

STATE TRADING ORGANIZATION PLC

Financial Statement - 31 December 2023

Independent auditor's report

To the Shareholders of State Trading organization PLC

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of State Trading organization PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the consolidated financial statements of the Group comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Auditing Standards (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key audit matter	How our audit addressed the Key audit matter
The Company and the Group:	
Recognition of revenue from retail and wholesale business	Our audit approach included both control testing and substantive procedures performed as follows:
Refer to the material accounting policy notes 3.18 and Note 7 to the consolidated financial statements.	i) Understanding and evaluating the design, implementation and operating effectiveness of key controls over initiating, recording, processing and reporting of revenue transactions across all significant revenue streams in relation to retail and wholesale business;
During the year ended 31 December 2023, the Company has recognised revenue from retail and wholesale business amounting to MVR 16,354,888,093.	ii) Identified the relevant Information Technology (IT) systems installed and operated for capturing and processing revenue transactions and evaluated the effectiveness of Information Technology General Controls and IT application controls over revenue recognition with the assistance of our IT specialists;
Revenue from retail and wholesale business represent 99.9% and 93% of the Company's and the Group's revenue respectively for the year ended 31 December 2023 and is material to the financial statements.	iii) Tested significant wholesale revenue transactions on a sample basis during the year, to assess that the revenue had been recognised in accordance with the contractual terms in the correct accounting period and the requirements of the relevant accounting standard;
STO operates in wider geographical area and records wholesale and retail revenue in large volume of smaller transactions using automated point of sale systems.	iv) Performed reconciliations of the Point of Sales ("POS") records of retail revenue to the general ledger;
We focused on this area because wholesale and retail revenue are complex due to large volume of transactions with lower values recognised using automated systems occurring in wider geographical areas.	

Key audit matter	How our audit addressed the Key audit matter
	<p>v) Tested significant retail revenue transactions on a sample basis during the year, to assess that the revenue had been recognised in the correct accounting period and in accordance with the requirements of the relevant accounting standard;</p> <p>vi) Examined material manual journal entries and other adjustments processed to revenue; and</p> <p>vii) Assessed the adequacy of the disclosures made in the consolidated financial statements in relation to revenue from retail and wholesale business.</p> <p>Based on the work performed we found that revenue had been recognised in line with the requirements of the relevant accounting standard and the Group's revenue recognition policies.</p>
The Group:	
Valuation of insurance contract liabilities	
Refer to the material accounting policy in Note 3.11 and Notes 26.10 and 36 to the consolidated financial statements.	We, along with the actuarial audit support experts performed the following audit procedures to assess the reasonableness of the insurance contract liabilities:
As at 31 December 2023, the Group has reserved insurance contract liabilities of MVR 348,813,595 MVR 35,741,984 and MVR 53,480,925 for Non-life insurance, Life insurance and Takaful insurance respectively.	i) Assessed the appropriateness of the valuation methodologies used, by applying our industry knowledge and experience to compare whether the methodologies and changes in methodologies (where applicable) are in line with recognised actuarial practices and expectation derived from market experience;
The Group's insurance contract liabilities represent a significant portion of its total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17, which involve the use of a complex valuation models and significant management assumptions.	ii) Evaluated whether management's assumptions and methodologies were determined in accordance with the requirements of IFRS 17.

Key audit matter	How our audit addressed the Key audit matter
<p>Considerable judgment is applied by the management in this regard, and there is inherent uncertainty in those assumptions. These assumptions required significant auditor attention in specific circumstances where (i) there is limited Group and industry experience data, (ii) the historical experience may not be a good indicator of the future and (iii) the determination of discount rates requires complex calculation and measurement of unobservable market inputs. Auditing of certain valuation models and significant assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve actuarial specialists.</p> <p>Accordingly, this was considered a key audit matter.</p>	<p>iii) Assessed the independence, competence and experience of the management expert involved in the liability valuation;</p> <p>iv) Assessed reasonableness of the key assumptions. Our assessment included:</p> <ul style="list-style-type: none">• Obtaining an understanding of and testing the management controls in place to ensure the accuracy and completeness of data used in deriving assumptions;• Examining the approach used by management expert to derive the assumptions, and assess its appropriateness by applying our industry knowledge and experience; <p>v) Tested the inputs and source information underlying the determination of the discount rates.</p> <p>vi) Assessed the adequacy of the disclosures made in the financial statements.</p> <p>Based on the work performed we found that the valuation of insurance liabilities has been measured in line with the requirements of the relevant accounting standard and the Group's accounting policies.</p>
<p>Transition to IFRS 17</p> <p>Refer to the material accounting policy in Note 5 and Notes 49 to the consolidated financial statements.</p> <p>On 1 January 2023, the Group has adopted IFRS 17 Insurance Contracts, which replaced the existing standard, IFRS 4 Insurance Contracts.</p> <p>IFRS 17 introduces pervasive changes to the measurement, presentation and disclosure of</p>	<p>We performed the following audit procedures for the purposes of understanding and challenging key judgements and assumptions:</p> <p>i) Assessed management's accounting policy and methodology papers for compliance with the standard;</p>

Key audit matter	How our audit addressed the Key audit matter
<p>insurance contracts and related account balances.</p> <p>The standard is complex and has required significant judgement and interpretation in its application. To meet the requirements of the new standard, the Group has made significant changes to systems, processes and controls.</p> <p>IFRS 17 has been applied full retrospectively and modified retrospectively where it was impracticable to apply full retrospective approach, as at 1 January 2022 to each group of insurance contracts. As a result, comparative information has been restated within the financial statements. The net impact on the opening balance sheet equity at 1 January 2022 was an increase of MVR 42,453,584.</p> <p>The transition to IFRS 17 is considered a key audit matter due to the pervasive accounting impact and the significant judgements made by management in its application. This has had a corresponding impact on audit effort. Key sources of estimation uncertainty and accounting judgements, as identified in note 5, include:</p> <ul style="list-style-type: none"> – Level of aggregation; – Premium Allocation Approach ("PAA") eligibility – Adoption of General Measurement Model (GMM) or Variable Fee Approach (VFA), where PAA is not applicable – Estimates of future cash flows; – Risk adjustment; – Discount rates; – Onerous contracts; and – Liability for incurred claims and amounts recoverable from reinsurance contracts held. 	<ul style="list-style-type: none"> ii) Gained detailed understanding of the relevant controls implemented for both the restated balances and business processes impacted by the transition to IFRS 17 in 2023; iii) Tested through test of details, the restated comparative figures under IFRS 17; iv) Inspected contract terms and management information to assess the application of level of aggregation requirements to the insurance contracts issued and reinsurance contracts held by the Group; v) Evaluated management's PAA eligibility assessment and conclusion for those contracts not automatically eligible for PAA; vi) Challenged the Group's IFRS 17 calculation models, including those related to the estimate of the fulfilment cashflows, the risk adjustment and discounting; vii) Gained an understanding of management's onerous contracts facts and circumstances assessment and performed procedures to test the input data used and the mathematical accuracy of the results reached; and viii) Checked the disclosures and presentation within the financial statements against the requirements of IFRS 17. <p>Based on the work performed we conclude that the key judgements and assumptions are reasonable.</p>

Other information

Management is responsible for the other information. The other information comprises the annual report for the year ended 31 December 2023 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board, 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 separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and 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 separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Mohamed Siraj Muneer.

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15 June 2024.

For DELOITTE PARTNERS

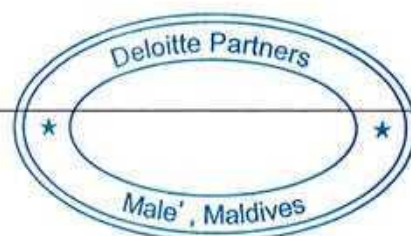

Mohamed Siraj Muneer
Partner

STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
Revenue	7	17,069,672,624	19,064,202,583	16,373,104,633	18,213,792,994
Cost of sales	10	(13,561,144,536)	(16,355,547,949)	(13,325,960,550)	(16,045,467,939)
Gross profit		3,508,528,088	2,708,654,634	3,047,144,083	2,168,325,055
Other income	8	234,854,313	674,517,649	113,336,332	92,113,861
Administrative expenses	10	(897,615,672)	(1,047,932,957)	(511,696,062)	(421,640,637)
Selling and marketing expenses	10	(794,623,067)	(699,794,337)	(1,061,599,490)	(677,461,993)
Impairment loss on trade, other and related party receivables	22, 23 & 24	(449,253,081)	(138,854,326)	(294,671,603)	(107,495,513)
Other operating expenses	10	(16,042,881)	(34,915,515)	(15,854,637)	(19,410,354)
Operating profit		1,585,847,699	1,461,675,148	1,276,658,622	1,034,430,419
Finance income		46,691,773	53,302,272	43,777,500	47,725,519
Finance costs		(356,199,873)	(311,877,473)	(323,660,475)	(217,647,288)
Net finance costs	9	(309,508,100)	(258,575,201)	(279,882,975)	(169,921,769)
Share of profit of Joint venture		15,264,039	11,689,814	-	-
Share of profit of associates		1,854,617	312,398	-	-
Share of profit of equity accounted investees - net of tax	17	17,118,656	12,002,211	-	-
Profit before tax tax expense from continuing operations		1,293,458,256	1,215,102,157	996,775,647	864,508,650
Income tax expense	11	(206,793,985)	(142,735,398)	(178,476,697)	(136,389,673)
Profit after tax expense from continuing operations		1,086,664,271	1,072,366,759	818,298,950	728,118,977
Discontinued operations					
Profit after tax for the year from discontinued operations	16.5	295,403,264	-	-	-
Profit for the year		1,382,067,534	1,072,366,759	818,298,950	728,118,977
Other comprehensive income					
Items that will not be reclassified to profit or loss from continuing operations					
Remeasurement of defined benefit liability	33	(7,690,741)	(4,994,391)	(3,593,313)	(1,632,514)
Tax related to remeasurement of defined benefit liability		1,153,611	792,415	538,997	244,877
Equity investment at FVOCI - net change in fair value	18	9,875,000	38,125,000	-	-
Tax related to equity investments at FVOCI - net change in fair value		(1,481,250)	(5,718,750)	-	-
Total other comprehensive (loss)/income - net of tax		1,856,620	28,204,274	(3,054,316)	(1,387,637)
Total comprehensive income for the year from continuing operations		1,088,520,891	1,100,571,033	815,244,634	726,731,340
Items that will not be reclassified to profit or loss from discontinued operations					
Remeasurement of defined benefit liability		374,888	-	-	-
Total comprehensive income for the year from discontinued operations		295,778,151	-	-	-
Profit attributable to: (Continuing operations)					
Owners of the Company		1,084,049,399	1,073,624,549	818,298,950	728,118,977
Non - controlling interests	30	2,614,872	(1,257,790)	-	-
		1,086,664,271	1,072,366,758	818,298,950	728,118,977
Profit attributable to: (Discontinued operations)					
Owners of the Company		295,403,264	-	-	-
Non - controlling interests	30	-	-	-	-
		295,403,264	-	-	-
Total comprehensive income attributable to: (Continuing operations)					
Owners of the Company		1,085,906,435	1,101,837,941	815,244,634	726,731,340
Non - controlling interests		2,614,456	(1,266,908)	-	-
		1,088,520,891	1,100,571,033	815,244,634	726,731,340
Basic and diluted earnings per share	12	962	953	726	646

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 153. The report of the Independent Auditors is given on pages 1 to 8.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023

