	862,047	862,047	26,272	888,319
Share Issue	-	-	-	-	-	-	1,200	1,200
Realised revaluation surplus on usage 22.1	-	(35,361)	-	-	35,361	-	-	-
Deffered tax liability reversal on realised revaluation surplus on usage 25.1	-	5,304	-	-	-	5,304	312	5,616
Balance at 31 December 2023	150,000	524,915	10,386	26,878	7,785,480	8,497,659	543,722	9,041,381
Balance at 1 January 2024	150,000	524,915	10,386	26,878	7,785,480	8,497,659	543,722	9,041,381
Profit for the year	-	-	-	-	1,040,896	1,040,896	54,268	1,095,164
Other Comprehensive Income	-	-	-	-	(287,225)	(287,225)	(29)	(287,254)
Deffered Tax - Remeasurement of defined benefit liability	-	-	-	-	43,084	43,084	4	43,088
Total Comprehensive Income	-	-	-	-	796,755	796,755	54,243	850,998
Realised revaluation surplus on usage 23.1	-	(35,359)	-	-	35,046	(314)	314	-
Deffered tax liability reversal on realised revaluation surplus on usage 25.1	-	5,304	-	-	(12,750)	(7,446)	-	(7,446)
Dividends 8	-	-	-	-	(75,000)	(75,000)	(86,352)	(161,352)
Balance at 31 December 2024	150,000	494,860	10,386	26,878	8,529,531	9,211,655	511,927	9,723,582

The accounting policies and notes on pages 9 to 52 form an integral part of the financial statements.



Maldives Airports Company Limited
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2024
All figures are in MVR '000 unless otherwise stated
Company

	Note	Share capital capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2023		150,000	535,157	5,977,668	6,662,825
Profit for the year		-	-	833,527	833,527
Other Comprehensive Income			-	(15,711)	(15,711)
Deffered Tax - Remeasurement of defined benefit liability				2,357	2,357
Total Comprehensive Income		-	-	820,173	820,173
Realised revaluation surplus on usage	22.1	-	(31,475)	31,475	-
Deferred tax liability reversal on realised revaluation surplus on usage	25.1	-	4,721	-	4,721
Balance at 31 December 2023		150,000	508,403	6,829,316	7,487,719
Balance at 1 January 2024		150,000	508,403	6,829,316	7,487,719
Profit for the year		-	-	1,102,018	1,102,018
Other Comprehensive Income			-	(284,355)	(284,355)
Deffered Tax - Remeasurement of defined benefit liability				42,653	42,653
Total Comprehensive Income		-	-	860,316	860,316
Realised revaluation surplus on usage	22.1	-	(31,474)	31,474	-
Deferred tax liability reversal on realised revaluation surplus on usage	25.1	-	4,721	(12,750)	(8,028)
Dividends	8	-	-	(75,000)	(75,000)
Balance at 31 December 2024		150,000	481,650	7,633,357	8,265,007

The accounting policies and notes on pages 9 to 52 form an integral part of the financial statements.



Maldives Airports Company Limited
STATEMENT OF CASH FLOWS
Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

Notes	Group		Company	
	2024	2023	2024	2023
Operating activities				
Profit before tax from operations	1,298,911	1,150,301	1,276,982	1,061,515
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation on property, plant and equipment	9.1	708,598	553,497	607,377
Depreciation on investment properties	11	25,671	27,374	25,671
Depreciation of - right-of-use asset	12.2	27,543	25,049	16,487
Depreciation of Grant Asset	12	197,468	197,468	197,468
Amortisation of intangible assets	13	12,953	6,134	12,060
Interest income	5.1	(130,878)	(59,699)	(128,109)
Interest expenses	5.2	384,636	313,462	383,558
Interest expenses on lease liabilities	5.2	23,845	22,532	2,315
Loss of disposal of property, plant and equipment		1,921	339	1,921
Cost of Residential Apartments Sold		-	2,598	-
Provision for inventory write-off		3,448	303	3,448
Impairment loss		103,634	-	103,634
Gain on modification of leases	4	(80)	-	(80)
Grant income	4	(197,468)	(197,468)	(197,468)
Allowance for impairment loss on trade receivables	18	148,887	252,889	154,995
Transaction cost	24	(1,765)	1,486	(1,765)
Written-off - Debtor		-	(1,630)	-
Interest and Current Service cost (Employee retirement benefits obligations)	26.1	83,002	43,952	79,727
Other non-cash expense (intercompany)		1,026	-	-
Operating profit before working capital changes		2,691,351	2,338,587	2,538,221
Working capital adjustments:				
- Inventories		(229,095)	(4,959)	(231,789)
- Trade and other receivables		(195,339)	(888,346)	(102,022)
- Trade and other payables		1,225,699	308,364	1,123,598
- Contract liabilities		38,213	117,601	38,213
Cash flows from operating activities		3,530,828	1,871,247	3,366,222
Business profit tax paid		(216,302)	(162,742)	(200,896)
Retirements benefit paid		(14,779)	(8,183)	(14,779)
Interest paid	5.2	(245,759)	(285,016)	(221,075)
Net cash flows from operating activities		3,053,988	1,415,307	2,929,473
Investing activities				
Acquisition of property, plant and equipment	9	(329,957)	(70,027)	(289,195)
Acquisition of intangible assets	13	(523)	(6,288)	(159)
Acquisition of Investment properties	11	-	-	-
Cost incurred on construction of capital work-in-progress	10	(3,390,411)	(2,467,871)	(3,390,039)
Proceeds from disposal of property, plant and equipment		-	24	-
Net capital advance payment/recovery	10.2	(95,820)	(99,146)	(95,820)
(Investment)/withdrawn on fixed deposit	19	301,449	(306,889)	305,193
(Investment)/withdrawn in treasury bills	19	(384,265)	410,666	(384,265)
Investment in treasury bonds	19	(259,056)	(771,000)	(259,056)
Investment in Subsidiaries	14	(154)	-	(154)
Investment in Joint Ventures	15	(185,040)	-	(185,040)
Interest received		143,580	22,721	140,812
Net cash flows used in investing activities		(4,200,197)	(3,287,811)	(4,157,724)
Financing activities				
Proceeds from borrowings	24	2,386,701	2,712,028	2,386,702
Repayment of loans	24	(1,184,110)	(419,939)	(1,060,750)
Payment of principal portion of lease liability	12.2	(22,081)	(46,494)	(16,151)
Dividend paid	8	(236,352)	(194,300)	(150,000)
Net cash flows from financing activities		944,158	2,051,294	1,159,801
Net (decrease)/increase in cash and cash equivalents		(202,051)	178,791	(68,450)
Cash and cash equivalents as at 1 January		1,138,906	960,115	786,064
Cash and cash equivalents as at 31 December	20	936,855	1,138,906	717,614

The accounting policies and notes on pages 9 to 52 form an integral part of the financial statements.



Maldives Airports Company Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

1 Corporate information

Maldives Airports Company Limited is a limited liability company incorporated on 1st August 2000 and domiciled in the Republic of Maldives. The registered office of the Company is located at Velana International Airport, Hulhule', Republic of Maldives. The principal activities of the company are maintaining and operating airports and all related activities.

The Government of Maldives (GoM) wholly owns shares of the Company.

The Group consists of the Company's interest in below subsidiary undertaking;

Maldives In-flight Catering Private Limited, a limited liability company incorporated and domiciled in the Republic of Maldives, operating a flight kitchen, tourist resort and a transit hotel in Maldives. The Company owns 65% of authorized and issued share capital of the subsidiary.

Maldives National Airtraffic Service Private Limited, a limited liability company incorporated and domiciled in the Republic of Maldives, providing air traffic service in Maldives. The Company owns 99% of authorized and issued share capital of the subsidiary.

Information on other related party relationships of the Group is provided in Note 29.

2 Accounting Policies

The principal accounting policies applied in the preparation of these consolidated 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 consolidated financial statements of Maldives Airports Company Limited and the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for Buildings classified under Property, Plant and Equipment.

2.2 Statement of compliance

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

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 New and amended standards and interpretations

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

2.4 Authorization for issue

The financial statements of Maldives Airports Company Limited for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the board of directors on 25th May 2025.



Maldives Airports Company Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

2 Accounting Policies (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as for the year ended 31 December 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.5 Basis of consolidation

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.6 Accounting under separate financial statements

Investment in subsidiary is measured at cost less accumulated impairment in the separate financial statements.

a) Subsidiaries

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.



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2 Accounting Policies (continued)

2.6 Accounting under separate financial statements continued

b) Joint arrangements

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method (refer (c) below), after initially being recognised at cost in the consolidated statement of financial position.

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.6 (q)

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2.7 Material accounting policy information

a) Current versus non-current classification

The Group 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 be 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 period, *or*
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the
- All other assets are classified as non-current.

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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



2.7 Material accounting policy information (continued)

b) Fair value measurement

The Group measures non-financial assets such as Buildings classified under Property, Plant and Equipment, at fair value with sufficient regularity to ensure that carrying amount does not differ materially from that which would be determined using fair value at the date of reporting.

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 Group.

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 Group 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 of 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
- 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 Group 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 Buildings classified under Property, plant and equipment. Involvement of external valuers is determined periodically by the company in accordance with the Group's 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 Group 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 fair value 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 summarised in the following notes:

- Buildings - Note 9

c) Revenue from contracts with customers

Ramp, passenger, into-plane fuelling and other aviation related services income is recognised at the time the service is provided in accordance with the terms of the relevant contract. Cargo handling and cargo forwarding revenue is recognised at the point of departure for exports and at the point that the goods are ready for dispatch for imports. Revenue excludes value added and sales taxes and charges collected on behalf of customers.



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2.7 Material accounting policy information (continued)

c) Revenue from contracts with customers continued

The timing of customer billing in relation to the satisfaction of performance obligations results in amounts being recorded in the Statement of Financial Position for accrued and deferred income. Individual billing arrangements vary by customer and contract. Accrued income is recognised on contracts for which performance obligations have been satisfied but have not yet been billed to customers at the Statement of Financial Position date. When the recovery of such amounts becomes unconditional the customer is billed and the amounts are transferred to trade receivables. Deferred income is recognised in respect of payments received from customers in advance of the Group fulfilling its performance obligations under contracts.

In the distribution business, revenue has been recognised on the despatched value of goods sold, excluding Goods and Services Tax (GST). Product sold to retailers has been made on a sale or return basis. Revenue for goods supplied with a right of return has been stated net of the value of returns.

The performance obligation relating to the rendering of services is satisfied when the services are consumed by the customer. Revenue is recognized with reference to the time of services are rendered.

Traffic revenue is primarily generated from contracts with airlines for the provision of access to terminals, infrastructure, apron parking, airfield and terminal facilities. Revenue is recognised as the service is provided as follows:

- Navigation charges : On the basis of maximum take-off weight, when the aircraft entered into the Maldives air space.
- Landing charges : On the basis of the particular aircraft type, when the aircraft lands on the runway.
- Aircraft parking charges: Over the duration of time the aircraft is parked and maximum take-off weight.
- Ground handling : On the basis of the particular aircraft type or basis of maximum take-off weight, when the service is consumed.
- Departure control system charges : On the basis of the particular aircraft type, when the service is performed and consumed by customer.

Other non traffic revenue mainly consists of provision of Fuel Sales, cargo handling and terminal services, lounge operation charges, utility sales, rent and lease charges.