	Note	Group			Company	
		2023	Restated 2022	Restated As of 1 Jan 2022	2023	2022
ASSETS						
Non-current assets						
Property, plant and equipment	13	2,519,504,251	2,588,166,217	2,224,799,114	1,895,658,128	1,377,312,044
Investment property	14	366,361,036	377,421,089	364,321,624	366,361,036	377,421,089
Intangible assets	15	85,497,121	23,104,082	21,477,248	65,146,706	2,861,448
Right-of-use assets	19	260,746,951	592,057,705	483,883,816	176,581,287	213,869,335
Lease receivable	20	-	-	-	79,002,778	241,333,312
Investment in subsidiaries	16	-	-	-	284,899,650	284,899,650
Equity accounted investees	17	48,678,238	39,559,582	35,557,370	15,267,267	15,267,267
Equity securities at FVOCI	18	95,990,800	86,886,800	48,761,800	2,240,800	2,240,800
Amounts due from related parties	23	-	-	-	-	-
Loans receivable	24	371,246,701	-	240,937,500	-	-
Other financial investments	27	1,176,265,016	1,155,954,802	285,663,091	1,017,720,000	1,021,575,000
Deferred tax assets	11.3	227,815,947	155,912,108	133,519,144	134,500,445	110,574,576
Total non-current assets		5,152,106,061	5,019,062,385	3,838,920,707	4,037,378,097	3,647,354,521
Current asset						
Inventories	21	1,555,787,547	2,144,045,324	1,555,693,560	1,363,563,751	1,689,305,356
Lease receivable	20	-	-	-	23,431,653	31,324,195
Trade and other receivables	22	1,028,697,823	1,146,251,405	753,560,015	474,862,512	397,291,728
Amounts due from related parties	23	3,562,306,105	3,059,755,015	2,168,570,625	4,319,235,660	4,215,487,771
Loans receivable	24	212,562,686	274,270,833	177,895,833	383,308,916	549,037,647
Insurance contract assets	26.10	19,427,335	4,171,872	5,418,545	-	-
Reinsurance contracts	26.10	209,991,164	471,826,136	539,037,768	-	-
Other financial investments	27	436,277,092	384,767,255	246,088,689	90,000,000	90,000,000
Cash and cash equivalents	28	1,735,714,234	1,363,105,765	1,215,770,305	1,481,079,597	1,115,752,726
Total current assets		8,760,763,986	8,848,193,606	6,662,035,340	8,135,482,089	8,088,199,423
Total assets		13,912,870,047	13,867,255,991	10,500,956,047	12,172,860,186	11,735,553,944
EQUITY AND LIABILITIES						
Equity						
Share capital	29	56,345,500	56,345,500	56,345,500	56,345,500	56,345,500
Share premium	29	27,814,500	27,814,500	27,814,500	27,814,500	27,814,500
Claim equalization reserve	29	74,021,509	71,861,025	66,566,984	-	-
Currency translation reserve	29	334,411	334,411	334,411	-	-
General reserve	29	1,230,554,713	1,066,894,923	921,271,128	1,221,272,903	1,057,613,113
Fair value reserve	29	38,453,352	30,059,602	(2,346,648)	(7,234,148)	(7,234,148)
Retained earnings		3,806,240,942	2,317,206,335	1,471,941,631	3,012,330,299	2,447,517,525
Equity attributable to owners of the Company		5,233,764,927	3,570,516,297	2,541,927,507	4,310,529,054	3,582,056,490
Non-controlling interests	30	25,575,817	22,961,361	24,228,269	-	-
Total equity		5,259,340,744	3,593,477,658	2,566,155,776	4,310,529,054	3,582,056,490
LIABILITIES						
Non-current liabilities						
Loans and borrowings	31.2	1,131,032,775	1,206,556,244	525,254,461	1,070,651,922	1,113,573,697
Deferred income	35	35,667,894	56,534,885	35,938,536	49,590,531	43,944,944
Deferred tax liability	11.4	3,543,756	3,248,310	1,102,967	-	-
Lease liabilities	32	243,467,520	497,588,067	398,071,220	162,931,285	185,578,349
Defined benefit obligation	33	88,857,393	143,702,723	128,975,526	63,555,919	55,724,125
Total non-current liabilities		1,502,569,338	1,907,630,229	1,089,342,709	1,346,729,657	1,398,821,115
Current liabilities						
Loans and borrowings	31.3	2,629,998,389	3,329,283,271	2,472,362,241	2,657,847,093	3,345,147,780
Trade and other payables	34	3,481,593,710	3,349,107,727	2,870,756,197	3,243,645,144	2,869,647,982
Lease liabilities	32	51,045,275	124,752,165	88,494,528	38,261,300	50,406,442
Deferred income	35	9,160,635	7,903,783	8,913,713	4,323,414	1,930,854
Insurance contracts liabilities	26.10	438,036,505	476,912,336	578,023,661	-	-
Reinsurance contracts	26.10	713,688	77,019,787	26,909,382	-	-
Current tax liabilities	38	186,344,693	105,886,360	54,934,394	123,908,263	105,304,041
Amounts due to related parties	39	209,966,141	165,282,559	145,164,686	306,623,242	299,417,957
Bank overdrafts	28	144,100,930	730,000,116	599,898,760	140,993,019	82,821,283
Total current liabilities		7,150,959,965	8,366,148,104	6,845,457,562	6,515,601,475	6,754,676,339
Total liabilities		8,653,529,303	10,273,778,333	7,934,800,271	7,862,331,132	8,153,497,454
Total equity and liabilities		13,912,870,047	13,867,255,991	10,500,956,047	12,172,860,186	11,735,553,944

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 153. The report of the Independent Auditors is given on pages 1 to 8.

These consolidated and separate financial statements were approved by the Board of Directors and signed on its behalf by:

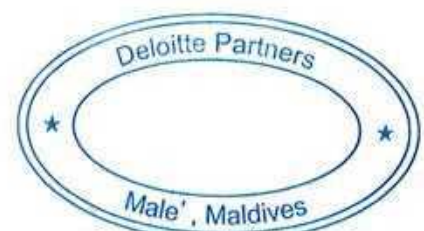
Name of the Director
Amir Mansoor
Shimad Ibrahim
Mohamed Nizam
Mohamed Ahsan Saleem
Reesha Abdul Munnim

Signature






Date
15.06.2024
15.06.2024
15.06.2024
15.06.2024
15.06.2024



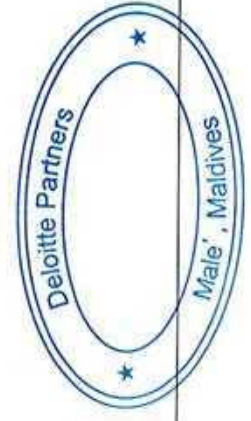
STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023

GROUP

	Attributable to owners of the Company						Non-Controlling Interest	Total		
	Share capital	Share premium	Claim equalization reserve	Currency translation reserve	General reserve	Fair value reserve			Retained earnings	Total
Balance as at 1st January 2022 under IFRS 4	56,345,500	27,814,500	66,566,984	334,411	921,271,128	(2,346,648)	1,429,488,047	2,499,473,922	24,228,269	2,523,702,190
Impact on retained earnings due to adoption of IFRS 17	-	-	-	-	-	-	42,453,584	42,453,584	-	42,453,583
Profit for the year	-	-	-	-	-	-	1,073,624,549	1,073,624,549	(1,237,790)	1,072,386,758
Net change in fair value of Equity Investments at FVOCI - net of tax	-	-	-	-	-	32,406,250	-	32,406,250	-	32,406,250
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(4,192,838)	(4,192,838)	(9,118)	(4,201,976)
Total comprehensive income for the year	-	-	-	-	-	32,406,250	1,069,431,691	1,101,837,941	(1,266,908)	1,100,571,033
Transfer to / (from) during the year	-	-	-	-	-	-	-	-	-	-
- general reserve	-	-	-	-	145,623,795	-	(145,623,795)	-	-	-
- claim equalization reserve	-	-	5,294,041	-	-	-	(5,294,041)	-	-	-
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-
Dividends (Note 29.4)	-	-	-	-	-	-	(73,249,150)	(73,249,150)	-	(73,249,150)
Total transactions with owners of the Company	-	-	-	-	-	-	(73,249,150)	(73,249,150)	-	(73,249,150)
As at 31st December 2022	56,345,500	27,814,500	71,861,025	334,411	1,066,894,923	30,059,602	2,317,206,335	3,570,516,296	22,961,361	3,593,477,658
Balance as at 1st January 2023	56,345,500	27,814,500	71,861,025	334,411	1,066,894,923	30,059,602	2,317,206,335	3,570,516,296	22,961,361	3,593,477,658
Profit for the year from continuing operations	-	-	-	-	-	-	1,084,049,399	1,084,049,399	2,614,872	1,086,664,271
Profit for the year from discontinuing operations	-	-	-	-	-	-	295,403,264	295,403,264	-	295,403,264
Net change in fair value of equity investments at FVOCI - net of tax	-	-	-	-	-	8,393,750	-	8,393,750	-	8,393,750
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(6,536,714)	(6,536,714)	(416)	(6,537,130)
Total comprehensive income for the year	-	-	-	-	-	8,393,750	1,372,915,949	1,381,309,699	2,614,456	1,383,924,155
Transfer to / (from) during the year	-	-	-	-	-	-	-	-	-	-
- general reserve	-	-	-	-	163,659,790	-	(163,659,790)	-	-	-
- claim equalization reserve	-	-	2,160,484	-	-	-	(2,160,484)	-	-	-
Transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary (Note 16.4)	-	-	-	-	-	-	439,155,158	439,155,158	-	439,155,158
Remeasurement of defined benefit liability - net of tax from discontinued operations	-	-	-	-	-	-	374,887.50	374,888	-	374,888
Accumulated provision on receivables due to loss of control (Note 24.6)	-	-	-	-	-	-	(70,819,043)	(70,819,043)	-	(70,819,043)
Dividends (Note 29.4)	-	-	-	-	-	-	(86,772,070)	(86,772,070)	-	(86,772,070)
Total transactions with owners of the Company	-	-	-	-	-	-	281,938,932	281,938,932	-	281,938,932
As at 31st December 2023	56,345,500	27,814,500	74,021,509	334,411	1,230,554,713	38,453,352	3,806,240,942	5,233,764,927	25,575,817	5,259,340,744

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 153. The report of the Independent Auditors is given on pages 1 to 8.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31ST DECEMBER 2023

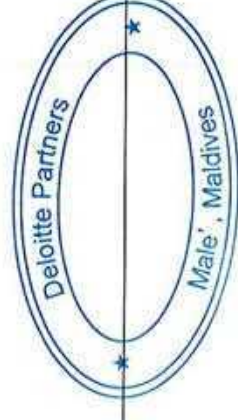
COMPANY

	Share capital MVR	Share premium MVR	General reserve MVR	Fair value reserve MVR	Retained earnings MVR	Total MVR
Balance at 1st January 2022	56,345,500	27,814,500	911,989,318	(7,234,148)	1,939,659,130	2,928,574,300
Profit for the year	-	-	-	-	728,118,977	728,118,977
Other comprehensive Loss, net of tax	-	-	-	-	(1,387,637)	(1,387,637)
Total comprehensive income for the year	-	-	-	-	726,731,340	726,731,340
Transfer to / (from) during the year	-	-	-	-	-	-
- general reserve	-	-	145,623,795	-	(145,623,795)	-
Transactions with owners of the Company	-	-	-	-	(73,249,150)	(73,249,150)
- Dividends (Note 29.4)	-	-	-	-	(73,249,150)	(73,249,150)
Total transaction with owners of the Company	-	-	-	-	(73,249,150)	(73,249,150)
As at 31st December 2022	56,345,500	27,814,500	1,057,613,113	(7,234,148)	2,447,517,525	3,582,056,490
Balance at 1st January 2023	56,345,500	27,814,500	1,057,613,113	(7,234,148)	2,447,517,525	3,582,056,490
Profit for the year	-	-	-	-	818,298,950	818,298,950
Other comprehensive Loss, net of tax	-	-	-	-	(3,054,316)	(3,054,316)
Total comprehensive income for the year	-	-	-	-	815,244,634	815,244,634
Transfer to / (from) during the year	-	-	-	-	-	-
- general reserve	-	-	163,659,790	-	(163,659,790)	-
Transactions with owners of the Company	-	-	-	-	(86,772,070)	(86,772,070)
- Dividends (Note 29.4)	-	-	-	-	(86,772,070)	(86,772,070)
Total transaction with owners of the Company	-	-	-	-	(86,772,070)	(86,772,070)
As at 31st December 2023	56,345,500	27,814,500	1,221,272,903	(7,234,148)	3,012,330,299	4,310,529,054

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 153. The report of the Independent Auditors is given on pages 1 to 8.