- Fuel Sales : On the basis of service is provided
- Lounge utilisation charges : On per passenger basis as they utilise.
- Cargo income : On the basis of volume handled.
- Utility charges : On the basis of volume consumed by the customer.

Other revenue source of the group mainly consists of proceeds from provision of food, catering, beverage, lodging and other hospitality industry related activities.

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

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

Other revenues earned are recognized on the following basis:

Dividends - shareholders' right to receive the payment is established
Rental - as it accrues



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2.7 Material accounting policy information (continued)

c) Revenue from contracts with customers continued

Consignment commission

The Group sells souvenir items to the customers on behalf of two consigners. Consignment commission is recognised at the point in time of delivering the souvenir items to the customer, based on the rate agreed with the principals.

Income is recognized on an accrual basis in accordance with the substance of the relevant contracts.

Concession fees from retail and commercial concessionaires at the airport which are based upon reported revenue and/ or volumes by concessionaires, taking into account contracted minimum guarantees prices (variable consideration) only where applicable. The performance obligation for this revenue stream is the provision of retail unit space to a third party for the purposes of selling goods or providing services to the passengers, in return for a fee, based either on a fixed rental fee, or a concession fee based on turnover. The revenue is recognised in the period that the sales occurred, therefore at a point in time.

d) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded fair value of the asset and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset .

The Group holds a land use right received from the Government of Maldives via a 50 year lease agreement at a nominal value. The same was recognised as a government grant and recognised at fair value. The fair value of land use right is determined based on valuation performed by an accredited external independent valuer. Grant asset is depreciated on a straight-line basis over the lease term. Refer note 12 for detail disclosure.

f) Foreign currency translation

(i) Functional and presentation currency

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

(ii) 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.



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2.7 Material accounting policy information (continued)

g) Property, plant and equipment

All property, plant and equipment, except buildings are recognised at historical cost less accumulated depreciation and accumulated impairment losses if any. Building is recognised at fair value based on periodic valuations by external independent valuers less subsequent depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leased land and buildings constructed therein, the shorter lease term as follows:

Buildings on leasehold land	20 -50 years
Island infrastructure including Jetties, roads, pavements, landscaping and other structures	50 years
Oil store tanks	17 years
Runway, taxiway and apron	25 years
Machinery and equipment	2-10 years
Furniture, fittings and fixtures	3-5 years
Heavy vehicles	10 years
Motor vehicles	10 years
Crockery, cutlery, linen and fabrics	3 years
Laundry, kitchen and housekeeping equipment	5-10 years
Office and other equipment	1-20 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

h) Investment properties

Investment property are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently cost less accumulated depreciation.

Depreciation on investment properties is recognized on a straight line basis over the following estimated useful lives.

Buildings on leasehold land	20 -50 years
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2.7 Material accounting policy information (continued)

h) Investment properties (continued)

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property, plant and equipment up to the date of change in use.

On the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

i) Capital Work in Progress

Capital work-in-progress is stated at cost including all development expenditure and other direct costs attributable to such projects and borrowing costs capitalized less any accumulated impairment losses if any. These would be transferred to the relevant asset category in property, plant and equipment when the asset is completed and available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

j) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment are not depreciated once classified as held for sale. Assets classified as held for sale are presented separately as current items in the statement of financial position.

k) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in first out method and weighted average cost method. Cost of inventory includes purchases, transport and handling costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and variable selling expenses. Where necessary, provision is made in the financial statements for obsolete, slow-moving and defective inventory.

Group value its inventory as below;

Cost formulae used

FIFO
Weighted average

Inventory type

Fuel, spare parts and consumables
Duty-free

l) Leases

The Group assesses at contract inception 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 of time in exchange for consideration.

Group as a lessee

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



2.7 Material accounting policy information (continued)

l) Leases continued

i) Right-of-use assets

The Group 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:

Leasehold land	30-50 years
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If ownership of the leased asset transfers to the Group 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. Refer to the accounting policies in section (q) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (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 lease are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



2.7 Material accounting policy information (continued)

m) Intangible assets

Computer software

An Intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured. Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair value as at the date of acquisition.

Costs associated with maintaining computer software programmed are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the required criteria are met.

Other development expenditures that do not meet the required criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Amortisation is recognized in Statement of Profit or Loss on a straight line basis over the estimated useful lives of Intangible Assets, from the date on which they are available for use. The estimated useful lives for the current and comparative period are as follows:

Computer software	10 years
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An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

n) Contract Liabilities

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

o) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



2.7 Material accounting policy information (continued)

o) Impairment of non-financial assets (continued)

In assessing value in use, the 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

p) 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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (d) Revenue from contracts with customers.

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 Group'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.

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with 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)
- Financial assets at fair value through profit or loss



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2.7 Material accounting policy information (continued)

p) Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group 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
- And
- 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 Group's financial assets at amortised cost includes trade receivables, investments in fixed deposits and treasury bills included under Financial assets at amortized cost.

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 Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group 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 neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

The Group applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.



2.7 Material accounting policy information (continued)

p) Financial instruments – initial recognition and subsequent measurement (continued)

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.

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 Group's financial liabilities include trade and other payables, loans and borrowings and lease liabilities.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss and other comprehensive income 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 and other comprehensive income. This category generally applies to interest-bearing loans and borrowings.

De-recognition

Financial liability is de-recognised 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 de-recognition 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 and other comprehensive income.

q) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



2.7 Material accounting policy information (continued)

r) Provisions continued

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

s) Current and deferred business profit tax

The tax expenses for the period comprises current and deferred tax. Tax is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognized directly in equity.

The current 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 computation 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 Group is liable to Income Tax at rate of 15% (2023 - 15%), if the taxable profit of the year exceeds MVR 500,000.

Deferred 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 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 or loss. Deferred 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 tax asset is realized or the deferred tax liability is settled.

Deferred 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.

Deferred 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 tax assets and liabilities relate to income 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 a net basis.

t) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the Statement of Financial Position.

Deferred remuneration

The Maldives Airport Company Limited has constructed the apartments and sold to employees with a payment plan for 20 years and retains the legal title as protection against employees' failure to pay. The difference between the discounted cash receipts of the asset and the cost of the apartment is deferred and amortized over a lower period of;

- (i) deferred payment plan
- (ii) employee retirement, resignation and fully settlement;

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions to Maldives Government pension scheme and will have no legal or constructive obligation to pay further amounts. Both employer and employee contribute 7% to this scheme of such employees' pensionable wage. Employers' obligation for contribution to pension scheme is recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees. All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives.



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2.7 Material accounting policy information (continued)

t) Employee benefits (continued)

Defined benefit plans

Defined benefit plans is an amount of benefit that an employee receive on retirement, usually dependent on one or more factors such as age, completed years of service and compensation. The Group's net obligation in respect of defined benefit plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that amount to determine its present value. Discounting was done by using the Maldives Government treasury bills interest rate as there is no deep corporate bond market in Maldives.

The interest cost is calculated by applying discounting rate to the opening balance of the defined benefit obligations. This cost is included in employee benefit expense in the statement of statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

u) Dividend distribution

Dividend distribution to the Group's shareholders are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

v) Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

w) Comparatives

Accounting policies and comparative figures are consistent with the previous year except for the reclassification as shown below.

Reclassification - Company	Note	As previously presented MVR'000	Reclassification MVR'000	As reclassified MVR'000
Cash and Bank balances	20			
- Cash in hand		199,864	(182,328)	17,536
- Cash at bank		586,200	182,328	768,528
Trade and other payables	27			
Reclassification of Payables towards development projects		1,553,182	387,035	1,940,218
Contract liabilities	28			
Reclassification of Payables towards development projects		484,644	(387,035)	97,609



2.8 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the

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

IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

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



2.8 Standards issued but not yet effective (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

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

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

In December 2024, IASB issued amendments to IFRS 9 and IFRS 7, contracts referencing nature-dependent Electricity, which clarify the application of 'own-use' requirements, permitting these contracts to be used as a hedge instruments and adding new disclosure requirements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adoption is permitted and must be disclosed

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

Annual improvements to IFRS Accounting Standards

Volume II: Annual improvements in the form of clarifications, update to language and/ or cross references have been made to the following IFRS Accounting Standards. These improvements are effective for annual reporting periods beginning on or after beginning on or after 1 January 2026. Earlier application is permitted.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 7 Financial Instruments: Disclosures
- IFRS 10 Consolidated Financial Instruments
- IAS 7 Statement of Cashflows

2.9 Use of estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving significant estimates or judgements are:

- Loss allowance for expected credit losses - note 2.7(r), 18.1 and 18.2
- Estimated useful life of property plant and equipment - note 2.7(g) and 9
- Estimation uncertainties and judgements made in employee retirement benefits - note 2.7(t) and 26
- Estimation uncertainties and judgements made in relation to lease accounting - note 2.7(l) and 12.3
- Estimation of fair values of buildings - note 2.7(h) and note 9.2.2
- Estimation uncertainties and judgements made in deferred staff cost 2.7 (t)

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk factors and policies - note 32
- Capital risk management - note 32.2



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	Group		Company	
	2024	2023	2024	2023
6 Business profit tax expense				
Current tax	225,521	202,879	196,191	186,091
Deferred tax recognized during the year (Note 25.1)	(21,773)	44,622	(21,227)	41,897
Business profit tax expenses reported in the Statement of Profit or Loss	203,747	247,501	174,964	227,988

6.1 Business profit tax on profit

Government of Maldives has enacted the Income Tax Act on 04 December 2019 and income tax has been calculated at 15% (2022-15%) on the taxable profit for the year ended in accordance with the Income Tax Act No. 25/2019. A reconciliation between tax expense and the product of accounting profit multiplied by Maldives's domestic tax rate for the year ended 31 December is as follows:

	2024	2023	2024	2023
Profit before tax	1,298,911	1,150,301	1,276,982	1,061,514
Add: Tax effect on expenses not allowed for tax purpose	205,060	202,687	31,125	179,260
Taxable profit	1,503,970	1,352,988	1,308,107	1,240,774
Less: utilized tax free allowance	(500)	(461)	(167)	(167)
Taxable profit for the year	1,503,470	1,352,526	1,307,940	1,240,607
Business profit tax on taxable profit @ 15%	225,521	202,879	196,191	186,091
Tax charged to Profit or Loss	225,521	202,879	196,191	186,091

6.2 Business profit tax payable / (recoverable)

	Group		Company	
	2024	2023	2024	2023
As at 1 January	125,272	85,134	118,568	84,774
Tax charge for the year	225,521	202,879	196,191	186,091
Tax paid during the year	(216,532)	(162,741)	(200,896)	(152,297)
As at 31 December	134,261	125,272	113,864	118,568

7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2024	2023	2024	2023
Profit attributable to equity holders of the group/company	1,040,896	876,517	1,102,018	833,526
Weighted average number of ordinary shares in issue	1,500	1,500	1,500	1,500
Basic earnings per share (MVR)	694	584	735	556

8 Dividends

Dividend declared during the year 2024 is MVR 75,000,000/-. Dividend was not declared in respect of 2023 to the Government of Maldives.

During the year, the Company has paid MVR 150,000,000/- to Government of the Maldives as a partial settlement of dividends payable as at the beginning of the year. As at 31 December 2024, unpaid balance of MVR 268,208,709/- is recorded as a payable to the Government.

Dividend per share is MVR 50/- in 2024. In 2023, no dividend was declared.