As per the Company's policy, 20% from net profit earned during the year is transferred to the general reserve.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2023

Note	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Cash flows from operating activities				
Profit before tax from continuing operations	1,293,458,256	1,215,102,157	996,775,647	864,508,650
Profit before tax from discontinued operations	295,403,264	-	-	-
Adjustments for:				
Depreciation on property, plant and equipment	13 220,706,119	219,163,940	108,409,966	103,589,346
Depreciation on investment properties	14 6,922,926	7,164,959	6,922,926	7,164,959
Amortization on right-of-use assets	19 67,802,878	60,456,101	53,072,039	40,975,751
Interest on lease liabilities	9 32,402,475	43,458,002	19,599,891	18,465,318
Amortization of intangible assets	15 5,551,314	4,146,925	2,420,961	307,328
Gain on derecognition of right of use assets	(5,624,845)	(4,254,073)	(148,658)	(4,058,830)
Capital work-in progress disposed	13 -	71,780,078	-	71,225,433
Gain on disposal of property, plant and equipment	8 (2,369,165)	(9,771,779)	(2,369,165)	(19,473,834)
Impairment of capital work-in progress	10 29,132,172	(2,806,078)	-	(2,806,078)
Provision for impairment of trade, other and related party receivable	10 449,253,081	138,854,326	294,671,603	107,495,513
Provision of impairment for slow moving inventories	21.1 11,855,598	65,946,846	8,696,847	61,189,746
Provision for defined benefit obligation	33 10,815,922	13,643,889	6,013,251	5,424,325
Receivable written off	10 391,448	5,584,020	60,000	997,476
Share of profit of equity - accounted investees, net of tax	18 (17,118,656)	(12,002,211)	-	-
Interest expense	9 309,549,851	244,986,948	304,060,584	198,026,429
Interest income	9 (42,440,518)	(44,705,055)	(35,673,218)	(18,844,833)
Dividend income	9 (3,956,250)	(3,423,750)	(8,000,000)	(28,000,867)
Operating profit before working capital changes	2,661,735,870	2,013,325,245	1,754,512,674	1,406,185,834
Working capital changes				
Change in inventories	576,402,179	(654,298,610)	317,044,758	(621,884,189)
Change in trade and other receivables	(355,703,643)	(566,320,802)	(127,330,966)	(125,384,692)
Accumulated provision on receivables due to loss of control	24 (70,819,043)	-	-	-
Change in amount due from related parties	(812,089,645)	(746,621,890)	(206,603,265)	(1,192,456,637)
Changes in reinsurance contract assets	261,834,972	67,211,632	-	-
Changes in insurance contract assets	25 (15,255,462)	1,246,673	-	-
Changes in deferred revenue	(19,610,138)	19,586,419	8,038,148	(1,930,854)
Change in amount due to related parties	44,683,581	20,117,875	7,205,285	53,172,969
Change in trade and other payables	63,252,777	418,042,862	302,113,956	317,750,148
Changes in insurance contract liabilities	(76,306,099)	50,110,405	-	-
Changes in insurance contract liabilities	37 (38,875,831)	(101,111,325)	-	-
Cash generated from operating activities	2,219,249,517	521,288,483	2,054,980,590	(164,547,421)
Interest paid	(318,339,642)	(259,253,884)	(300,047,791)	(197,519,993)
Gratuity paid	(5,466,765)	(3,911,081)	(1,774,770)	(1,686,837)
Income tax paid	38 (198,271,683)	(116,957,388)	(183,259,347)	(102,160,357)
Net cash generated from operating activities	1,697,171,427	141,166,131	1,569,898,682	(465,914,607)
Cash flows from investing activities				
Purchase and construction of property, plant and equipment	13 (886,837,233)	(708,391,342)	(642,638,268)	(515,232,208)
Purchase of intangible assets	15 (48,606,685)	(3,591,863)	(44,742,543)	-
Proceeds from sales of property, plant and equipment	38,381,187	44,211,758	2,424,833	289,287,869
Investment in subsidiaries	17 -	-	-	1,000
Investment in associates	771,000	-	-	-
Investments in finance leases	20 -	-	170,223,077	(272,657,507)
Purchase of other financial instruments	27 (252,004,755)	(1,577,285,464)	(15,420,000)	(1,452,300,000)
Proceeds from sales of other financial instruments	27 180,184,705	568,315,187	19,275,000	450,000,000
Interest received	42,440,518	44,705,055	35,673,218	18,844,833
Dividend received	11,956,250	11,423,750	8,000,000	48,001,733
Impact on disposal of a subsidiary	916,513,563	-	-	-
Net cash used in investing activities	2,798,549	(1,620,612,919)	(467,204,683)	(1,434,054,280)
Cash flows from financing activities				
Loans and borrowings obtained	31 484,761,526	1,353,427,554	488,817,194	1,353,427,554
Repayments of borrowings	31 (998,625,342)	(837,522,895)	(1,063,749,777)	(787,205,978)
Borrowings from Government waived-off	29 -	(576,467,762)	-	-
Loans and borrowings obtained for working capital	31 5,987,950,929	6,126,509,931	5,987,950,929	6,126,509,931
Principal lease payments	32 (54,769,763)	(28,601,433)	(50,427,540)	(33,306,165)
Repayments of working capital loans and borrowings	31 (6,143,240,807)	(4,527,724,019)	(6,143,240,807)	(4,527,724,019)
Dividend paid	(17,538,864)	(12,940,483)	(14,888,864)	(12,940,483)
Net cash (used in) / generated from financing activities	(741,462,321)	1,496,680,892	(795,538,864)	2,118,760,839
Net increase in cash and cash equivalents	958,507,655	17,234,104	307,155,135	218,791,952
Cash and cash equivalents at beginning of the year	633,105,649	615,871,545	1,032,931,443	814,139,491
Cash and cash equivalents at end of the year	1,591,613,304	633,105,649	1,340,086,578	1,032,931,443

Figures in brackets indicate deductions

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 153. The report of the Independent Auditors is given on pages 1 to 8.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. REPORTING ENTITY

1.1 Corporate information

State Trading Organization PLC (the "Company") is a company incorporated and domiciled in the Republic of Maldives as a public limited liability company since 2001 and presently governed under the Companies' Act No. 10 of 1996 with its registered office at Kan'baa, Aisarani Hingun, K.Male' 20345, Republic of Maldives.

1.2 Consolidated financial statements

The consolidated financial statements of the Group for the year ended 31st December 2023 include the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in investments in equity accounted investees. The financial statements of all companies in the Group have a common financial year which ends on December 31st. State Trading Organization PLC is the ultimate parent of the Group.

The Group transferred the control of asset and management of Maldives Industrial Fisheries Company Pvt Ltd to the Government of Maldives on 30th December 2023 at no consideration.

1.3 Principal activities and nature of operations

Entity	Principal business activities
State Trading Organization PLC ("STO")	The Company is involved in the business of local and foreign trading.
Fuel Supplies Maldives Private Limited ("FSM")	FSM is in the business of supplying and distribution of fuel and lubricant in Maldives.
Raysut Maldives Cement Private Limited ("Raysut")	Raysut imports cement and distributes in Maldives.
Maldives National Oil Company Private Limited ("MNOC")	MNOC is directly responsible for the development of oil and gas industry processes in the Maldives and overseas, however the Company has not commenced commercial operations as at 31 st December 2023.
STO Hotels & Resorts Private Limited ("STOHR")	STOHR is involved in the business of Hotel and Leisure sector, however the Company has not commenced commercial operations as at 31 st December 2023.
Allied Insurance Company of the Maldives Private Limited ("ALLIED")	ALLIED is involved in the business of providing insurance services in Maldives.
STO Maldives (Singapore) Private Limited ("STOS")	The company's line of business includes the trading of commodities in international markets, however the Company has not commenced commercial operations as at 31 st December 2023.
Maldives Structural Products Private Limited ("MSSP")	MSSP's main objective is producing steel roofing products and related accessories and supply to the Maldives market.
Maldives Gas Private Limited ("MGPL")	MGPL supplies and delivers liquified petroleum gas (LPG), produces medical and industrial oxygen and sells a range of products from gas stoves to regulators and other LPG equipment.
Maldives Industrial Fisheries Company Limited ("MIFCO")	MIFCO's main activity is centered on the purchase, process and value addition of tuna and the subsequent sale and exporting of tuna, tuna products, reef fish and other fisheries products.
Maldives State Shipping Private Limited (MSS)	MSS provides an extensive international liner shipping service

STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

2.2 Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following item, which is measured on an alternative basis on each reporting date.

Items	Measurement basis
Equity Securities at FVOCI	Fair value

2.3 Functional and presentation currency

These consolidated and separate financial statements are presented in Maldivian Rufiyaa, which is the functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

2.4 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.

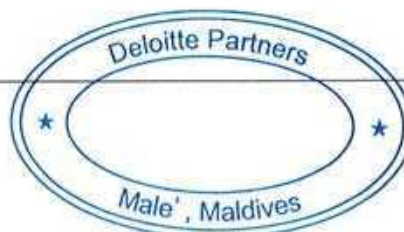
The areas involving significant estimates or judgements are:

- Loss allowance for expected credit losses - note 3.8 and 43 (iii).
- Estimated useful life of property plant and equipment - note 3.4 and 13.
- Estimated useful life of intangible asset - note 3.6 and 15.
- Estimation uncertainties and judgements made in relation to lease accounting - note 3.14 and 32.
- Estimation of fair values of investment property - note 3.5 and note 14.

2.5 Basis of consolidation

(i) Business combinations

The Group accounts for business combination is prepared using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (Continued)

(i) Business combinations (Continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

(iii) Interests in equity accounted investees

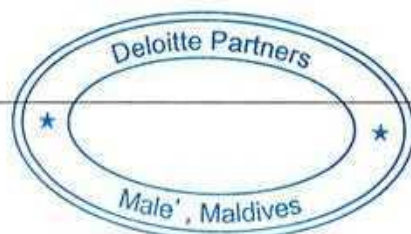
The Group's interest in equity accounted investees comprise interests in associates and joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in the associates and the joint venture are accounted for using the equity method. It is recognized initially at cost, which include transaction costs. Subsequently to initial recognition, the consolidated financial statement includes the Group's share of the profit or loss and other comprehensive income (OCI) of equity accounted investees, until the date on which significant influence or joint venture ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (continued)

(vi) Non-controlling interest

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

(vii) Common control transactions

A business combination involving entities or business under Common Control is a business combination in which all the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination and control is not transitional. Acquisitions under common control transactions in the Group are accounted applying book value accounting on the basis that the investment simply has been moved from one party of the Group to another.

(viii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(ix) Goodwill on consolidation

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill that arises is tested annually for impairment. Group policy on impairment of goodwill is discussed under note 3.8 (ii).

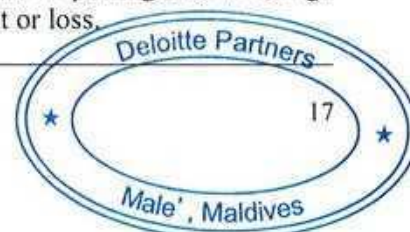
3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements, by the Group / the Company.

3.1 Foreign currency

(i) Transactions in foreign currencies

Transactions in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Foreign currency (Continued)

(i) Transactions in foreign currencies (continued)

Non-monetary assets and liabilities, which are measured at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates the values were determined.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Maldivian Rufiyaa at the exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated into Maldivian Rufiyaa at the average exchange rate.

Foreign currency differences are recognised in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation differences is allocated to non-controlling income (NCI).