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9.1 Property, plant and equipment - Group

	Land	Building	Island infrastructures	Machinery and equipment	Furniture, fittings and fixtures	Vehicles and ground handling equipment	Office and other equipment	Cookery linen and fabric	Kitchen and house keeping equipment	Total
Balance as at 1 January 2024										
Opening net book amount	-	2,752,588	7,155,025	739,862	59,915	90,797	74,935	10,600	17,018	10,900,740
Additions/Adjustments	-	32,920	157	85,991	15,730	178,841	12,768	796	2,753	329,957
Transfer from CWIP (Note 10)	82,828	641,762	604,987	300,741	6,204	15,409	35,934	-	-	1,687,865
Reclassification	-	(51,447)	51,447	-	-	-	-	-	-	-
Disposals - cost	-	-	(1,294)	(1,977)	(727)	-	(6,646)	-	(135)	(10,779)
Disposals - accumulated depreciation	-	-	115	1,858	695	-	6,055	-	135	8,858
Depreciation charge	-	(187,638)	(223,379)	(185,418)	(23,808)	(47,844)	(29,191)	(6,676)	(4,645)	(708,598)
Balance as at 31 December 2024	82,828	3,188,185	7,587,059	941,056	58,008	237,203	93,856	4,721	15,127	12,208,043
Summary of balances for 2024										
Cost or valuation	82,828	3,591,903	8,570,331	2,034,989	184,268	732,524	249,059	27,931	61,840	15,535,673
Accumulated depreciation	-	(403,718)	(983,272)	(1,093,932)	(126,260)	(495,321)	(155,204)	(23,210)	(46,713)	(3,327,630)
Balance as at 31 December 2024	82,828	3,188,185	7,587,059	941,056	58,008	237,203	93,856	4,721	15,127	12,208,043
Balance as at 1 January 2023										
Opening net book amount	-	2,783,990	6,763,106	759,370	58,926	108,160	58,446	9,231	33,100	10,574,329
Additions/Adjustments	-	8,615	332	14,111	6,527	15,350	22,063	38	2,990	70,026
Transfer from CWIP (Note 10)	-	148,148	592,345	94,930	5,344	-	11,971	-	-	852,738
Reclassification	-	(42,496)	-	-	5,495	-	-	9,071	(14,565)	(42,496)
Disposals - cost	-	-	(53)	(6,454)	(137)	(7,817)	(6,461)	-	(444)	(21,366)
Disposals - accumulated depreciation	-	-	53	6,442	129	7,817	6,118	-	444	21,003
Depreciation charge	-	(145,670)	(200,758)	(128,537)	(16,369)	(32,713)	(17,202)	(7,740)	(4,507)	(553,496)
Balance as at 31 December 2023	-	2,752,588	7,155,025	739,862	59,915	90,797	74,935	10,600	17,018	10,900,739
Summary of balances for 2023										
Cost or valuation	-	3,324,085	7,911,345	1,651,322	163,811	538,932	205,604	28,303	59,150	13,882,553
Accumulated depreciation	-	(571,497)	(756,320)	(911,460)	(103,897)	(448,135)	(130,668)	(17,703)	(42,132)	(2,981,812)
Balance as at 31 December 2023	-	2,752,588	7,155,025	739,862	59,915	90,797	74,935	10,600	17,018	10,900,739



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9.1.1 Revaluation of buildings

Leasehold buildings of the subsidiary were revalued on 31 December 2022 by KPMG Maldives, an independent valuer with recognised and relevant qualifications, 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 recognized revaluation gain amounting MVR 35,863,577/- as at 31 December 2022.

The buildings belonging to Maldives Airports Company Limited were revalued by Kanti Karamsey & Co. Advisors LLP, Chartered Valuer as at 31 December 2021. The results of such revaluation were incorporated in these financial statements from its effective date which is 31 December 2021. Such assets were valued based depreciated replacement cost method. The surplus arising from the revaluation was transferred to the revaluation reserve.

9.1.2 Fairvalue technique, inputs and relationship with fair value

Property	Revaluation Technique	Effect Due	Fair Value measurement using Significant unobservable inputs(Level 3)	Sensitivity
Building - MACL	Depreciated Replacement cost	31-Dec-21	Rate per square metre of Building: MVR5,000 -MVR225,000	Estimated fair value would increase/decrease if rate per sq feet increase/decrease
Building - MIC	Depreciated Replacement cost	31-Dec-22	Rate per square metre of Building: MVR 600 - MVR 1,810	Estimated fair value would increase/decrease if rate per sq feet increase/decrease

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

Buildings

Cost
Accumulated depreciation
Net carrying value

2024	2023
MVR	MVR
2,814,785	1,862,525
(1,084,495)	(520,511)
1,730,290	1,342,014

9.1.4 Summary description of valuation methodology

Depreciated Replacement Cost (DRC)

Depreciated replacement cost method uses the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.



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9.2 Property, plant and equipment - Company

	Land	Building	Island infrastructures	Machinery and equipment	Furniture, fittings and fixtures	Vehicles and ground handling equipment	Office and other equipment	Total
Balance as at 1 January 2024	-	1,598,515	7,146,442	695,033	34,411	69,383	59,552	9,603,336
Additions	-	198	157	85,517	14,748	176,945	11,630	289,195
Transfer from CWIP (Note 10)	82,828	641,762	604,987	299,375	6,204	15,409	35,934	1,686,498
Disposals - cost	-	-	(1,294)	(1,977)	(667)	-	(6,585)	(10,523)
Disposals - accumulated depreciation	-	-	115	1,858	634	-	5,994	8,602
Provision for Retirement (Carrying Value)	-	-	-	-	-	-	-	-
Depreciation charge	-	(125,951)	(221,991)	(174,044)	(16,912)	(43,071)	(25,408)	(607,377)
Balance as at 31 December 2024	82,828	2,114,523	7,528,417	905,762	38,418	218,667	81,116	10,969,731
Summary of balances for 2024								
Cost or valuation	82,828	2,392,454	8,506,385	1,773,865	127,901	668,645	217,779	13,769,857
Accumulated depreciation	-	(277,930)	(977,967)	(868,103)	(89,483)	(449,978)	(136,663)	(2,800,126)
Balance as at 31 December 2024	82,828	2,114,523	7,528,417	905,762	38,418	218,667	81,116	10,969,731
Balance as at 1 January 2023	-	1,583,256	6,763,106	723,387	35,822	97,701	56,957	9,260,229
Additions	-	128	332	13,404	3,841	1,919	21,264	40,887
Transfer from CWIP (Note 10)	-	148,148	592,345	94,930	5,344	-	6,167	846,934
Transferred to MNATS - Cost	-	(55,020)	(8,926)	(203,538)	(1,556)	(812)	(14,293)	(284,145)
Transferred to MNATS - accumulated depreciation	-	3,155	299	186,620	883	637	5,767	197,362
Disposals - cost	-	-	(53)	(5,855)	(137)	(7,817)	(6,245)	(20,107)
Disposals - accumulated depreciation	-	-	53	5,844	129	7,817	5,902	19,744
Depreciation charge	-	(81,152)	(200,713)	(119,759)	(9,916)	(30,062)	(15,967)	(457,568)
Balance as at 31 December 2023	-	1,598,515	7,146,442	695,033	34,411	69,383	59,552	9,603,336
Summary of balances for 2023								
Cost or valuation	-	1,750,494	7,902,419	1,392,208	107,618	475,841	175,348	11,803,928
Accumulated depreciation	-	(151,979)	(755,976)	(697,175)	(73,208)	(406,458)	(115,796)	(2,200,592)
Balance as at 31 December 2023	-	1,598,515	7,146,442	695,033	34,411	69,383	59,552	9,603,336



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9.2.1 Revaluation of buildings

The buildings belonging to Maldives Airports Company Limited were revalued by Kanti Karamsey & Co. Advisors LLP, Chartered Valuer as at 31 December 2021. The results of such revaluation were incorporated in these financial statements from its effective date which is 31 December 2021. Such assets were valued based depreciated replacement cost method. The surplus arising from the revaluation was transferred to the revaluation reserve.

9.2.2 Fairvalue technique, inputs and relationship with fair value

Property	Revaluation Technique	Effect Due	FairValue measurement	Sensitivity
Building	Depreciated Replacement cost	31-Dec-21	Rate per square metre of Building: MVR5,000 -MVR225,000	Estimated fair value would increase/decrease if rate per sq feet increase/decrease

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

	2024 MVR	2023 MVR
Buildings		
Cost	2,352,972	1,708,497
Accumulated depreciation	(649,022)	(542,752)
Net carrying value	1,703,950	1,165,745

9.2.4 Summary description of valuation methodology

Depreciated Replacement Cost (DRC)

Depreciated replacement cost method uses the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.



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10 Capital work in progress and Capital advances

10.1 Capital work in progress

	Group		Company	
	2024	2023	2024	2023
As at 01 January	6,056,877	4,457,083	6,044,857	4,449,725
Additions during the year	3,531,537	2,467,871	3,531,165	2,463,761
Transferred to/from MNATS	-	6,867	-	(1,367)
Transfer to property, plant and equipment (Note 9)	(1,687,865)	(852,738)	(1,686,498)	(846,934)
Transfer to investment properties (Note 11)	(205)	(20,329)	(205)	(20,329)
Transfer to intangible assets (Note 13)	(1,273)	(1,877)	(1,273)	-
Impairment loss on capital work in progress	(103,634)	-	(103,634)	-
As at 31 December	7,795,437	6,056,877	7,784,412	6,044,857

Capital work-in-progress at the year-end comprises of:

	Group		Company	
	2024	2023	2024	2023
New runway, fuel farm and cargo terminal	-	881,885	-	881,885
New international passenger terminal	6,638,855	3,769,461	6,638,855	3,769,461
Fuel farm development	-	41,621	-	41,621
Provision of electricity to new development areas	319,804	312,376	319,804	312,376
New sea plane terminal	-	124	-	124
MACL Corporate Office Project	-	83,317	-	83,317
Landside Road to New Cargo	-	284,875	-	284,875
Other projects	836,778	683,218	825,753	671,198
	7,795,437	6,056,877	7,784,412	6,044,857

10.2 Capital advance

	Group		Company	
	2024	2023	2024	2023
Capital advance for development projects				
New runway, fuel farm and cargo terminal	-	224	-	224
Auxiliary projects	-	7,189	-	7,189
New international passenger terminal	23,760	196,202	23,760	196,202
Residential apartments - HIYA project	-	77	-	77
Other projects	342,906	67,153	342,906	67,153
	366,666	270,845	366,666	270,845

Summary

Capital work in progress	7,795,437	6,056,877	7,784,412	6,044,857
Capital advance	366,666	270,845	366,666	270,845
Total	8,162,103	6,327,722	8,151,078	6,315,702

Capitalised Borrowing Cost

During the year, the Group has capitalised borrowing costs amounting to MVR 141,126,242 (2023: MVR 116,662,226) on qualifying assets. The borrowings are meant to fund specific projects and the interest percentage and borrowing cost capitalised are as follows;

Project	Rate of interest	Group		Company	
		2024	2023	2024	2023
New runway, fuel farm and cargo terminal	3%	-	21,042	-	21,042
		-	21,042	-	21,042
	2.5%	1,937	-	1,937	-
New international passenger Terminal	3%	75,103	48,484	75,103	48,484
	4%	20,240	-	20,240	-
	5.7%	43,846	47,136	43,846	47,136
		141,126	95,620	141,126	95,620
Total		141,126	116,662	141,126	116,662



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11 Investment properties

	Group		Company	
	2024	2023	2024	2023
Movement for the year				
Balance as at 1 January	576,170	583,215	576,170	583,215
Transfer from CWIP (Note 10.1)	205	20,329	205	20,329
Depreciation charge	(25,671)	(27,374)	(25,671)	(27,374)
Balance as at 31 December	550,703	576,170	550,703	576,170
Summary of balances				
Cost	652,939	652,735	652,939	652,735
Accumulated depreciation	(102,235)	(76,565)	(102,235)	(76,565)
Balance as at 31 December	550,703	576,170	550,703	576,170

Income earned from Investment Property

The rental income from and direct expenses in relation to investment properties are as follows:

	Group		Company	
	2024	2023	2024	2023
Rent income	113,574	99,167	113,574	99,167

There is no material direct expenses specifically attributable to the rental income since ancillary services related costs are being recovered through other revenue streams.