When a foreign operation is disposed of in it's entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group / the Company disposes of part of its interest in a subsidiary but retain control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group / the Company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

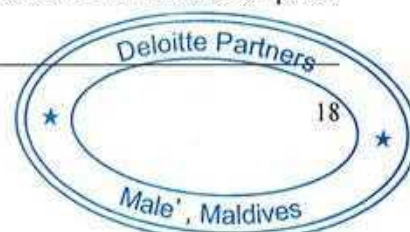
If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item from part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

3.2 Financial instruments

(i) Financial assets (non-derivatives other than insurance receivables)

Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group/Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction cost that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

Equity instruments (continued)

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Business model assessment

The Group / the Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management. Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's / Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether the cash flows are solely payment of principal and interest

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

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

- The Group / the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- The Group / the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group / the Company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

De-recognition

The Group / the Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Group / the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

(ii) Financial assets (insurance receivables)

(iii) Financial liabilities (non-derivative other than reinsurance liabilities)

The Group / the Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group / the Company becomes a party to the contractual provisions of the instrument. The Group / the Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group / the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

A financial liability is derecognized when its contractual obligations are discharged or cancelled, or expire. The Group / the Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Share capital

Ordinary shares

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

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

(ii) Subsequent costs

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only if it is probable that the future economic benefits embodied with the item will flow to the Group/ Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

(iii) Depreciation

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

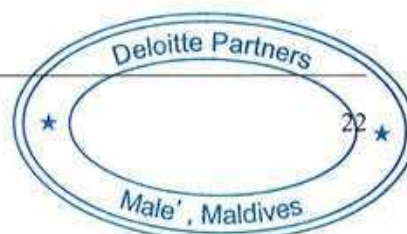
Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group / the Company will obtain ownership by the end of the lease term.

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

Leasehold buildings - Over the lease period or 20 years, whichever is lower.

All the assets except leasehold buildings are depreciated over the following estimated useful live:

Freehold buildings	5 - 25	years
Vessels and fleet	5 - 15	years
Motor vehicles	4 - 5	years
Plant and machinery	3 - 25	years
Air conditioners	3 - 4	years
Office equipment	3 - 5	years



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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

Furniture and fixtures	3 - 5	years
Other assets	3 - 5	years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The charge for the depreciation commences from the month in which the property, plant and equipment is commissioned for commercial operation.

(iv) Capital work- in -progress

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction, and the asset is ready for use upon which the cost of completed construction works is transferred to the appropriate category of property, plant and equipment.

3.5 Investment property

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. However, if there is an impairment in value, other than of a temporary nature, the carrying amount is reduced to recognize the decline.

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

Leasehold buildings and structures 20 to 25 years

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.

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction and the asset is ready to use upon which the cost of completed construction works is transferred to the appropriate category of investment property.

3.6 Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group / the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Group / the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software program beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Intangible assets (continued)

(ii) Subsequent expenditure

Subsequent expenditure is only capitalized if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group / the Company has sufficient resources to complete development and to use the asset.

(iii) Amortization

Amortization is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Computer software	3 to 10 years
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(iv) Capital work in progress

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not amortized until its completion of development and the asset is ready to use upon which the cost of completed construction works is transferred to intangible assets.

3.7 Inventories

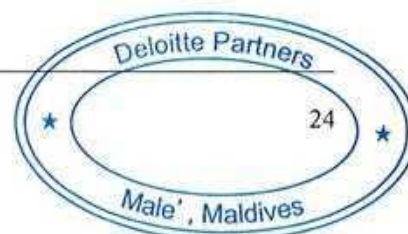
Inventories are measured at the lower of cost and net realizable value. The cost of inventory item is based on the weighted average method except in Maldives Gas Private Limited, which is on a first-in-first-out method. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

3.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the balance sheet.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment

(i) Financial assets (including insurance receivables)

The Group / the Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, the Group / the Company recognises a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Trade receivables;
- Cash and bank balances; and
- Contract assets;
- Amounts due from related parties

In particular, the Group / Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group / the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The Group / the Company applies a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. The Group / the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group / the Company considers a financial asset to be in default when,

- The borrower is unlikely to pay its credit obligations to the Group / the Company in full
- The financial asset is more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are presented by deducting from the gross carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group / the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(ii) Non-financial assets

The carrying amounts of the Group's / Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment (continued)

(ii) Non-financial assets (continued)

For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.11 Liabilities and provision

A provision is recognized in the reporting date when the Group / the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.12 Leases

At inception of a contract, the Group / the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group / the Company uses the definition of lease in IFRS 16.

(i) As a lessee

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

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Leases (Continued)

(i) As a lessee (continued)

(a) Recognition and initial measurement of right-to-use asset

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

(b) Subsequent measurement

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

(c) Recognition and initial measurement of lease liability

The lease liability is initially measured at present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group / the Company's incremental borrowing rate. Generally, the Group / the Company uses its incremental borrowing rate as the discount rate.

(d) Short-term leases and leases of low-value assets

The Group / the Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise underlying asset value of which is less than USD 5,000 including IT equipment. The Group / the Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At the inception or on modification of a contract that contains a lease component, the Group / the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group / the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group / the Company makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group / the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Leases (Continued)

(ii) As a lessor (continued)

When the Group / the Company an intermediate lessor, it account for accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-to-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group / the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If the arrangement contains lease and non-lease components, then Group / the Company applies IFRS 15 to allocate the consideration in the contract.

The Group / the Company applies the de-recognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group / the Company further regularly reviews estimated unguaranteed residual value used in calculating the gross investment in the lease.

The Group / the Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.13 Deferred income

The group's deferred income policy is described in 34.1.

3.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue

3.16.1 Revenue from contract with customers (other than insurance)

Revenue from contracts with customers is recognized upon satisfaction of performance obligation, when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Variable considerations including rebates, discounts and other payments to customers are accounted as performance obligations are satisfied and revenue is recognized. Returns and refunds are given based on company and group policy and is recognized when incurred. A provision for warranty is recognized for home improvement and electronic products, generally based on historical warranty data.

Type	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Goods transferred at a point in time	Under IFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods. The Group has average credit periods varying from 30 – 90 days depending on the contract.	Revenue from the sale of goods is recognized when the Company satisfies its performance obligation towards the customer.
Services transferred over time	Under IFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.	Revenue from the services rendered is recognized with reference to the time of services rendered.

Retail and wholesale

Retail and wholesale segment focuses on trading of a wide range of beverages, frozen confectionary, processed meat, dairy products, pharmaceutical items, electric equipment and construction materials. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

Gas

Gas segment focuses on sale and distribution of Liquid gas (L.P.G), industrial gas, medical gases and related equipment. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue (Continued)

3.16.1 Revenue from contract with customers (other than insurance) (continued)

Fuel

Fuel and lubricants segment focuses on trading of petrol, diesel and jet fuel. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

Fishery

Fishery segment focuses on processing and selling of fish products. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

Shipping

Revenue from shipping activities is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred.

Other services

Other services segment include following categories:

Documents handling and other income

Revenue from documents handling and other activities is recognised upon completion of the service.

Registration fee income

In the case of registration fee income, the revenue has been recognised over the period of five years.

Repair and maintenance services

Revenue from repair and maintenance is recognised over the period of service is provided.

Transport charges received

Revenue from transport income, the revenue has been recognised by reference to the time of service rendered.

3.17 Operating expenses

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the revenue in arriving at profit or loss for the year.

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

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss.

Finance cost comprises interest expense on borrowings and foreign exchange losses. Foreign currency gains and losses are reported on a net basis.

3.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the construction of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

3.20 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Tax loss

A deferred tax assets is recognized for unused tax losses, tax credits deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided. Transfers of tax losses between group companies for no payments are eliminated in the Consolidated and separate financial statements.

3.21 Employee Benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company contributes 7% of members' salary into the scheme with an additional, minimum, 4% of salary being contributed by the members.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Employee Benefits (Continued)

(a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is 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. The calculation is performed by a professional actuary in every three years in compliance with accounting requirements.

(b) Short-term benefits

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

3.22 Events occurring after the reporting date

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

3.23 Determination of fair values

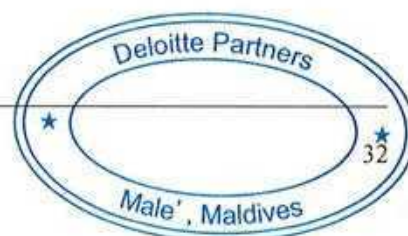
A number of the Group's / Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(ii) Financial liabilities (non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.



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4. CHANGES IN ACCOUNTING POLICIES

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. Under IFRS 17, groups of contracts are measured as the estimate of the present value of fulfilment cash flows, adjusted for an explicit risk adjustment for non-financial risk and the CSM.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

(a) IFRS 17 Insurance Contracts

(i) Recognition, measurement, and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the Liabilities for Remaining Coverage (LRC) that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, presented in Statement of Profit or Loss and Other Comprehensive Income (PLOCI) for life risk and life savings contracts, are presented separately from insurance revenue and insurance service expenses.

The Group applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts in the non-life segment and life segment which are short term and qualify for the application of PAA, except for groups of acquired contracts that do not qualify for the PAA. When measuring LRC, the PAA is similar to the Group's previous accounting treatment. However, when measuring Liabilities for Incurred Claims (LIC), the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in PLOCI.

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4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) IFRS 17 Insurance Contracts (continued)

(i) Recognition, measurement, and presentation of insurance contracts (continued)

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

(ii) Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

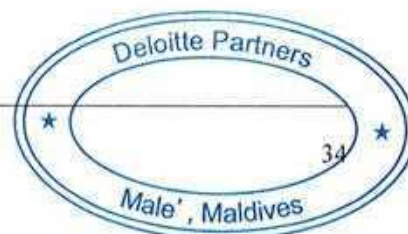
- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2022;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts and insurance receivables and payables, that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts; and
- recognised any resulting net difference in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity.

(iii) Insurance and reinsurance contracts

For direct participating, indirect participating and non-participating segments, the Group applied the modified retrospective approach in IFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2022 (refer to Note 6), as it was impracticable to apply the full retrospective approach.

The Group considered the full retrospective approach impracticable for contracts in these segments under any of the following circumstances.



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4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(iii) Insurance and reinsurance contracts (continued)

The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable due to of system migrations, data retention requirements, or other reasons. Such information included for certain contracts:

- expectations about a contract's profitability and risks of becoming onerous required for identifying groups of contracts;
- information about historical cash flows and discount rates required for determining the estimates of cash flows on initial recognition and subsequent changes on a retrospective basis;
- information required to allocate fixed and variable overheads to groups of contracts, as the Group's previous accounting policies did not require such information; and
- information about changes in assumptions and estimates, which might not have been documented on an ongoing basis.

The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight. Such assumptions and estimates included for certain contracts:

- expectations at contract inception about policyholders' shares of the returns on underlying items required for identifying direct participating contracts;
- assumptions about discount rates; and
- assumptions about the risk adjustment for non-financial risk, as the Group had not been subject to any accounting or regulatory framework that required an explicit margin for non-financial risk under current regulatory framework.

To indicate the effect of applying the modified retrospective approach on the CSM, insurance revenue and insurance finance income or expenses, the Group has provided additional disclosures.

5. MATERIAL ACCOUNTING POLICIES

(a) Insurance, reinsurance and investment contracts – Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

The Group does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued or initiated by the Group. There are no insurance or reinsurance contracts acquired under a business combination.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Insurance, reinsurance and investment contracts – Classification(continued)

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA.

(b) Insurance and reinsurance contracts

(i) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e., investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e., not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

The Group does not possess any insurance contracts with distinct insurance or non-insurance components that require separation as of the reporting date.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Insurance and reinsurance contracts (continued)

(ii) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e., by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e., the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous. An insurance contract acquired in a transfer of contracts, or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract for measurement purposes.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Reinsurance contracts(continued)

A group of reinsurance contracts is recognised on the following date:

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.
- Reinsurance contracts acquired: The date of acquisition. However, the Group does not possess any acquired reinsurance contracts as of the reporting date.

(iii) Insurance acquisition cashflows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group. The Company does not allocate any portion of the paid commissions to the future renewals as the Company does not have arrangements that expect the recovery of part of the acquisition costs through future renewals of the contracts.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

No assets in relation to insurance acquisition cashflows (asset for IACF) have been recognised as of the reporting date.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iii) Insurance acquisition cashflows(continued)

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

- a) recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

No impairment losses have been recognised in relation to insurance acquisition assets as of the reporting date as no assets for IACFs have been recognised by the Group.

(iv) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).</p> <p>A substantive obligation to provide services ends when:</p> <ul style="list-style-type: none"> ▪ the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or ▪ the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. <p>The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks.</p>
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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iv) Contract boundaries (continued)

Reinsurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:</p> <ul style="list-style-type: none"> ▪ has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or ▪ has a substantive right to terminate the coverage.
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The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

(v) Measurement – contracts not measured under the PAA

Insurance contracts – initial measurement

- a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
- b) the CSM.