Maturity analysis of lease receivables

Minimum lease payments on leases of investment property as follows:

Year ended 31 December	Group/Company	
	2024	2023
Less than one year	102,164	100,655
One to two years	103,186	102,164
Two to three years	105,250	103,186
Three to four years	115,775	105,250
Four to five years	121,564	115,775

The investment properties are leased to tenants under operating leases with rentals payable as per the lease terms.

12 Grant Asset- Land use right

	Group		Company	
	2024	2023	2024	2023
Cost				
At 1st January	7,800,000	7,800,000	7,800,000	7,800,000
Additions during the year	-	-	-	-
At 31st December	7,800,000	7,800,000	7,800,000	7,800,000
Accumulated Depreciation				
At 1st January	(592,405)	(394,937)	(592,405)	(394,937)
Charge during the year	(197,468)	(197,468)	(197,468)	(197,468)
At 31st December	(789,873)	(592,405)	(789,873)	(592,405)
Net carrying value at 31 December	7,010,127	7,207,595	7,010,127	7,207,595

12.1 Deferred income

	Group		Company	
	2024	2023	2024	2023
At 1st January	7,207,595	7,405,063	7,207,595	7,405,063
Recognition of Grant income on initial valuation of the leasehold rights	-	-	-	-
Transfer to profit and loss during the year	(197,468)	(197,468)	(197,468)	(197,468)
At 31st December	7,010,127	7,207,595	7,010,127	7,207,595

The fair value estimation of the leasehold grant assets - land use right of MVR 7,800,000,000 recognized at 31 December 2020. Fair value was determined by using residual valuation basis. The valuation has been performed by the valuer and are based on present use is arrived on the net free cash flow based on profits method. As at the date of valuation on 31 December 2020, the properties' fair values are based on valuations performed by Maldives Valuers Pvt Ltd., a chartered independent valuer. The gain from valuation of the land use right has been recorded as grant income.

12.2 Right of use asset

	Group		Company	
	2024	2023	2024	2023
Cost				
At 1st January	226,324	185,629	87,930	62,999
Transfer from property plant & equipment	-	47,131	-	-
Reassessment of lease liability	37,788	6,407	-	-
Modifications during the year	10,006	(21,917)	10,006	15,858
Additions during the year	5,602	9,073	5,602	9,073
(-) Termination during the year	(2,860)	-	(2,860)	-
At 31st December	276,860	226,324	100,679	87,930
Accumulated Depreciation				
At 1st January	(91,105)	(69,116)	(60,326)	(45,007)
Transfer from property plant & equipment	-	(4,634)	-	-
Charge during the year	(20,129)	(17,356)	(16,487)	(15,319)
At 31st December	(111,234)	(91,105)	(76,813)	(60,326)
Net carrying value at 31 December	165,626	135,217	23,866	27,604



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12.3 Lease liabilities

	Group		Company	
	2024	2023	2024	2023
At 1st January	194,117	217,243	28,464	18,747
Recognitions during the year	5,602	9,073	5,602	9,073
Reassessment of lease liability	37,786	6,407	-	-
Modification during the Year	10,006	(21,917)	10,006	15,858
Adjustment for carried forward leases to subsidiary	-	-	-	-
(-) Termination during the year	(2,940)	-	(2,940)	-
Interest charge during the year	23,840	19,364	2,315	1,845
Payments made during the year	(38,886)	(36,054)	(18,466)	(17,059)
Balance as at 31 December	229,525	194,117	24,982	28,464
Maturity analysis				
Current	32,044	25,733	13,845	15,210
Non-current	197,482	168,384	11,137	13,254
	229,525	194,117	24,982	28,464

13 Intangible assets

	Group		Company	
	2024	2023	2024	2023
Movement for the year				
Balance as at 1 January	23,934	21,903	17,759	18,832
Additions during the year	523	6,288	159	5,798
Transferred to/from MNATS				
<i>Cost</i>	-	-	-	(1,718)
<i>Accumulated Depreciation</i>	-	-	-	161
Transfer from CWIP (Note 10.1)	1,273	1,877	1,273	-
Amortization charge	(13,329)	(6,134)	(12,060)	(5,314)
Balance as at 31 December	12,401	23,934	7,130	17,759
Summary of balances				
Cost	71,308	70,642	61,826	60,387
Accumulated amortisation	(58,907)	(46,708)	(54,696)	(42,628)
Balance as at 31 December	12,401	23,934	7,130	17,759

14 Investment in subsidiary

	Company	
	2024	2023
At 31 December	120,802	120,648

The details of the subsidiary at 31 December 2024 is set out below. The share capital of the subsidiary consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group.

Name of the entity	Place of business / Country of incorporation	Value of Investment (MVR)	Ownership interest		Principal activity
			held by the group 2024	held by the group 2023	
Maldives In-flight Catering Private Limited	Maldives	2,002,000	65%	65%	Operating a flight kitchen, tourist resort and transit hotel
Maldives National Air Traffic Service Private Limited	Maldives	118,800,000	99%	99%	Providing Air Traffic Services

Set out below is summarised financial information of the Company's investment in Maldives In-flight Catering Private Limited and Maldives National Air Traffic Services Limited. The amounts disclosed are before inter-company eliminations.

	MNATS		MIC	
	2024	2023	2024	2023
Summarised statement of financial position				
Current assets	189,224	88,418	490,948	623,665
Current liabilities	(131,530)	(40,783)	(153,621)	(244,022)
Net current assets	57,695	47,634	337,327	379,643
Non-current assets	83,644	91,733	1,325,379	1,349,609
Non-current liabilities	(32,859)	(26,686)	(203,157)	(178,981)
Net non-current assets	50,785	65,047	1,122,221	1,170,628
Total net assets	108,480	112,681	1,459,549	1,550,271
Accumulated NCI	1,087	1,129	510,840	542,593
Summarised statement of comprehensive income				
Revenue	104,276	23,965	745,531	599,460
Profit/(loss) total comprehensive income for the year	(4,202)	(7,119)	155,101	75,267
Profit/(loss) allocated to NCI	(42)	(71)	54,285	26,272
Summarised cash flows				
Cash flows from operating activities	732	819	284,150	191,404
Cash flows used in investing activities	(553)	(814)	(41,920)	(31,950)
Cash flows used in financing activities	-	-	(376,010)	93,925
Net decrease/increase in cash flows	179	5	(133,780)	253,379



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15 Investment in joint venture

	Group/Company	
	2024	2023
Airport Investments Maldives Private Limited	5,000	5,000
Allowance for written off	(5,000)	(5,000)
At 31 December	<u>-</u>	<u>-</u>

The Company hold 33.33% interest in Airport Investments Maldives Private Limited, a jointly controlled entity which was mandated to develop airports, lease, operate or manage tourist resorts and carry on all aspects of business connected with airport and tourist resort operations either by directly providing the services or by contracting the provision of services to third parties.

Currently there is no operation in the Company and remains dormant.

The Board of Directors has decided to impair the investments in Airport Investments Maldives Private Limited since material uncertainties exist which cast significant doubt about the ability of the companies to continue as a going concern.

	Group/Company	
	2024	2023
Maldives Industrial Development Free Zone Plc	185,040	-
At 31 December	<u>185,040</u>	<u>-</u>

During the year, the Company invested 12% interest in Maldives Industrial Development Free Zone Plc, a jointly controlled entity which was mandated to establishing free trade zones and engage in large-scale importation of goods from neighbouring countries and employ a re-export system to optimise profits. The company is a collaborative venture of five state-affiliated companies, namely the Maldives Airports Company Limited (MACL), Maldives Ports Limited (MPL), State Trading Organisation Public Limited (STO), Maldives Transport and Contracting Company (MTCC), and Housing Development

16 Financial assets at fair value through other comprehensive income (FVOCI)

	Group/Company	
	2024	2023
Addu International Airport Private Limited	32,000	32,000
Allowance for written off	(32,000)	(32,000)
	<u>-</u>	<u>-</u>

The Company initially acquired 20,000 shares which represented 32.26% of the issued share capital of Addu International Airport Private Limited, an entity involved in the development of airports, tourist resorts, and carry on all aspects of business connected with airports and tourist resort operations either by directly providing the services or by contracting the provision of services to third parties. On 1 January 2013, the investee Company issued 118,000 shares to other shareholders diluting the shareholding of MACL to 10%. The Company has recognised the investment at cost in consolidated financial statements resulting from the loss of control.

During the year ended 31 December 2017, MACL has invested MVR 12,000,000 as the call up equity according to the shareholdings of the Company.

These investments in equity instruments are not held for trading and therefore the group has made an irrevocable election at the date of initial implementation of IFRS-9 to account for these equity investments at fair value through other comprehensive income (FVOCI).

The Board of Directors has decided to impair the Addu International Airports Company Limited since material uncertainties exist which cast significant doubt about the ability of the companies to continue as a going concern after an impairment assessment based on the future cash flows.



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17 Inventories	Group		Company	
	2024	2023	2024	2023
Fuel Inventory	355,761	139,239	355,761	139,239
Duty-free goods	237,057	160,133	237,057	160,133
Spare parts	178,657	252,661	178,657	252,661
Food and beverage	17,958	26,395	-	-
Housekeeping	16,699	10,956	-	-
	806,132	589,384	771,475	552,033
Less: Provision for slow moving inventories	(1,614)	(1,614)	(1,614)	(1,614)
Less: Provision for write-off	(3,841)	(12,740)	(3,841)	(12,740)
	800,677	575,030	766,020	537,679

18 Trade and other receivables	Group		Company	
	2024	2023	2024	2023
Trade receivables	1,230,779	1,308,534	1,115,293	1,119,774
Provision for Impairment of trade receivables	(226,118)	(222,934)	(181,740)	(171,232)
Trade receivables from related parties (Note 29)	1,239,727	1,056,637	1,368,127	1,147,019
Provision for impairment of receivables from related parties	(785,948)	(641,665)	(785,947)	(641,665)
	1,458,440	1,500,571	1,515,733	1,453,896
Other receivables	78,910	194,401	82,255	130,987
Advances and prepayments	678,118	840,773	630,817	770,005
Tax receivables	355,941	282,626	355,941	282,626
Less: provision for impairment of other receivables (note 18.2)	(54,412)	(54,206)	(54,412)	(54,206)
	2,516,997	2,764,165	2,530,335	2,583,308

18.1 Provision for impairment of trade receivables	Group		Company	
	2024	2023	2024	2023
Movement for the year				
Balance at 1 January	863,385	621,487	812,897	572,144
Written-off for the year	-	(1,630)	-	-
Provision made during the year	148,681	243,529	154,790	240,753
Balance at 31 December	1,012,066	863,385	967,687	812,897
Breakdown of provision for trade receivables				
Provision for trade receivables - related parties	785,948	641,665	785,947	641,665
Provision for trade receivables - third party customers	226,118	221,720	181,740	171,232
Balance at 31 December	1,012,066	863,385	967,687	812,897

18.2 Provision for impairment of other receivables	Group		Company	
	2024	2023	2024	2023
Movement for the year				
Balance at 1 January	54,206	44,846	54,206	44,846
Reversal of provision/Provisions made during the year	206	9,360	206	9,360
Written-off as uncollectable	-	-	-	-
Balance at 31 December	54,412	54,206	54,412	54,206

18.3 Provision Matrix and Impairment of Debtors

- Management has carried out an impairment provision based on the simplified approach of ECL method and considered 75% ECL for debtors aged more than 90 days in determining the provision matrix for ECL.



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19 Financial assets at amortised cost	Group		Company	
	2024	2023	2024	2023
19.1 Short term:				
Investments in treasury bills	531,608	160,047	531,609	160,047
Investments in fixed deposits	75,660	378,111	-	305,193
	607,268	538,157	531,609	465,239

Deposits are made for varying periods between three months to one year, depending on the immediate cash requirements of the Group, and earn interest ranging from 3.4% to 4.5% per annum (2023 : 3.4% to 4.5% per annum).

19.2 Long term investments	Group		Company	
	2024	2023	2024	2023
Investment in treasury bond	1,030,056	771,000	1,030,056	771,000
	1,030,056	771,000	1,030,056	771,000

Investment in Bond represents the investment made in 5 year Treasury Bond issued by the Government of Maldives. The Bond carry interest rate at 8% per annum. During the year 2024, additional USD 30 million was invested in Treasury Bond from Government of Maldives.

20 Cash and bank balances

For the purpose of Statement of Cashflow, Cash and bank balances comprises the following:

	Group		Company	
	2024	2023	2024	2023
Cash in hand	24,605	20,727	22,581	17,536
Cash at bank	912,250	1,118,179	695,033	768,528
	936,855	1,138,906	717,614	786,064

21 Share capital

Group / Company

	Number of shares		Ordinary shares MVR	
	2024	2023	2024	2023
At 1 January 2023			1,500	150,000
At 31 December 2023			1,500	150,000
At 31 December 2024			1,500	150,000

The total authorised number of ordinary shares is 5,000,000 shares (2023: 5,000,000 shares) with a par value of MVR 100 per share (2023: MVR 100 per share). Of the above, 1,500,000 shares are issued and fully paid.

22 Other reserves

22.1 Revaluation reserve	Group		Company	
	2024	2023	2024	2023
Balance as at 1 January	524,916	554,973	508,403	535,157
Realised on usage and disposal	(35,359)	(35,361)	(31,474)	(31,475)
Deferred tax liability reversal on realised revaluation surplus on usage	5,304	5,304	4,721	4,721
Balance as at 31 December	494,861	524,916	481,650	508,403
22.2 Fair value reserve				
Balance as at 31 December	10,386	10,386	-	-
22.3 Foreign currency translation reserve				
Balance as at 31 December	26,878	26,878	-	-



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23 Non-controlling interest

	Group	
	2024	2023
Balance as at 1 January	543,721	515,938
Share of net profit of subsidiary	54,243	26,272
Value of NCI shares	-	1,200
Reclassification/Adjustment of reserve	314	312
Dividends	(86,352)	-
Balance as at 31 December	511,927	543,721

24 Loans and borrowings

	Group		Company	
	2024	2023	2024	2023
Non-current				
Borrowing from Government through MOF 1	4,539,251	5,141,974	4,539,251	5,141,974
Borrowing from Government through MOF 2	1,326,629	1,164,087	1,326,629	1,164,087
Borrowing from Government through MOF 3	577,694	272,140	577,694	272,140
Borrowing from Government through MOF 4	627,891	672,523	627,891	672,523
Borrowing from Government through MOF 5	643,878	688,642	643,878	688,642
Borrowing from Government through MOF 6	752,750	118,984	752,750	118,984
Borrowing from Government through MOF 7	484,169	-	484,169	-
China Development Bank	374,428	465,468	374,428	465,468
Bank of Maldives Plc - Demand Loan (USD) 1	102,362	154,546	102,362	154,546
Bank of Maldives Plc - Demand Loan (MVR) 1	-	68,359	-	68,359
Bank of Maldives Plc - Demand Loan (MVR) 2	32,781	133,007	32,781	133,007
Bank of Maldives Plc - Demand Loan (MVR) 4	98,017	180,072	98,017	180,072
Bank of Maldives Plc - Demand Loan (USD) 3	462,600	616,800	462,600	616,800
Bank of Maldives Plc - Demand Loan (USD) 4	314,568	-	314,568	-
Maldives Islamic Bank - Asset Finance Facility	72,949	34,153	72,949	34,153
	<u>10,409,968</u>	<u>9,710,756</u>	<u>10,409,968</u>	<u>9,710,756</u>
Less: Transaction cost	(4,791)	(3,769)	(4,791)	(3,769)
Total Non-Current	10,405,178	9,706,987	10,405,178	9,706,987
Current				
Borrowing from Government through MOF 1	1,371,528	774,019	1,371,528	774,019
Borrowing from Government through MOF 2	232,665	112,223	232,665	112,223
Borrowing from Government through MOF 3	197,874	64,428	197,874	64,428
Borrowing from Government through MOF 4	156,563	94,884	156,563	94,884
Borrowing from Government through MOF 5	118,608	73,843	118,608	73,843
China Development Bank	76,607	76,283	76,607	76,283
Bank of Maldives Plc - Demand Loan (USD) 1	52,183	47,900	52,183	47,900
Bank of Maldives Plc - Demand Loan (MVR) 1	68,359	87,613	68,359	87,613
Bank of Maldives Plc - Demand Loan (MVR) 2	100,226	92,025	100,226	92,025
Bank of Maldives Plc - Demand Loan (MVR) 4	82,057	75,335	82,057	75,335
Bank of Maldives Plc - Demand Loan (USD) 2	-	292,980	-	292,980
Bank of Maldives Plc - Demand Loan (USD) 3	154,200	154,200	154,200	154,200
Bank of Maldives Plc - Demand Loan (USD) 4	98,688	-	98,688	-
Maldives Islamic Bank - Asset Finance Facility	4,151	110	4,151	110
Bank of Maldives - Loan by MIC	-	123,360	-	-
	<u>2,713,709</u>	<u>2,069,203</u>	<u>2,713,709</u>	<u>1,945,843</u>
Add: Interest Payable	306,577	141,779	306,577	141,779
Less: Transaction cost	(3,065)	(2,321)	(3,065)	(2,321)
Total Current	3,017,221	2,208,661	3,017,221	2,085,301
Total borrowings	13,422,399	11,915,647	13,422,399	11,792,287



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24 Loans and borrowings (continued)

The fair values of the loans are based on the cash flow discounted using the following rates.

Description	Provider of funds	Loan denominated currency	Interest rate %	2024	2023
Borrowing from Government through MOF 1	China Exim Bank	USD	3.0%	6,077,757	5,994,380
Borrowing from Government through MOF 2	Saudi Fund for Development	USD	3.0%	1,599,084	1,291,156
Borrowing from Government through MOF 3	Abu Dhabi Fund for Development	USD	4.0%	791,956	340,193
Borrowing from Government through MOF 4	OPEC Fund for Int'l Development	USD	5.7%	826,477	786,401
Borrowing from Government through MOF 5	Kuwait Fund for Arab Economic Development	USD	2.5%	785,114	762,239
Borrowing from Government through MOF 6	Kuwait Fund for Arab Economic Development	USD	2.5%	759,366	119,237
Borrowing from Government through MOF 7	Saudi Fund for Development	USD	2.5%	486,106	-
China Development Bank	China Development Bank	USD	2.9%	461,252	555,459
Bank of Maldives Plc - Demand Loan (USD) 1	Bank of Maldives	USD	8.5%	154,546	202,445
Bank of Maldives Plc - Demand Loan (MVR) 1	Bank of Maldives	MVR	8.5%	67,816	154,704
Bank of Maldives Plc - Demand Loan (MVR) 2	Bank of Maldives	MVR	8.5%	131,941	223,165
Bank of Maldives Plc - Demand Loan (MVR) 4	Bank of Maldives	MVR	8.5%	178,557	253,191
Bank of Maldives Plc - Demand Loan (USD) 2	Bank of Maldives	USD	8.5%	-	305,192
Bank of Maldives Plc - Demand Loan (USD) 3	Bank of Maldives	USD	8.5%	616,800	771,000
Bank of Maldives Plc - Demand Loan (USD) 4	Bank of Maldives	USD	8.0%	409,170	-
Maldives Islamic Bank - Asset Finance	Maldives Islamic Bank	USD	8.5%	76,457	33,525
Total company				13,422,399	11,792,287
Bank of Maldives - Loan by MIC		USD	8.0%	-	123,360
Total Group				13,422,399	11,915,647



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24 Loans and borrowings (Continued)

The carrying amounts of borrowings denominated in foreign currencies as follows:

	Company	
	2024	2023
USD	845,920	723,815
MVR	378,314	631,060

24.1 Details of loans and borrowings

24.1.1 Borrowing from Government through MOF 1 - China Exim Bank

On 12 May 2016, The Government of Maldives (GOM) represented by Ministry of Finance (MOF) entered into a Subsidiary Loan Agreement (SLA) with the company to on-lend USD 373,838,500 obtained through China Exim Bank for new runway, fuel farm and cargo project. The approved loan amount of USD 373,838,500 has been fully disbursed as at 31 December 2021. The loan has been guaranteed by the GOM and principal are to be paid in 30 equal semiannual installments, whereby first repayment will commence on the first available payment date falling 5 years after date of initial withdrawal. The interest charged for this facility is 3% p.a. payable on semiannual basis.

24.1.2 Borrowing from Government through MOF 2 - Saudi Fund for Development (SFD)

On 30 January 2017, The GOM represented by MOF entered into a SLA with the company for financing Velana International Airport updgrade project through Saudi Fund for Development for an amount of SAR 375,000,000 (USD 100,000,000). As at 31 December 2024, the on-lent amount by MOF at market prevailing rate is USD 100,000,000. This loan has been received on the guarantee from the GOM. Repayment of the loan shall be made in 40 equal semiannual instalments on 15 February and 15 August each year and will commence on the first available payment date falling five years after the initial withdrawal by the Company. The interest charged for this facility is 3% p.a. Additional loan amount of USD 100,000,000 was approved during the year 2024.

24.1.3 Borrowing from Government through MOF 3 - Abu Dhabi Fund for Development (ADFD)

On 08 October 2018, The GOM represented by MOF entered into a SLA with the Company for financing expansion and upgrading of Velana International Airport development project through Abu Dhabi Fund for Development for an amount of AED 183,650,000 (USD 50,000,000). As at 31 December 2024, the on-lent amount by MOF at market prevailing rate is USD 50,000,000. This loan has been received on the guarantee from the GOM. Repayment of the loan shall be made in 24 semi-annual instalments on 30 March and 30 September each year and will commence on the first available payment date falling three years after the initial withdrawal by the Company. The interest charged for this facility is 4% p.a. Additional loan amount of USD 40,000,000 was approved during the year 2024.