The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of:

- a) the fulfilment cash flows;
- b) any cash flows arising at that date; and
- c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iii)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts – initial measurement (continued)

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Insurance contracts – subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises:

- a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
- b) any remaining CSM at that date.

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows:

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts – subsequent measurement (continued)

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

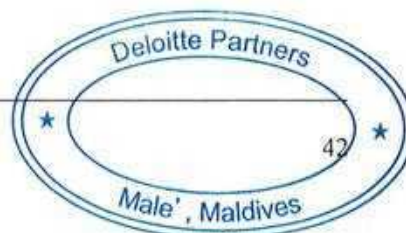
- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that: - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
- any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss; and
- the effect of any currency exchange differences on the CSM; and – the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk, and changes therein;
- difference between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.

However, the Group does not take policy loans under the fulfilment cashflows as per the Group's accounting policy on fulfilment cashflows and no changes in discretionary cashflows has been reported during the period.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Direct participating contracts

Direct participating contracts are contracts under which the Group's obligation to the policyholder is the net of:

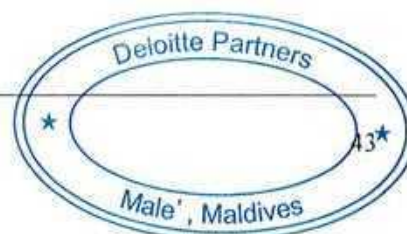
- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Group provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Group adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Group then adjusts any CSM for changes in the amount of the Group's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
- a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Reinsurance contracts

To measure a group of reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises:

- a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods; and
- b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of:

- a) the fulfilment cash flows;
- b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group;
- c) any cash flows arising at that date; and
- d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date.

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Reinsurance contracts (continued)

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

Reinsurance of onerous underlying insurance contracts

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- the percentage of claims on the underlying contracts that the Group expects at the date of acquisition to recover from the reinsurance contracts.

For reinsurance contracts acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Reinsurance of onerous underlying insurance contracts(continued)

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid..

(vi) Measurement – contracts not measured under the PAA

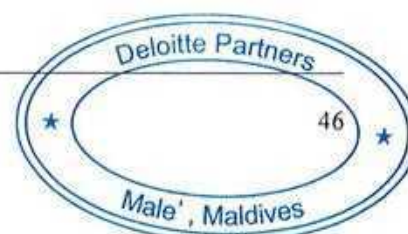
In the non-life segment, the Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception:

- **Insurance contracts:**
The coverage period of each contract in the group is one year or less. Some of these contracts provide compensation for the cost of rebuilding or repairing a property after a fire; for these contracts, the Group determines the insured event to be the occurrence of a fire and the coverage period to be the period in which a fire can occur for which a policyholder can make a valid claim.
- **Loss-occurring reinsurance contracts:**
The coverage period of each contract in the group is one year or less.
- **Risk-attaching reinsurance contracts:**
The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies. When comparing the different possible measurements, the Group considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows. The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Group has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted.

The Group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM. However, the Group does not have onerous groups of contracts available under PAA approach.

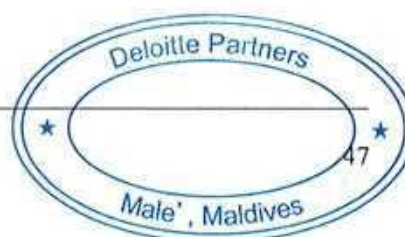
(vii) Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(vii) Derecognition and contract modification (continued)

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Group received the premium that it would have charged less any additional premium charged for the modification.

(vii) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and OCI into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or expenses.

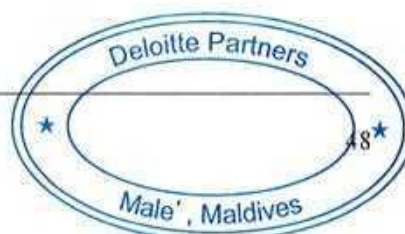
Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration and comprises the following items:



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance revenue – contracts not measured under the PAA (continued)

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the participating and non-participating portfolios.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

(vii) Presentation

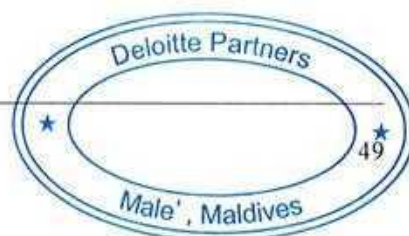
Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period.

Insurance revenue – contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period based on the passage of time.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance revenue – contracts measured under the PAA (continued)

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Loss components

Changes in fulfilment cash flows relating to future services and changes in the amount of the Company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

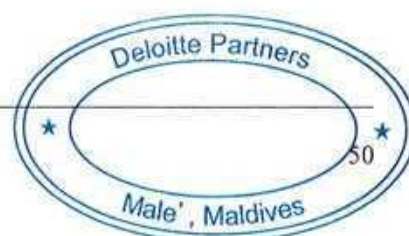
Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- incurred claims and other insurance service expenses;
- amortisation of insurance acquisition cash flows: or contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts;
- losses on onerous contracts and reversals of such losses;
- adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein; and
- impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses if any.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Net expenses from reinsurance contracts (continued)

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI for all the portfolios of contracts.

(viii) Transition

At 1 January 2022, the Group applied the following approaches to identify and measure certain groups of contracts in the life segment on transition to IFRS 17:

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(viii) Transition (continued)

Year of issue	Transition approach
2008 – 2021	Modified retrospective approach
After 2021	Full retrospective approach

The Group applied the full retrospective approach to all contracts and assets for insurance acquisition cash flows in the non-life segment.

Insurance and reinsurance contracts – modified retrospective approach

The objective of the modified retrospective approach was to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Group applied each of the following modifications only to the extent that it did not have reasonable and supportable information to apply IFRS 17 retrospectively.

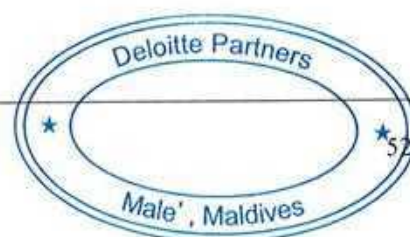
Contracts without direct participation features

The Group applied the following modifications to certain groups of contracts:

- for groups of contracts issued, initiated or acquired between 2008 and 2020, the future cash flows on initial recognition were estimated by adjusting the amount at 1 January 2022 for the cash flows that were known to have occurred before that date; and
- for some groups of contracts, the risk adjustment for non-financial risk on initial recognition was determined by adjusting the amount at 1 January 2022 for the expected release of risk before 1 January 2022. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group issued at 1 January 2022.

When any of these modifications was used to determine the CSM (or the loss component) on initial recognition:

- the amount of the CSM recognised in profit or loss before 1 January 2022 was determined by comparing the coverage units on initial recognition and the remaining coverage units at 1 January 2022; and
- the amount allocated to the loss component before 1 January 2022 was determined using the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk on initial recognition. No groups of contracts resulted in a loss component as of the transition date.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contracts without direct participation features (continued)

For all life insurance contracts measured under the modified retrospective approach, the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January 2022 was determined to be zero.

Direct participating contracts

For certain groups of contracts issued or acquired between 2016 and 2020, the Group determined the CSM (or the loss component) at 1 January 2022 by calculating a proxy for the total CSM for all services to be provided under the group as follows:

- the fair value of the underlying items at 1 January 2022 minus the fulfilment cash flows at 1 January 2022, adjusted for:
- amounts charged to the policyholders (including charges deducted from the underlying items) before 1 January 2022;
- amounts paid before 1 January 2022 that would not have varied based on the underlying items;
- the change in the risk adjustment for non-financial risk caused by the release from risk before 1 January 2022, which was estimated based on an analysis of similar contracts that the Company issued at 1 January 2022; and
- insurance acquisition cash flows arising before 1 January 2022 that were allocated to the group.

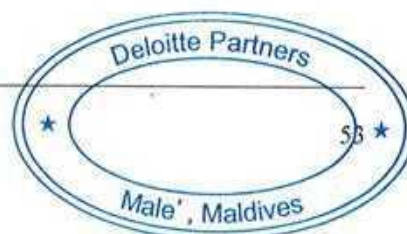
If the calculation resulted in a CSM, then the Company measured the CSM at 1 January 2022 by deducting the CSM related to services provided before 1 January 2022. The CSM related to services provided before 1 January 2022 was determined by comparing the coverage units on initial recognition and the remaining coverage units at 1 January 2022.

No groups of contracts under direct participating contracts resulted in a loss component as at 1 January 2022.

Insurance acquisition cash flows – modified retrospective approach

Under the modified retrospective approach, the Company identified any insurance acquisition cash flows arising before 1 January 2022 that did not relate to contracts that had ceased to exist before that date. These cash flows are allocated, using the same systematic and rational methods as described in (iii), to:

- groups of contracts recognised at 1 January 2022 (which adjusted the CSM of those groups); and
- groups of contracts expected to be recognised after 1 January 2022 (which were recognised as assets for insurance acquisition cash flows).



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance acquisition cash flows – modified retrospective approach (continued)

In some cases, the Group did not have reasonable and supportable information to identify the relevant insurance acquisition cash flows. The adjustments to the CSM of groups of contracts recognised at 1 January 2022 and the assets for insurance acquisition cash flows for expected future groups were determined to be zero.

Significant judgements and estimates

i) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

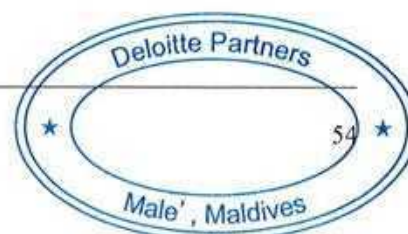
In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group considers current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not considered until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting, and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Estimates of future cash flows (continued)

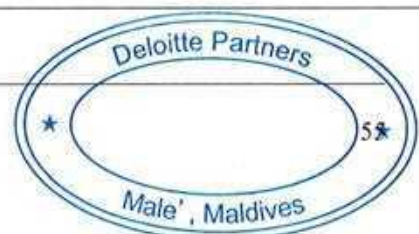
- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Group will incur in providing investment services;
- costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows and maintenance to groups of contracts based on the premiums for each group. Other costs are recognised in profit or loss as they are incurred.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Insurance contracts	Life insurance contracts issued by the Group do not contain guaranteed renewal features, options etc. which affect the contract boundary and policy term is considered as the contract boundary as the Group does not have the practical ability to reprice the contracts during their term.
Reinsurance contracts	Each of the Group's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period. Each of the Group's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e., loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contract boundaries (continued)

Assumptions about mortality, morbidity, and policyholder behaviour used in estimating future cash flows are developed by product type at entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality and morbidity assumptions are developed using a blend of regional mortality data, industry trends and the entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

Mortality is a key assumption in the measurement of life insurance contracts. Tables produced by the Mortality and Morbidity Investigation Committee (MMIC), within insurance Information Bureau of India (IIB) are used.

Year	Mortality table used
2023	IALM 2012 - 2014
2022	IALM 2006 - 2008

Policyholder behaviour is a key assumption in the measurement of participating and non-participating insurance contracts. Each type of policyholder behaviour is estimated by product type, based on trends in recent experience. The following table sets out the assumptions about exit rates (expressed as averages) by policy anniversary for participating and non-participating contracts.