24.1.4 Borrowing from Government through MOF 4 - OPEC Fund for Int'l Development (OFID)

On 12 July 2017, The GOM represented by MOF entered into a SLA with the Company for financing expansion and upgrading of Velana International Airport development project through OPEC Fund for International Development for an amount of USD 50,000,000. As at 31 December 2024, the on-lent amount by MOF is USD 50,000,000. This loan has been received on the guarantee from the GOM. Repayment of the loan shall be made in 28 semi-annual instalments on 15 January and 15 July each year and will commence on the first available payment date falling 4 years after the initial withdrawal by the Company. The interest charged for this facility is 5.7% p.a.



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24.1.5 Borrowing from Government through MOF 5 - Kuwait Fund for Arab Economic Development (KFAED)

On 27 November 2017, The GOM represented by MOF entered into a SLA with the Company for financing expansion and upgrading of Velana International Airport development project through Kuwait Fund for Arab Economic Development for an amount of K.D 15,000,000 (USD 50,000,000). As at 31 December 2024, the on-lent amount by MOF is USD 50,000,000. This loan has been received on the guarantee from the GOM. Repayment of the loan shall be made in 32 semi-annual instalments on 1 January and 1 July each year and will commence on the first available payment date falling 4 years after the initial withdrawal by the Company. The interest charged for this facility is 2.5% p.a.

24.1.6 Term loan: China Development Bank (CDB)

On 03 July 2018, The Company had obtained a term facility from China Development Bank (CDB) for the purpose of financing the Seaplane facilities development project. The total facility of this loan is USD 47,170,000 and has been fully withdrawn as of 31 December 2020. The repayment of the loan shall be paid in twenty-one equal installments, paid semi-annually, starting from March 2021. The interest charged for this facility is base 2.9%+SOFR p.a. As at the reporting date, the outstanding loan amount is USD 35,133,000.

This loan is secured against the Sovereign Guarantee (No. GRM/2018/006) of the Republic of Maldives issued by the Ministry of Finance (MOF) and secured against the Mortgage of leasehold rights of the Property under the Seaplane Facilities Area Lease Agreement dated on 22nd June 2020 and between MOF and MACL.

24.1.7 Bank of Maldives Plc - Demand Loan (USD) 1

The Company has obtained a demand loan from the bank of Maldives for the purpose of development and renovation works of facilities in Velana International Airport. The total facility of this loan is USD 30,300,000 out of which has been fully disbursed as at 31 December 2020. This loan has been obtained on 14 March 2017 and is to be repaid in 120 months in equal instalments. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is USD 10,022,412.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.

24.1.8 Bank of Maldives Plc - Demand Loan (MVR) 1

On 12 August 2020, a MVR demand loan was obtained from the bank of Maldives for working capital support during the outbreak of Covid 19. The total facility of this loan is MVR 362,370,000 and has been fully disbursed as of 31 December 2021. This loan has to be repaid in 60 months in equal instalments. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is MVR 67,815,939.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.

24.1.9 Bank of Maldives Plc - Demand Loan (MVR) 2

On 23 May 2021, a second MVR demand loan was obtained from the bank of Maldives for working capital support. The total facility of this loan is MVR 400,000,000 and has been fully disbursed as of 31 December 2021. This loan has to be repaid in 60 months in equal instalments. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is MVR 131,940,692

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.



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24.1.10 Bank of Maldives Plc - Demand Loan (MVR) 4

On 17th February 2022, a MVR demand loan was obtained from the bank of Maldives for working capital support. The total facility of this loan is MVR 350,000,000. This loan has to be repaid in 60 months. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is MVR 178,557,053.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.

24.1.11 Bank of Maldives Plc - Demand Loan (USD) 2

On 2nd July 2023, a USD demand loan was obtained from the bank of Maldives to disburse and hold as cash lien for LC to be opened to purchase of equipment and materials for the New Passenger Terminal Building Project. The total facility of this loan is USD 19,000,000. This loan has to be repaid in lumpsum upon maturity (12 months) or receipt of LC documents whichever is earlier. The interest charged for this facility is 8.5% p.a. As at the reporting date, the loan was repaid fully.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.

24.1.12 Bank of Maldives Plc - Demand Loan (USD) 3

On 26th December 2023, a USD demand loan was obtained from the bank of Maldives for Corporate purpose. The total facility of this loan is USD 50,000,000. This loan has to be repaid in 60 months. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is USD 40,000,000.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 150% of the exposure.

24.1.13 Maldives Islamic Bank - Asset Finance Facility

On 24th August 2023, a USD asset finance facility was obtained from the Islamic bank of Maldives to procure vehicles and GSE. The total facility of this loan is USD 5,000,000. This loan has to be repaid in 96 months, separately for particular asset procured under the facility. The interest charged for this facility is 8.5% p.a. As at the reporting date, the outstanding balance of the loan is USD 4,958,333.

24.1.14 Borrowing from Government through MOF 6 - Kuwait Fund for Arab Economic Development (KFAED)

During the year 2023, a new SLA was entered between the company and GOM represented by MOF financing expansion and upgrading of Velana International Airport development project through Kuwait Fund for Arab Economic Development for an amount of K.D 15,000,000 (USD 50,000,000). As at 31 December 2024, the on-lent amount by MOF is USD 48,816,240. Repayment of the loan will commence on the first available payment date falling 4 years after the initial withdrawal by the Company. The interest charged for this facility is 2.5% p.a.

24.1.15 Bank of Maldives Plc - Demand Loan (USD) 4

On 24th June 2024, a USD demand loan was obtained from the bank of Maldives for Corporate purpose. The total facility of this loan is USD 30,000,000. This loan has to be repaid in 60 months. The interest charged for this facility is 8.5% p.a. payable on monthly basis. As at the reporting date, the outstanding balance of the loan is USD 26,535,000.

This loan is secured against the Mortgage of leasehold rights of the Property under the Amended and Restated Agreement for the leasing of Hulhule' Island dated on 22nd June 2020 and between MOF and MACL to an amount not less than 200% of the exposure.

24.1.16 Borrowing from Government through MOF 7 - Saudi Fund for Development (SFD)

During the year 2024, The GOM represented by MOF entered into a loan agreement with the Saudi Fund for Development for financing Velana International Airport upgrade project an amount of SAR 375,000,000 (USD 100,000,000). As at 31 December 2024, the on-lent amount by MOF at market prevailing rate is USD 31,398,779 This loan has been received on the guarantee from the GOM. Repayment of the loan shall be made in within 20 year including 5 years grace period. The interest charged for this facility is 2.5% p.a.



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25 Deferred tax liabilities

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2024	2023	2024	2023
Deferred tax assets	(252,922)	(202,125)	(239,379)	(188,249)
Deferred tax liabilities	155,987	162,606	149,636	154,357
	(96,935)	(39,519)	(89,744)	(33,892)

25.1 Deferred taxes are calculated on all temporary differences under the liability method using the effective tax rate of 15%. The movement in deferred tax is as follows:

	Group		Company	
	2024	2023	2024	2023
At 1 January	(39,519)	(76,167)	(33,892)	(68,711)
Charge to statement of Profit and Loss	(21,773)	44,620	(21,227)	41,897
Charge other comprehensive Income	(43,088)	(2,357)	(42,653)	(2,357)
Credit deferred tax liability reversal on realised revaluation surplus	7,446	(5,616)	8,028	(4,721)
At 31 December	(96,935)	(39,519)	(89,744)	(33,892)

The movement in deferred tax assets and liabilities of the Group and Company during the year, without taking into consideration the offsetting balances are as follows:

	Group		Company	
	2024	2023	2024	2023
On property, plant and equipment	425,894	394,628	444,238	403,981
On impairment of receivable	(1,074,740)	(933,160)	(1,027,463)	(881,458)
On defined benefits obligations	(722,839)	(374,862)	(722,839)	(373,537)
On revaluation gain	590,556	538,289	566,647	508,403
On interest capitalised in CWIP	141,126	116,662	141,126	116,662
On other provision	(6,227)	(5,019)	-	-
	(646,230)	(263,462)	(598,291)	(225,948)
Tax rate	15%	15%	15%	15%
Net deferred tax (asset) / liability	(96,935)	(39,519)	(89,744)	(33,892)



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26 Employee retirement benefits obligations

	Group		Company	
	2024	2023	2024	2023
At 1 January	400,211	347,419	373,536	347,419
Transfer from MACL to MNATS	-	(1)	-	(22,906)
Current service cost	64,591	26,845	62,544	25,513
Interest charge	18,410	17,106	17,183	15,982
Actuarial loss/(gain) on obligation	287,254	17,025	284,355	15,711
Reversal/Adjustments	11	-	-	-
	770,477	408,394	737,618	381,719
Less: payment during the year	(14,779)	(8,183)	(14,779)	(8,183)
Closing balance	755,698	400,211	722,839	373,536

26.1 Following amounts are recognized in profit or loss during the year in respect of retirement benefit obligation

Amount Recognized in Profit or Loss

Current service cost	64,591	26,845	62,544	25,513
Interest charge	18,410	17,106	17,183	15,982
	83,001	43,951	79,727	41,495

Amount recognized in Other Comprehensive Income

Actuarial loss/(gain) on obligation	287,254	17,036	284,355	15,711
	287,254	17,036	284,355	15,711

26.2 Assumptions used

	2024	2023
Significant actuarial assumptions		
<i>Management level:</i>		
Discount rate	4.60%	4.60%
Expected salary increment (Management Level)	7.35%	2.02%
Expected salary increment (Operational Level)	5.87%	2.42%

26.3 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation			
	Change in assumption (%)	Change in assumption (%)	Increase in assumption	Decrease in assumption
	2024	2024	2024	2024
Discount rate	0.50%	0.50%	(81,286)	80,286
Salary growth rate	0.50%	0.50%	80,140	(81,339)

The liability for defined benefit obligations is not externally funded.

The retirement benefit obligation of the Group/Company is estimated based on the calculation performed by the actuarial valuer (Charan Gupta Consultants Pvt Ltd.). The projected unit credit method is used to determine the maturity analysis, weighted average useful life and present value of the defined benefit obligation

26.4 Distribution of Employee Benefit Obligation over Future Working Lifetime

	Group		Company	
	2024	2024	2024	2024
0 to 01 Year	12,681	13,027	11,524	12,248
01 to 02 Year	11,268	11,031	10,343	9,636
02 to 03 Year	12,508	6,429	11,583	6,280
03 to 04 Year	18,389	8,481	17,466	8,324
04 to 05 Year	14,444	11,762	12,996	11,594
05 to 06 Year	21,683	9,588	19,972	8,872
06 Year onwards	664,727	339,907	638,956	316,583
	755,699	400,223	722,840	373,537

Weighted average duration of the projected benefit obligation (years) 23.87 21.01



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26 Employee retirement benefits obligations (continued)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these were not calculated.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

27 Trade and other payables	Group		Company	
	2024	2023	2024	2023
Trade payables	376,872	402,093	327,996	302,416
Amounts due to related parties (Note 29)	360,797	238,158	570,413	318,592
Payables towards development projects	786,251	387,035	786,251	387,035
Accrued expenses	357,832	30,114	352,934	25,036
Accrued compensation payable	3,560	6,701	3,560	6,701
Other payables	970,735	943,734	941,306	898,487
Advance received	559	570	559	566
Passenger service fee payable	5,797	1,385	5,797	1,385
	2,862,403	2,009,789	2,988,816	1,940,218

The amount due to related parties are unsecured, interest free and has no fixed repayment period. Accordingly the entire amount due have been shown as falling due within one year.