	2023				
	Years				
	1-5	5-10	10-15	15-20	20-25
Traditional participating/ non-participating	7.3%	3.0%	1.3%	1.4%	1.3%
Direct participating contracts	3.9%	5.9%	5.4%	5.4%	5.4%

	2022				
	Years				
	1-5	5-10	10-15	15-20	20-25
Traditional participating/ non-participating	7.4%	3.5%	3.3%	3.2%	3.2%
Direct participating contracts	4.0%	9.9%	9.9%	9.9%	9.9%

	2021				
	Years				
	1-5	5-10	10-15	15-20	20-25
Traditional participating/ non-participating	7.4%	3.5%	3.7%	3.6%	3.4%
Direct participating contracts	4.4%	6.6%	6.6%	6.6%	6.6%

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Non-life contracts

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter-Ferguson methods. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, however judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

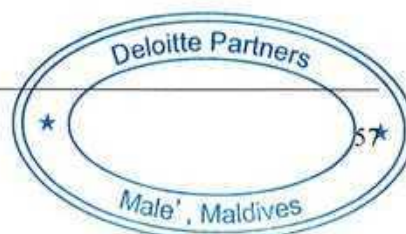
All cash flows are discounted using yield curve derived from Group's asset portfolio yield to maturity rates adjusted to probability of default to reflect the characteristics of the cashflows and the liquidity of the insurance contracts. Asset portfolio returns are observed from coupon rates of investment instruments the Group holds at the valuation date as investments and yield to maturity rates calculate based on the market value of the investment assets traded at the date of valuation. In situations where market traded values are not observable, the study only considered investment assets purchased within one month from valuation and assumed the coupon rate is equal to the yield to maturity rate.

Then the yield curve is extrapolated to converge into a selected ultimate forward rate, which reflects long-term interest rate and inflation expectations. With the unavailability of an ultimate forward rate published directly for the Maldives market, ultimate forward rates issued to economies with similar rate components and inflation components were selected as the ultimate forward rate for discount rate calculation.

Credit risk is adjusted based on the investment instrument issuer's rating, tenure of the investment asset, and the expected loss given default rates according to the Basel framework.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Risk adjustments for non-financial risk (continued)

The risk adjustments for non-financial risk are determined using the following techniques:

- non-life contracts: a confidence level technique;
- life contracts: risk margin on assumption technique; and
- to determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

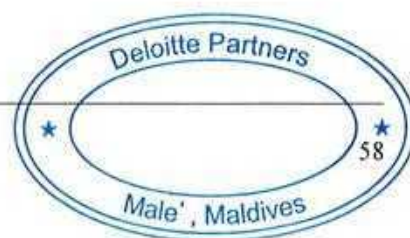
The Group determines the quantity of the benefits provided under each contract based on the sum assured payable on death. Coverage units for each group of contracts are determined by projecting the quantity of benefits payable in each future period allowing for the expected coverage duration.

ii) Investment components

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Direct and indirect Participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms, less any accrued fees and surrender charges.

The Group's other contracts do not contain investment components. These include term contracts that provide policyholders with the death cover during the coverage period.



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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group determines that these contracts do not include any investment component, because the Group is not required to pay any amount if the policyholder does not surrender the contract and does not survive until the maturity date. Consequently, any surrender payments are treated as premium refunds for unused coverage. Even though the premium refunds do not represent repayments of investment components, the Group has disclosed them together with investment components.

5.A. CHANGES IN MATERIAL ACCOUNTING POLICIES

(a) New and amended accounting standards adopted by the Group / the Company

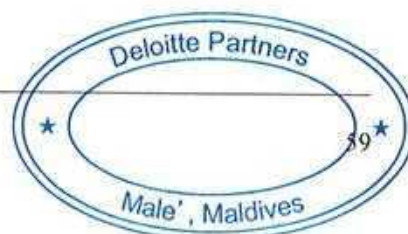
The Company has applied the following standards and amendments for the first time for the annual reporting periods commencing 1st January 2023. Most of the amendments listed below did not have any significant impact on amounts recognized in prior periods and are not expected to significantly affect current or future period. The Group/ the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

- i) IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)
- ii) (ii) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies
- iii) (iii) Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- iv) (iv) Amendments to IAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rules and,
- v) (v) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates

5.B. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards and interpretations had been issued by IASB but not mandatory for annual reporting periods ending 31st December 2023. Further, the Group / the Company has not early adopted these new standards and/or amendments.

- (i) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- (ii) Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- (iii) Amendments to IAS 1 Non-current Liabilities with Covenants
- (iv) Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements and,
- (v) Amendments to IFRS 16 Lease Liability in a Sale and Leaseback



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FOR THE YEAR ENDED 31ST DECEMBER 2023

6 OPERATING SEGMENTS

A. Basis of segmentation

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they are subject to risk and returns that are different from those of other business segments.

The following summary describe the operations of each reportable segment.

Reportable segments	Operations
Trading	Buying and selling of consumable goods, construction material, home improvement, electronic goods and medical related supplies.
Gas	Buying and selling of liquified petroleum gas (LPG) and medical and industrial oxygen production.
Insurance service	Providing general & life insurance services.
Fuel	Importing & selling of petroleum products.
Fishery	Buying & selling of fish and fish related products.
Shipping	Providing shipping & logistics services.

The Group's Managing Director reviews the internal management reports of each division at least quarterly.

Other operations include the operations related to STO Hotels and Resorts and other services. This segments does not meet the quantitative thresholds for a reportable segment in 2023 and 2022.

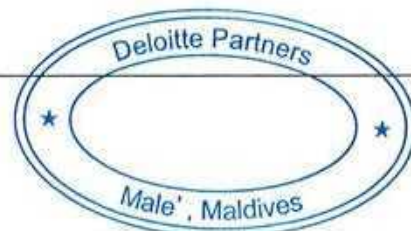
There are varying level of integration between insurance service, fuel & gas segment. This integration include providing insurance and other inter-connected services. Inter segment pricing is determined on an arm's length basis.

B. Information about reportable segments

Information related to each reportable segment is set out below. A segment's profit before tax is used to measure performance because management believe that this information is the most relevant in evaluating the result of the respective segments relative to other entities that operate in the same industries.

For the year ended 31st December 2023

	Reportable segments					Total reportable segments MVR	Other segments MVR	Total MVR
	Trading MVR	Gas MVR	Insurance service MVR	Fuel MVR	Shipping MVR			
Gross revenue	2,926,434,719	265,877,455	583,304,707	21,165,778,290	524,059,836	25,465,455,006	54,667,605	25,520,122,612
Inter-segment revenue	(9,765,228)	(14,361,918)	(64,004,496)	(8,177,844,760)	(147,710,310)	(8,413,686,712)	(36,763,276)	(8,450,449,988)
Segment revenue	2,916,669,491	251,515,537	519,300,211	12,987,933,530	376,349,526	17,051,768,294	17,904,330	17,069,672,624
Segment profit before tax	39,045,463	34,388,317	(12,380,831)	1,118,612,136	(7,805,162)	1,171,859,924	121,598,332	1,293,458,256
Interest income	18,268,813	-	28,881,738	-	-	47,150,551	-	47,150,551
Interest expense	(56,780,737)	(2,749,984)	(14,752,869)	(269,245,526)	(11,535,417)	(355,064,533)	(5,845,373)	(360,909,906)
Depreciation & amortization	(159,937,590)	(23,725,289)	(9,145,767)	(72,823,859)	(33,585,108)	(299,217,613)	(2,259,067)	(301,476,675)
Share of profit of associate	1,854,617	-	-	-	-	1,854,617	-	1,854,617
Share of profit of joint venture	15,264,039	-	-	-	-	15,264,039	-	15,264,039
Segment assets	3,018,618,638	381,762,420	936,768,747	8,611,147,832	628,334,557	13,576,632,193	287,559,615	13,864,191,808
Equity accounted investees	48,678,238	-	-	-	-	48,678,238	-	48,678,238
Capital expenditure	805,766,789	33,236,990	5,393,286	40,119,701	50,719,058	935,235,824	-	935,235,824
Segment liabilities	2,055,278,435	130,626,761	494,483,828	5,636,031,430	319,772,247	8,636,192,702	17,336,603	8,653,529,304



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6 OPERATING SEGMENTS (CONTINUED)

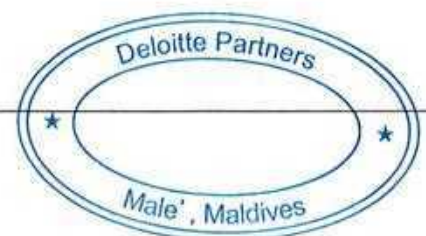
B. Information about reportable segments (Continued)

For the year ended 31st December 2022

	Reportable segments						Total reportable segments MVR	Other segments MVR	Total MVR
	Trading MVR	Gas MVR	Insurance service MVR	Fuel MVR	Fishery MVR	Shipping MVR			
Gross revenue	3,047,386,316	230,852,972	504,372,220	24,330,416,225	1,593,586,655	505,209,107	30,211,823,495	29,145,850	30,240,969,345
Inter-segment revenue	(8,578,764)	(8,001,218)	(68,805,799)	(10,883,549,703)	(2,902,130)	(197,275,827)	(11,169,113,441)	(7,653,321)	(11,176,766,762)
Segment revenue	3,038,807,552	222,851,754	435,566,421	13,446,866,522	1,590,684,525	307,933,281	19,042,710,054	21,492,529	19,064,202,583
Segment profit / (loss) before tax	(2,234,888)	(13,456,840)	58,357,445	863,237,034	319,245,434	10,839,742	1,235,987,924	(20,885,768)	1,215,102,157
Interest income	13,134,091	-	36,309,458	-	-	-	49,443,549	-	49,443,549
Interest expense	(53,822,565)	(2,841,627)	(22,891,058)	(165,525,701)	(44,931,944)	(10,751,547)	(300,764,442)	(14,971,705)	(315,736,147)
Depreciation & amortization	(108,220,814)	(21,834,709)	(9,284,591)	(68,150,636)	(49,295,837)	(28,377,509)	(285,164,096)	(5,767,829)	(290,931,925)
Share of profit of associate	312,398	-	-	-	-	-	312,398	-	312,398
Share of profit of joint venture	11,689,814	-	-	-	-	-	11,689,814	-	11,689,814
Segment assets	2,326,572,838	347,801,819	1,095,244,953	7,749,819,552	981,437,323	785,475,840	13,286,352,324	541,344,085	13,827,696,409
Equity accounted investees	39,559,582	-	-	-	-	-	39,559,582	-	39,559,582
Capital expenditure	501,886,318	34,746,001	5,272,991	47,322,261	56,533,477	66,222,156	711,983,205	-	711,983,205
Segment liabilities	1,962,675,194	118,574,264	629,582,587	5,780,398,047	1,021,584,028	510,746,608	10,023,560,728	250,217,605	10,273,778,333

C. Reconciliations of information on reportable segment to IFRS measures

	2023 MVR	2022 MVR
i Revenue		
Total revenue for reportable segments	25,465,455,006	30,211,823,495
Revenue for other segments	54,667,605	29,145,850
Elimination of inter - segment revenue	(8,450,449,988)	(11,176,766,762)
Consolidated revenue	17,069,672,624	19,064,202,583
ii Profit before tax		
Total profit before tax for reportable segments	1,171,859,924	1,235,987,924
Profit / (Loss) before tax for other segments	121,598,332	(20,885,768)
Elimination of inter-segment profit	(9,118,656)	(4,002,211)
Dividend received from joint venture	(8,000,000)	(8,000,000)
Share of profit of equity - accounted investees	17,118,656	12,002,211
Consolidated profit before tax from continuing operations	1,293,458,256	1,215,102,157
iii Assets		
Total assets for reportable segment	13,576,632,194	13,286,352,324
Assets for other segments	287,559,615	541,344,085
Equity -accounted investees	48,678,238	39,559,582
Consolidated total assets	13,912,870,047	13,867,255,991
iv Liabilities		
Total liabilities for reportable segment	8,636,192,702	10,023,560,728
Liabilities for other segments	17,336,602	250,217,605
Consolidated total liabilities	8,653,529,304	10,273,778,333



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FOR THE YEAR ENDED 31ST DECEMBER 2023

6 OPERATING SEGMENTS (CONTINUED)

C. Reconciliations of information on reportable segment to IFRS measures (Continued)

v. Other material items

For the year ended 31st December 2023

	Reportable segment totals MVR	Adjustment MVR	Consolidated totals MVR
Interest income	47,150,551	(4,710,033)	42,440,518
Interest expense	(355,064,533)	4,710,033	(350,354,500)
Capital expenditure	935,235,824	-	935,235,824
Depreciation and amortization	(299,217,613)	-	(299,217,613)
	328,104,229	-	328,104,229
For the year ended 31st December 2022			
Interest income	49,443,549	(3,858,674)	45,584,875
Interest expense	(300,764,442)	3,858,674	(296,905,768)
Capital expenditure	711,983,205	-	711,983,205
Depreciation and amortization	(285,164,096)	-	(285,164,096)
	175,498,215	-	175,498,215

D. Geographic information

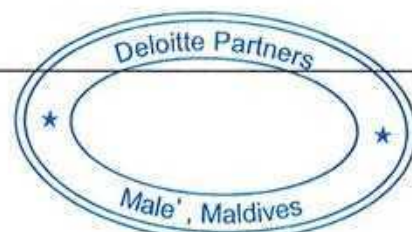
The trading, gas, insurance segments are operated in Male & other Islands of Maldives. Fuel segment is operated in Male and other islands of Maldives.

The geographic information below analyzes the Group's revenue and non-current assets by the Group's different operating geographical areas. In presenting the following information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	2023 MVR	2022 MVR
i. Revenue		
Male'	16,605,147,859	18,758,025,726
Thilafushi	473,730,051	2,156,620,445
Hulhumale'	972,364,067	356,351,422
Other Islands	7,054,980,861	7,180,603,069
Overseas	413,899,773	1,789,368,684
Less : Inter-company transactions	(8,450,449,988)	(11,176,766,762)
	17,069,672,624	19,064,202,583
ii. Non - current assets		
Male'	4,642,456,305	4,179,323,537
Thilafushi	277,658,190	298,029,739
Hulhumale'	16,281,844	18,292,368
Other Islands	215,709,723	522,645,741
Overseas	-	771,000
	5,152,106,061	5,019,062,385

E. Major customer

Revenue from one customer (Maldives Airports Company Limited) of the Fuel segment represented approximately MVR 2,671,397,309.73/- (2022: MVR 3,044,037,016.31/-) of the Group's total revenues.



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FOR THE YEAR ENDED 31ST DECEMBER 2023

7 REVENUE

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Retail and wholesale	2,916,669,490	3,038,807,552	2,925,191,272	3,026,283,379
Insurance	519,300,211	435,566,421	-	-
Gas	251,515,537	222,851,754	-	-
Fuel	12,987,933,530	13,446,866,522	13,429,696,820	15,169,883,591
Fishery	-	1,590,684,525	-	-
Shipping	376,349,526	307,933,281	-	-
Other services	17,904,330	21,492,529	18,216,540	17,626,023
	<u>17,069,672,624</u>	<u>19,064,202,583</u>	<u>16,373,104,633</u>	<u>18,213,792,994</u>

Timing of revenue recognition

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Goods transferred at a point in time	16,234,860,894	18,339,717,288	16,354,888,093	18,196,166,970
Services transferred over time	315,511,519	288,918,874	18,216,540	17,626,023
Total revenue from contracts with customers	16,550,372,413	18,628,636,162	16,373,104,633	18,213,792,994
Revenue from insurance contracts	519,300,211	435,566,421	-	-
Total revenue	<u>17,069,672,624</u>	<u>19,064,202,583</u>	<u>16,373,104,633</u>	<u>18,213,792,994</u>

8 OTHER INCOME

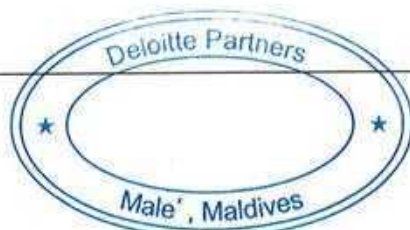
	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Profit on disposal of property, plant and equipment	2,369,165	9,771,779	2,369,165	19,473,834
Income from vessels and fleets	13,818,876	1,693,047	10,157,607	5,466,012
Fines and claims received	17,750,143	8,778,560	21,594,237	9,203,948
Rent income	45,860,817	39,759,833	60,089,414	46,210,762
Discounts received	5,474,003	53,790	3,819,696	53,790
Agency fee	484,063	504,764	484,063	504,764
Income from staff shop	-	13,419,290	-	-
Borrowings from Government waived-off	-	576,467,757	-	-
Miscellaneous income	149,097,246	21,262,750	14,822,151	8,394,672
Reversal of provision for impairment of assets	-	2,806,078	-	2,806,078
	<u>234,854,313</u>	<u>674,517,649</u>	<u>113,336,332</u>	<u>92,113,861</u>

8.1 Income arising out of waived of loans payable to Government

In 2022, pursuant to the decision made by the Maldives Economic Council and subsequent letters received from Ministry of finance, the Government of Maldives waived the loan balance and interest & penalty interest accumulated as at 31 December 2021 amounting to MVR 576,467,757/- due from Maldives Industrial Fisheries Company Limited, a subsidiary company with effect from 1 January 2022.

9 NET FINANCE COSTS

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Finance income				
Interest income on loans granted	15,556,025	14,727,587	-	217,317
Interest income on credit scheme sales	3,343,485	2,977,412	3,343,485	2,977,412
Foreign exchange gain	295,005	4,293,647	104,282	-
Dividend income	3,956,250	3,423,750	8,000,000	28,000,867
Discounts on treasury bills	-	879,820	-	879,820
Other finance income	23,541,008	27,000,056	14,847,689	9,038,518
Lease interest received	-	-	17,482,045	6,611,586
	<u>46,691,773</u>	<u>53,302,272</u>	<u>43,777,500</u>	<u>47,725,519</u>
Finance costs				
Interest on bank borrowings	(48,551,893)	(44,936,344)	(39,197,657)	(30,549,374)
Interest on bank overdrafts	(24,363,032)	(39,883,239)	(24,065,658)	(3,883,081)
Interest on lease liabilities (Note 32)	(32,402,476)	(43,458,001)	(19,599,891)	(18,465,318)
Finance expense from insurance contracts	(14,246,079)	(22,273,145)	-	-
Interest on other borrowings	(236,634,926)	(160,167,365)	(240,797,269)	(163,593,974)
Foreign exchange loss	(1,467)	(1,159,379)	-	(1,155,541)
	<u>(356,199,873)</u>	<u>(311,877,473)</u>	<u>(323,660,475)</u>	<u>(217,647,288)</u>
Net finance costs	<u>(309,508,100)</u>	<u>(258,575,201)</u>	<u>(279,882,975)</u>	<u>(169,921,769)</u>



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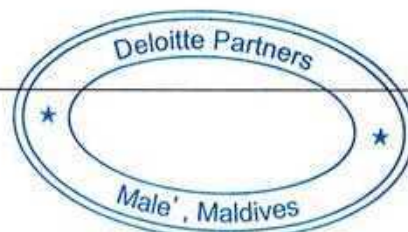
FOR THE YEAR ENDED 31ST DECEMBER 2023

10 EXPENSES

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Raw material and consumables used / cost of sales	13,481,848,464	16,154,323,419	13,284,564,890	15,961,010,647
Depreciation on property, plant and equipment (Note 13)	220,706,119	219,163,940	108,409,966	103,589,346
Depreciation on investment properties (Note 14)	6,922,926	7,164,959	6,922,926	7,164,959
Amortization of right-of-use assets (Note 19)	67,802,878	60,456,101	53,072,039	40,975,751
Amortization of intangible assets (Note 15)	6,044,753	4,146,926	2,914,400	307,328
Rental expense on short term leases	66,099	10,612,288	1,060,032	1,292,052
Directors' remuneration	5,288,067	6,369,300	3,570,573	4,203,200
Transportation	65,106,295	54,582,325	56,009,900	21,559,359
Vessel and fleet expenses	17,746,749	10,165,092	9,438,945	7,258,488
Audit fees	1,893,793	2,416,964	910,922	884,468
Accounting and legal charges	14,589,176	6,842,101	8,675,013	3,180,533
Distribution agency fees	16,675,355	28,205,836	16,675,355	25,280,031
Provision for slow and non moving inventories (Note 21.1)	11,855,598	65,946,846	8,696,847	61,189,746
Receivable write off	391,448	5,584,020	60,000	997,476
Loss on disposal of PPE	49,168	34,775,178	49,168	-
Fuel expenses	112,318,197	105,224,628	40,250,519	34,666,202
Rebate on fuel	-	-	384,794,288	115,520,949
Provision for impairment of property, plant and equipment (Note 13.1.1)	29,132,172	-	-	-
Provision for impairment of trade, other and related party receivable	449,253,081	138,854,326	294,671,603	107,495,513
Provision for impairment of bank balances	2,084,363	-	2,084,363	-
Bank charges	36,210,658	37,384,916	30,725,799	29,476,131
Repair and maintenance	153,268,244	164,388,641	111,400,299	68,391,650
Advertisement and sales promotion expenses	48,249,914	40,140,572	34,002,617	28,173,685
Telephone, electricity and water charges	51,276,349	44,730,344	42,503,391	30,973,770
Other selling and distribution costs	31,897,133	36,873,613	44,500,344	42,064,689
Personnel costs (Note 10.1)	762,462,928	928,838,968	511,862,577	466,255,163
Other expenses (Note 10.2)	125,539,314	109,853,780	151,955,568	109,565,299
	<u>15,718,679,238</u>	<u>18,277,045,083</u>	<u>15,209,782,343</u>	<u>17,271,476,436</u>
Classified as:				
Cost of sales	13,561,144,536	16,355,547,949	13,325,960,550	16,045,467,939
Selling and marketing costs	794,623,067	699,794,337	1,061,599,490	677,461,993
Impairment loss on trade & other receivables and related party receivable	449,253,081	138,854,326	294,671,603	107,495,513
Administration expenses	897,615,672	1,047,932,957	511,696,062	421,640,637
Other operating expenses	16,042,881	34,915,515	15,854,637	19,410,354
	<u>15,718,679,238</u>	<u>18,277,045,083</u>	<u>15,209,782,343</u>	<u>17,271,476,436</u>
10.1 Personnel costs				
Salaries and wages	291,397,704	455,615,452	154,131,185	141,732,914
Staff welfare	14,948,138	63,036,523	19,951,562	19,818,882
Employer's contribution to government pension fund	16,100,635	19,025,321	9,352,603	8,742,476
Bonus, overtime and allowances	402,040,416	351,891,892	305,450,258	270,523,175
Retirement benefit provision and expenses	9,764,995	13,282,072	6,337,278	8,091,712
Staff training expenses	11,256,013	9,810,085	9,504,289	8,401,303
Other staff related expenses	16,955,027	16,177,624	7,135,402	8,944,701
	<u>762,462,928</u>	<u>928,838,968</u>	<u>511,862,577</u>	<u>466,255,163</u>

10.2 The Group's other expenses mainly include of travelling expenses MVR 18,608,917 (2022: MVR 33,401,779), Data communication and network expenses MVR 11,848,334 (2022: MVR 10,194,084), demurrage MVR 32,222,286 (2022: MVR 21,093,649), Corporate social responsibility MVR 11,461,214 (2022: MVR 11,871,550), software hardware licensing MVR 28,040,672 (2022: MVR 17,845,772), permit, license and tax fee MVR 4,192,189 (2022: MVR 5,089,767) and Royalty MVR 2,658,464 (2022: MVR 6,693,297).

The Company's other expenses mainly include of travelling expenses MVR 13,328,602 (2022: MVR 18,135,440), Data communication and network expenses MVR 8,325,653 (2022: MVR 6,306,754), demurrage MVR 31,473,927 (2022: MVR 21,093,649), insurance MVR 16,867,133 (2022: MVR 13,656,983), Corporate social responsibility MVR 11,012,967 (2022: MVR 10,875,805), software hardware licensing MVR 25,357,344 (2022: MVR 13,544,967) and Royalty MVR 2,658,464 (2022: MVR 6,693,297).