Other payables of the Company mainly includes retention amounting to MVR 464,160,991 (2023: MVR 344,194,547), and dividend payable to shareholders amounting to MVR 268,208,709 (2023: MVR 343,208,709)

28 Contract liabilities	Group		Company	
	2024	2023	2024	2023
Short-term advances from customers	144,835	104,141	135,821	97,609
	144,835	104,141	135,821	97,609
Current	144,835	104,141	135,821	97,609



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29 Related party transactions

The Group is controlled by the Government of Maldives which owns 100% of the Company's shares.

The Company holds a 33.33% interest and has a joint control over Airport Investments Maldives Private Limited. There were no transactions with the Airport Investments Maldives Private Limited during the year. Interests in joint venture is set out in note 15.

The following transactions were carried out with subsidiary and Government related entities. The transactions below were made in the ordinary course of business on substantially the same terms, including, aero and non aero transactions as for comparable transactions with unrelated counterparties.

	Group		Company	
	2024	2023	2024	2023
i) Sales of goods and services				
Maldives Inflight Catering Pvt Ltd	-	-	60,166	52,004
Ministry of Foreign Affairs	2,997	2,614	2,997	2,614
Dhivehi Raajjeyge Gulhun Plc (Dhiraagu)	5,516	4,848	5,516	4,848
Island Aviation Services Limited	526,400	565,540	510,843	565,540
Maldives National Defense Force	5,995	3,889	5,995	3,889
State Trading Organization Plc	26,293	12,641	26,293	12,641
Aviation Security Command	1,113	900	1,113	900
People's Majlis Secretariat	1,471	1,189	1,471	1,189
Maldives Meteorological Service	1,015	910	1,015	910
Business Centre Corporation Limited	4,148	3,848	4,148	3,848
Addu International Airport Pvt Ltd	787	1,037	787	1,037
Other Government undertakings	11,948	15,206	11,948	15,206
	587,681	612,622	632,290	664,626
ii) Purchases of goods and services				
Dhivehi Raajjeyge Gulhun Plc (Dhiraagu)	58,903	24,172	58,903	24,172
Island Aviation Services Limited	115,798	79,613	115,798	79,613
Maldives Customs Service	205,814	239,082	205,814	239,082
Maldives Transport and Contracting Company Plc	299,819	440,973	299,819	440,973
State Trading Organisation Plc	3,119,357	2,213,987	3,119,357	2,213,987
Male' Water & Sewerage Company Pvt. Ltd.	168,786	54,007	168,786	54,007
State Electric Company Limited	211,145	224,651	211,145	224,651
Maldives Civil Aviation Authority	384	60	384	60
Housing Development Corporation Limited	115,343	-	115,343	-
Maldives Islamic Bank Plc	33,990	41,825	33,990	41,825
Waste Management Corporation Limited	18,814	20,560	18,814	20,560
Maldives Inflight Catering Pvt Ltd	-	-	8,707	16,875
Maldives Inland Revenue Authority	388,608	266,373	388,608	266,373
Maldives Pension Administration Office	66,082	46,035	66,082	46,035
Other Government undertakings	3,444,298	294,511	3,444,298	294,511
	8,247,140	3,945,849	8,255,847	3,962,724
iii) Year-end outstanding balances				
Receivable from related parties:				
Island Aviation Services Limited	1,147,516	1,030,847	1,091,959	1,030,847
Maldives National Air Traffic Services Pvt Ltd	-	-	132,075	40,013
Ministry of Finance	555	-	555	-
Ministry of Foreign Affairs	3,062	2,426	3,062	2,426
Maldives National Defense Force	2,102	1,469	2,102	1,469
Maldives Inflight Catering Pvt Ltd	-	-	51,882	50,369
Maldives Post Limited	2,771	2,692	2,771	2,692
State Trading Organization Plc	21,897	537	21,897	537
Dhivehi Raajjeyge Gulhun Plc (Dhiraagu)	2,108	2,464	2,108	2,464
Addu International Airport Pvt Ltd	5,322	4,535	5,322	4,535
Ministry of Health	1,337	1,275	1,337	1,275
Business Centre Corporation Limited	5,435	2,854	5,435	2,854
Other Government undertakings	47,622	7,538	47,622	7,538
	1,239,727	1,056,637	1,368,127	1,147,019



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29 Related party transactions (continued)

	Group		Company	
	2024	2023	2024	2023
iv) Payable to related parties:				
Maldives Inflight Catering Pvt Ltd	-	-	36,244	11,338
State Trading Organisation Plc	136,752	100,608	136,752	100,608
Maldives Transport and Contracting Company Plc	3,754	993	3,754	993
Maldives National Air Traffic Services Pvt Ltd	-	-	173,373	69,096
Island Aviation Services Limited	1,443	1,398	1,443	1,398
Dhivehi Raajjige Gulhun Pvt	7,654	1,528	7,654	1,528
Maldives Customs Service	124,055	108,665	124,055	108,665
Housing Development Corporation Limited	691.20	-	691.20	-
Maldives Islamic Bank Plc	3,412	-	3,412	-
Male' Water & Sewerage Company Pvt. Ltd.	1	39	1	39
Waste Management Corporation Limited	6,877	611	6,877	611
Maldives Inland Revenue Authority	1,117	13,976	1,117	13,976
Other Government undertakings	75,732	10,340	75,732	10,340
	360,797	238,158	570,413	318,592

Related party transactions are carried out on contract rates, and outstanding balances carry no interest.

v) Borrowings from related parties

	Group		Company	
	2024	2023	2024	2023
Government of Maldives	10,545,331	9,177,748	10,545,331	9,177,748
Bank of Maldives	1,152,786	2,026,197	1,152,786	1,902,837
	11,698,117	11,203,945	11,698,117	11,080,585

Transactions with Bank of Maldives are made on terms equivalent to those that prevail in arm's length transactions.

vi) Key management personnel compensation

The Board of Directors of the Group are members of the key management personnel.

	Group		Company	
	2024	2023	2024	2023
Emoluments and fees	1,154	1,077	900	1,077
	1,154	1,077	900	1,077

30 Capital commitments

Development projects:

	2024	2023
Short-term commitments - less than 12 months	4,431,726	4,272,388
Long-term commitments - over 12 months	810,752	1,583,512
Total commitment towards Development Projects	5,242,477	5,855,900

The commitments are financed by Subsidiary loan agreements with Ministry of Finance which has been pre-approved.

31 Events after the reporting period

No events have occurred since the reporting date, which would require adjustments to, or disclosure in, the financial statements.



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32 Financial instruments risk management objectives and policies

32.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board of Directors on specific areas such as foreign exchange risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Group's operations are exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The company has a substantial portion of its revenue realised in United States Dollar. Currency exposure arising from the import of capital items and other materials are presently met out of revenue received in United States Dollars.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	31 December 2024 US\$	31 December 2023 US\$
Cash and cash equivalents	29,085	33,907
Trade and other receivables	14,184	28,790
Investments in fixed deposits	4,907	24,521
Trade and other payables	(185,629)	(105,237)
Borrowings	(845,920)	(723,815)
	(983,374)	(741,835)

Sensitivity analysis

5 percent strengthening/ weakening of Maldivian Rufiyaa against United States Dollars as at 31 December 2024 and 31 December 2023, would have increased/ decreased profit by the amount shown below, based on the Group's monetary assets and liabilities. The analysis assumes that all other variables remain constant.

	Strengthening	Weakening
31 December 2024		
US\$ 5% movement	(758,182)	758,182
31 December 2023		
US\$ 5% movement	(571,955)	571,955

Financial risk factors

	Average rate	
	As at 31 December	
	2024	2023
1 MVR: USD	0.0649	0.0649

In respect of the monetary assets and liabilities denominated in US\$, the Group has a limited currency exposure on such balances since the Maldivian Rufiyaa is pegged to the US\$ within a band to fluctuate within +/- 20% of the mid-point of exchange rate.

(ii) Cash flow and fair value interest rate risk

The Group has short-term deposits with commercial banks and investments in Government treasury bills, which are the interest bearing assets. The Group also has fixed interest bearing borrowings. The Group does not have any control over interest rate or any hedge instrument to manage the risk arising out of fixed interest rate.



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32 Financial instruments risk management objectives and policies (continued)

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain liquidity by keeping adequate cash and short-term deposits in banks.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

	Less than 3 months	Between 3 months and 1 Year	Between 1 to 2 Years	Between 2 to 5 Years	More than 5 Years
At 31 December 2024					
Trade and other payables	2,183,578	149,450	98,652	-	-
Borrowings	1,338,011	892,132	1,266,106	3,087,155	6,838,994
Lease Liability	14,875	39,342	43,557	603,273	-
At 31 December 2023					
Trade and other payables	1,603,548	-	-	-	-
Borrowings	931,649	1,006,518	1,130,300	2,730,950	5,857,183
Lease Liability	15,685	47,934	103,253	699,376	505,091

Company

	Less than 3 months	Between 3 months and 1 Year	Between 1 to 2 Years	Between 2 to 5 Years	More than 5 Years
At 31 December 2024					
Trade and other payables	2,982,460	-	-	-	-
Borrowings	2,152,982	853,582	1,189,006	2,855,855	5,643,944
Lease Liability	4,081	9,764	7,774	3,362	-
At 31 December 2023					
Trade and other payables	1,553,182	-	-	-	-
Borrowings	931,649	1,006,518	1,130,300	2,730,950	5,857,183
Lease Liability	4,655	12,316	10,626	3,073	-

(c) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), and deposits with banks and financial institutions, as well as credit exposures to ordinary customers, including outstanding receivables.

(i) Risk management

Most of the aero customers are reputed airlines with the global presence and non aero customer mainly includes government related SOEs. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

(ii) Security

For some trade receivables the Group obtains security in the form of bank guarantees and cash deposits. i.e. bank guarantee vary for 1 to 3 months, which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Group has following financial assets that are subject to IFRS 9's expected credit loss model:

- Trade receivables - others and related parties
- Other receivables
- Other financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Investment in fixed deposits and treasury bills
- Cash and cash equivalents

While investment in financial assets at fair value through other comprehensive income (FVOCI), investment in fixed deposits, treasury bills, other financial assets at amortised cost and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment losses were immaterial.



Maldives Airports Company Limited
NOTES TO THE FINANCIAL STATEMENTS
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All figures are in MVR '000 unless otherwise stated

32 Financial instruments risk management objectives and policies (continued)

- Trade receivables - others and related parties

The Group applies the IFRS 9 simplified approach of measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the past experience on recovery and default.

The expected loss rates are based on the payment profiles of sales over a period of 60 months and 48 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted by a loss allowance matrix developed by the Group considering the macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has selected GDP of the region/ country of the customer and/ or jet fuel price to be most relevant factors. Accordingly developed a loss allowance matrix based on expected changes in the GDP of the region/ country and/ or jet fuel price and applied to the historical loss rates.

On that basis, the loss allowance of the Company as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables that were subjected to expected credit loss calculation.

Scheduled airlines

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2024						
Expected loss rate	2.4%	6.0%	14.7%	21.7%	26.2%	
Gross carrying amount – trade receivables	92,069	30,403	11,034	6,695	107,040	247,241
Loss allowance	2,200	1,809	1,624	1,453	28,064	35,150

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2023						
Expected loss rate	1.3%	4.0%	9.5%	14.0%	20.1%	
Gross carrying amount – trade receivables	90,976	30,364	11,410	7,385	89,407	229,541
Loss allowance	1,209	1,220	1,088	1,035	17,989	22,541

Non-scheduled airlines

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2024						
Expected loss rate	8%	38%	59%	84%	99%	
Gross carrying amount – trade receivables	12,797	1,971	90	40	59,217	74,115
Loss allowance	968	753	53	34	58,783	60,591

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2023						
Expected loss rate	9%	41%	62%	84%	99%	
Gross carrying amount – trade receivables	16,679	2,652	1,153	302	60,373	81,158
Loss allowance	1,428	1,094	711	255	59,956	63,443

Non-aero

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2024						
Expected loss rate	32%	36%	54%	69%	83%	
Gross carrying amount – trade receivables	24,026	16,324	7,778	6,864	76,752	131,744
Loss allowance	7,692	5,808	4,195	4,720	63,789	86,203



Maldives Airports Company Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024
All figures are in MVR '000 unless otherwise stated

32 Financial instruments risk management objectives and policies (continued)

Non-aero (continued)

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2023						
Expected loss rate	25%	29%	48%	64%	84%	
Gross carrying amount – trade receivables	19,943	12,898	7,691	4,735	83,482	128,749
Loss allowance	4,896	3,709	3,667	3,043	69,932	85,248

Related parties - state owned enterprises

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2024						
Expected loss rate	45%	49%	56%	65%	67%	
Gross carrying amount – trade receivables	15,776	12,408	18,386	12,249	1,126,919	1,185,738
Loss allowance	7,174	6,093	10,230	7,927	754,523	785,947

	Current	Past due less than 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 90 days past due	Total
31st December 2023						
Expected loss rate	59%	60%	64%	69%	62%	
Gross carrying amount – trade receivables	18,190	24,449	11,062	12,122	976,643	1,042,466
Loss allowance	10,777	14,695	7,072	8,343	600,778	641,665

- Receivables from Government Ministries and Departments

Receivables from Government Ministries and Departments consist of other receivables and portion of trade receivables from related parties. The Company assesses the credit quality of its receivables Government Ministries and Departments taking into account their financial position, past experience and other factors. The Company is dealing with Government Ministries and Departments and has not experienced historical credit losses during the past years. Therefore, expected credit loss allowance for receivables Government Ministries and Departments were determined by considering the loss of time value of money. The Company management calculated the expected credit losses on these assets by discounting the future cash flows using the Company's weighted average cost of capital.

On that basis, the Company's the loss allowance for receivables from Government Ministries and Departments as at 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Gross carrying amount	12,925	9,995
Loss allowance	431	333

32.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payable) less cash and cash equivalents. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position, plus net debt.



Maldives Airports Company Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

32.2 Capital risk management (Continued)

The gearing ratios at 31 December 2024 and 31 December 2023 were as follows:

	Group		Company	
	2024 MVR	2023 MVR	2024 MVR	2023 MVR
Total borrowings (Note 24)	13,422,399	11,915,647	13,422,399	11,792,287
Trade and other payables (Note 27)	2,862,403	2,009,789	2,988,816	1,940,218
Less: Cash and cash equivalents (Note 20)	(936,855)	(1,138,906)	(717,614)	(786,064)
Net debt	15,347,947	12,786,530	15,693,600	12,946,441
Total equity	9,723,582	9,041,381	8,265,007	7,487,719
Total capital	25,071,528	21,827,912	23,958,607	20,434,160
Gearing ratio	61%	59%	66%	63%

No changes were made in the objectives, policies or processes for managing capital during the year.

33 Contingencies

Contingent liabilities

As at the reporting date there are no significant contingent liabilities arising in the course of the business of the Company in respect of legal actions, other claims and potential claims being made against the Group/Company by suppliers and employees.

Contingent assets

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

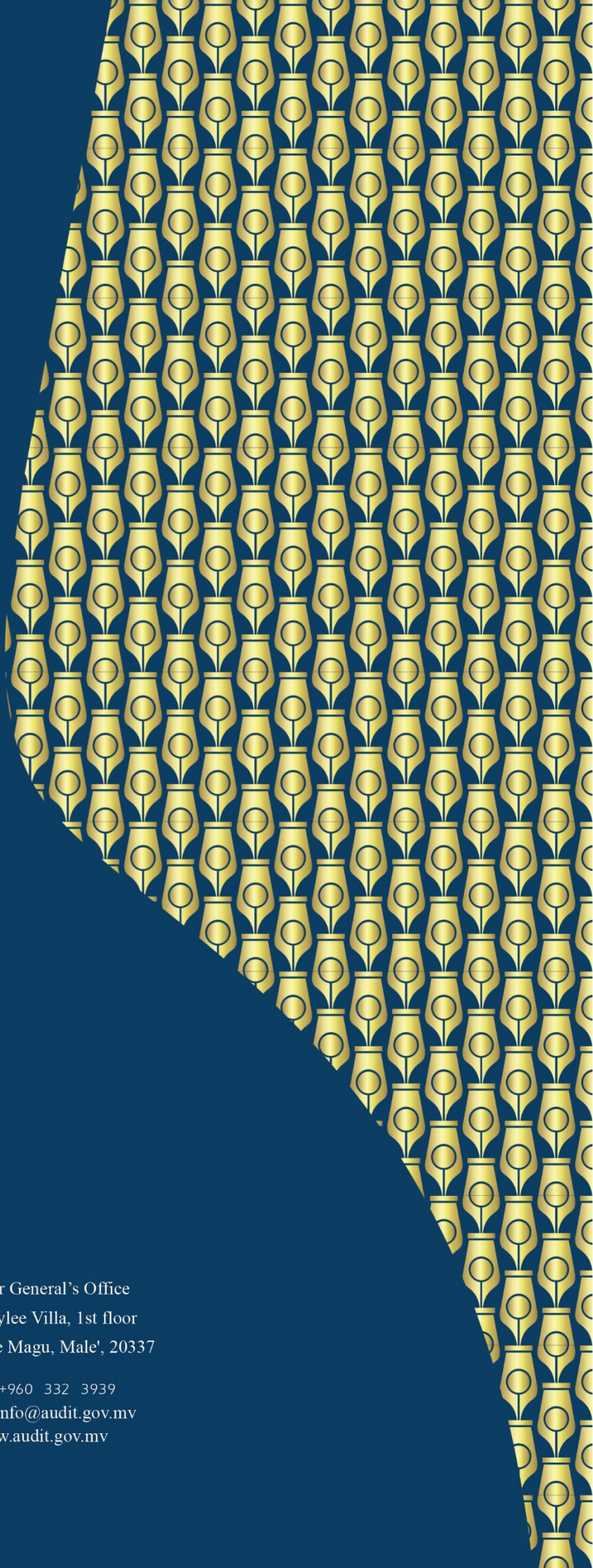


Maldives Airports Company Limited
DETAILED STATEMENT OF EXPENDITURES
Year ended 31 December 2024

All figures are in MVR '000 unless otherwise stated

	Group		Company	
	2024	2023	2024	2023
i Cost of sales				
Fuel cost	2,905,465	2,819,131	2,905,465	2,819,131
Duty-free cost of goods sold	493,761	408,134	493,761	408,134
Employee benefit expenses (iv)	652,424	658,239	602,625	604,473
Depreciation (iii)	367,545	342,342	367,545	342,342
Cost of residential apartments sold	350	1,479	350	1,479
Other operating supplies	183,262	103,812	6,950	3,890
	4,602,806	4,333,137	4,376,696	4,179,449
ii Administrative expenses				
Depreciation on property, plant and equipment (Note iii)	341,053	211,170	239,833	115,227
Depreciation on investment properties (Note 11)	25,671	27,374	25,671	27,374
Depreciation of - right-of-use asset	20,129	18,010	16,487	15,319
Depreciation of Grant Asset	197,468	197,468	197,468	197,468
Amortisation on Intangible asset (Note 13)	13,329	6,134	12,060	5,314
Employee benefit expense (Note iv)	912,738	673,080	764,776	596,385
Repair and maintenance	239,879	94,381	222,488	85,983
Insurance	44,535	37,873	40,831	35,797
Communication expenses	21,268	19,737	5,823	10,071
Fuel and consumables	168,740	159,717	139,251	127,421
Professional fees	67,400	15,575	66,862	15,086
Legal fees and expenses	903	1,772	252	1,052
Travelling expenses	9,339	5,864	4,655	3,572
Bank charges and commission	24,935	33,513	19,185	26,643
License charges	9,257	5,365	9,039	4,707
Import duty and freight charges	45,777	21,354	45,585	19,686
Subscription expense	36,223	23,071	32,175	21,218
Functions and celebration expense	8,699	1,945	7,839	1,945
Printing and stationaries	15,893	8,744	14,012	7,482
Garbage disposal charges	30,794	11,728	26,718	11,728
Loss on disposal of property, plant and equipment	1,921	339	1,921	339
EOT claim by contractors	3,418	-	3,418	-
Exchange loss	5,137	5,568	5,137	5,568
Expected credit losses of trade receivables	147,671	250,502	154,995	250,113
Health and safety expenses	-	90	-	90
Other administrative expenses	211,246	202,766	189,547	142,734
	2,603,421	2,033,140	2,246,027	1,728,322
iii Depreciation expenses classified as;				
Administrative expenses (ii)	341,053	211,170	239,833	115,227
Cost of sales and operating supplies (i)	367,545	342,342	367,545	342,342
	708,598	553,512	607,377	457,569
iv Employee benefit expense				
Salaries and wages	1,145,327	1,008,733	1,002,972	918,983
Staff welfare	35,883	30,846	2,215	1,989
Overtime	52,333	40,949	49,993	39,930
Pension fund contribution	33,650	30,474	31,663	30,055
Staff transportation expenses	20,686	19,626	20,570	19,579
Training and development	16,816	18,540	15,914	17,542
Employee health insurance	31,732	21,046	30,558	20,821
Amortisation of deferred staff benefit	19,236	13,062	19,178	13,025
Employee retirement benefits expenses	82,910	43,951	79,636	41,495
Other benefits	126,588	104,092	114,700	97,439
	1,565,162	1,331,319	1,367,401	1,200,858
Employee benefit expenses classified as;				
Administrative expenses (i)	912,738	673,080	764,776	596,385
Cost of sales and operating supplies (ii)	652,424	658,239	602,625	604,473
	1,565,162	1,331,319	1,367,401	1,200,858
v Professional fees				
Professional fee for audit services	804	699	420	420
Professional fee for audit related service	-	127	-	81
Professional fee for non audit services	66,596	254	66,442	81
	67,400	1,080	66,862	582
vi Selling and marketing costs				
Advertising costs	15,793	9,588	7,005	2,726
Other distribution costs	2,202	2,510	-	-
	17,994	12,098	7,005	2,726





Auditor General's Office
Chanbeylee Villa, 1st floor
Majeedhee Magu, Male', 20337

Tel: +960 332 3939
Email: info@audit.gov.mv
www.audit.gov.mv