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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2023

11 INCOME TAX EXPENSE

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
<i>Items recognized in profit or loss</i>				
11.1 Current tax expense				
Current tax expense	276,867,769	168,161,732	200,818,579	152,775,642
(Over)/ under provision in respect of prior years	1,862,247	(252,380)	1,044,990	(253,719)
	278,730,016	167,909,352	201,863,569	152,521,923
Deferred tax adjustments				
Deferred tax asset reversed recognized (Note 11.3)	(70,945,960)	(25,511,564)	(23,386,872)	(16,132,250)
Deferred tax liability recognized/ (reversed) (Note 11.4)	(990,071)	337,608	-	-
	(71,936,031)	(25,173,956)	(23,386,872)	(16,132,250)
Income tax expense	206,793,985	142,735,398	178,476,697	136,389,673
11.2 Reconciliation between accounting profit and taxable income:				
Profit before tax	1,293,458,256	1,215,102,157	996,775,647	864,508,650
Loss of subsidiary which is not subject to tax	(133,570,076)	(287,585,460)	-	-
	1,159,888,179	927,516,697	996,775,647	864,508,650
Tax calculated at the rate of 15%	173,983,227	139,127,505	149,516,347	129,676,298
Adjustment due to adoption of IFRS 17	-	(1,328,865)	-	-
Add: tax on non-deductible expenses	178,573,292	89,243,213	117,315,593	79,069,686
Add: under provision in respect of prior years	1,862,247	(252,380)	1,044,990	(253,719)
Less: tax on deductible expenses	(147,624,780)	(84,054,073)	(89,400,233)	(72,102,592)
Income tax expense	206,793,985	142,735,398	178,476,697	136,389,673

In accordance with the provisions of the Income Tax Act Law Number 25/2019 and subsequent amendments and regulations thereto, the Group / the Company is liable for income tax on its taxable profits at the rate of 15%.

11.3 Deferred tax asset

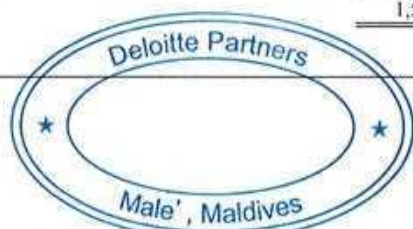
As at 1st January	155,912,109	129,910,480	110,574,576	94,197,449
Deferred tax asset recognized during the year	70,945,960	25,511,564	23,386,872	16,132,250
Deferred tax asset recognized/ (reversed) in other comprehensive income	957,879	490,064	538,997	244,877
As at 31st December	227,815,947	155,912,108	134,500,445	110,574,576

11.4 Deferred tax liability

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
As at 1st January	3,248,310	(2,505,697)	-	-
Deferred tax liability recognized/ (reversed) during the year (Note 11.1)	(990,071)	337,608	-	-
Deferred tax liability recognized/ (reversed) in other comprehensive income	1,285,517	5,416,399	-	-
As at 31st December	3,543,756	3,248,310	-	-

11.5 The recognized deferred tax asset is attributable to the following:

	Group			
	31/12/2023		31/12/2022	
	Temporary difference MVR	Tax effect MVR	Temporary difference MVR	Tax effect MVR
Property, plant and equipment	408,680,984	61,302,148	389,560,056	58,434,008
Intangible assets	-	-	-	-
Fair value reserve	-	-	-	-
Defined benefit obligation	79,907,047	11,986,057	68,702,595	10,305,390
Provisions on trade, other, related party receivable and other asset balances	1,030,184,948	154,527,742	581,151,399	87,172,710
	1,518,772,980	227,815,947	1,039,414,050	155,912,108



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11 TAX EXPENSE (CONTINUED)

11.5 The recognized deferred tax asset is attributable to the following: (continued)

	Company			
	31/12/2023		31/12/2022	
	Temporary difference MVR	Tax effect MVR	Temporary difference MVR	Tax effect MVR
Property, plant and equipment	340,031,355	51,004,703	331,172,907	49,675,936
Defined benefit obligation	63,555,918	9,533,388	55,724,125	8,358,619
Provisions on trade, other, related party receivable and cash and bank balance	493,082,363	73,962,354	350,266,806	52,540,021
	<u>896,669,636</u>	<u>134,500,445</u>	<u>737,163,838</u>	<u>110,574,576</u>

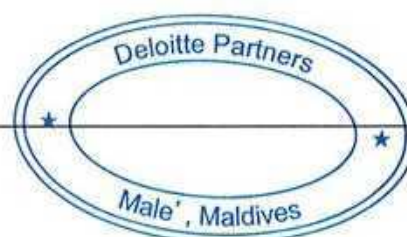
11.7 The recognized deferred tax liability is attributable to the following:

	Group			
	31/12/2023		31/12/2022	
	Temporary difference MVR	Tax effect MVR	Temporary difference MVR	Tax effect MVR
Property, plant and equipment	4,206,397	630,960	(1,456,627)	(218,494)
Provision for receivables	(28,646,177)	(4,296,927)	(16,806,423)	(2,520,963)
Defined benefit obligation	(8,950,346)	(1,342,552)	(7,114,907)	(1,067,236)
Intangible assets	3,265,164	489,775	3,158,354	473,753
Available for sale reserve	53,750,000	8,062,500	43,875,000	6,581,250
	<u>23,625,038</u>	<u>3,543,756</u>	<u>21,655,397</u>	<u>3,248,310</u>

12 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on profit for the year attributable to the ordinary shareholders and weighted number of ordinary shares outstanding during the year and calculated as follows.

	Group		Company	
	2023	2022	2023	2022
Profit for the year attributable to the ordinary shareholders - MVR	1,084,049,399	1,073,624,549	818,298,950	728,118,977
Weighted average number of ordinary shares	1,126,910	1,126,910	1,126,910	1,126,910
Basic and diluted earnings per share - MVR	962	953	726	646



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FOR THE YEAR ENDED 31ST DECEMBER 2023

13 PROPERTY, PLANT AND EQUIPMENT

13.1 Group	Freehold land		Freehold buildings		Leasehold buildings		Plant and machinery		Vessels and fleet		Motor vehicles		Air conditioners		Office equipment		Furniture and fixtures		Other assets		Total		
	MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		
Cost																							
As at 1st January	774,186,753	1,071,559,712	108,548,655	857,170,049	1,413,761,324	240,612,083	23,993,238	314,022,016	25,077,460	201,427,203	5,030,958,495	4,492,859,577											
Additions during the year	379,641,945	7,255,759	301,672	49,533,760	82,880,471	22,649,503	1,580,101	34,965,338	4,151,835	15,313,634	598,274,018	624,297,996											
Disposal during the year	-	-	-	(1,102,408)	(57,921,906)	(2,100,000)	(179,900)	(5,629,659)	(140,614)	(331,598)	(67,406,084)	(110,801,506)											
Transferred to finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from capital work in progress (Note 13.1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Intangible assets (Note 15.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to investment properties (Note 14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary (Note 16.4)	-	(391,186,585)	-	(471,926,377)	(401,775,088)	(50,012,252)	-	(168,616,283)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	1,153,828,698	687,628,887	111,755,497	433,736,974	1,053,033,703	211,149,335	25,393,440	177,245,284	29,688,681	216,409,240	4,099,869,738	5,030,958,487											
Accumulated depreciation																							
As at 1st January	-	730,631,870	65,436,928	543,751,849	685,257,826	208,950,994	19,719,999	270,581,048	20,181,371	127,336,558	2,671,848,444	2,529,046,031											
Charge for the year (Note 10)	-	27,972,617	5,941,615	23,619,337	114,751,628	12,482,038	1,720,776	14,793,415	2,478,896	16,945,797	220,706,119	219,165,940											
Charge for the year (Discontinued operations)	-	7,378,959	-	12,088,665	8,309,193	2,745,109	7,517,127	-	-	-	38,039,053	-											
Disposals during the year	-	-	-	(1,100,824)	(22,035,877)	(2,100,000)	(169,909)	(5,568,740)	(135,803)	(282,909)	(31,394,062)	(76,361,527)											
Reclassification (Note 14)	-	(4,137,127)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary (Note 16.4)	-	(303,120,034)	-	(534,362,318)	(260,950,117)	(43,051,247)	-	(146,717,740)	-	-	(1,088,201,456)	-											
As at 31st December	-	458,726,285	71,378,544	243,996,710	525,332,653	179,026,894	21,270,866	140,603,110	23,524,464	143,999,446	1,806,860,971	2,671,848,444											
Net carrying amount																							
As at 31st December 2023	1,153,828,698	228,902,602	40,376,954	189,740,264	527,701,049	32,122,441	4,122,574	36,640,174	7,164,217	72,409,794	2,293,008,768	2,359,110,044											
As at 31st December 2022	774,186,753	340,927,842	43,111,727	313,418,200	728,503,491	31,661,089	4,273,240	43,440,967	5,496,089	74,090,646	2,266,495,483	2,290,056,173											
Capital work in progress (Note 13.1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital work in progress																							
As at 1st January	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to property, plant and equipment (Note 13.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to intangible assets (CWIP) (Note 15.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment / (Reversal) of assets (Note 8 and 10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification (Note 15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary (Note 16.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

13.1.1 Capital work in progress

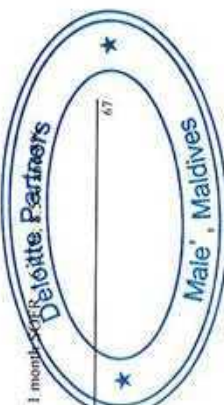
As at 1st January	226,495,483	229,056,173
Additions during the year	229,056,173	260,985,568
Transferred to property, plant and equipment (Note 13.1)	288,563,215	84,093,346
Disposals	(21,559,893)	(45,853,845)
Transferred to intangible assets (CWIP) (Note 15.3)	-	(71,780,078)
Impairment / (Reversal) of assets (Note 8 and 10)	(5,977,041)	(1,194,896)
Reclassification (Note 15)	(29,132,172)	2,806,078
Disposal of a subsidiary (Note 16.4)	(13,986,635)	-
As at 31st December	(220,468,165)	-
As at 31st December 2023	226,495,483	229,056,173
As at 31st December 2022	2,519,504,251	2,588,166,217

13.1.2 Borrowings from Nations Trust Bank Plc, Bank of Maldives Plc and Habib Bank Limited are secured on STO Trade Center building (USD 13,000,000), super market warehouse (USD 652,983) and home improvement land and building (USD 8,035,000), respectively.

13.1.3 Borrowings of Maldives Gas from Hongkong & Shanghai Banking Corporation are secured on Maldives Gas properties and facilities (MVR 106,000,000).

13.1.4 In 2023, the Group has capitalised borrowing costs amounting to MVR 19,613,764/- (2022: MVR 9,285,874/-) on vessels and capital work in progress plant and machinery. Borrowing costs were capitalised at the rate of 1 month LIBOR + 6.25%.

13.1.5 In 2023, the group has capitalised borrowing costs amounting to MVR 6,916,000/- (2022: Nil) on land and buildings. Borrowing costs were capitalised at the rate of 1 Month T-Bill Rate + 6.25%.



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FOR THE YEAR ENDED 31ST DECEMBER 2023

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land		Buildings		Plant and machinery		Vessels and fleet		Motor vehicles		Air conditioners		Office equipment		Furniture and fixtures		Other assets		Total		
	MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		31/12/2022
Cost																					
As at 1st January	774,186,753	678,314,637	238,247,192	344,694,106	163,216,107	22,884,426	108,621,847	8,533,944	41,558,857	2,380,257,869	2,230,304,560										
Additions during the year	379,641,945	3,420,145	32,582,923	144,655,851	18,685,655	1,461,906	17,912,189	684,564	794,681	599,839,859	463,950,928										
Disposal during the year	-	-	(719,595)	(6,098,177)	-	(179,900)	(5,553,726)	(36,812)	(138,639)	(12,726,849)	(36,812,059)										
Assets given on finance lease de-recognized	-	-	-	-	-	-	-	-	-	-	(280,012,728)										
Transferred from capital work in progress (Note 13.2.1)	-	-	61,950	16,025,085	-	-	2,503,871	-	-	18,590,906	24,078,593										
Transferred to investment properties (Note 14)	-	-	-	-	-	-	-	-	-	-	(20,264,424)										
Transferred to Intangible assets (Note 15.1)	-	-	-	-	-	-	-	-	-	-	(987,000)										
As at 31st December	1,153,828,698	681,734,782	270,172,470	499,276,865	181,901,762	24,166,432	123,484,181	9,181,696	42,214,899	2,985,961,785	2,380,257,870										
Accumulated depreciation																					
As at 1st January	-	431,516,775	131,925,926	206,795,423	144,225,309	18,651,724	91,676,546	7,807,377	38,641,602	1,071,240,682	1,014,662,087										
Charge for the year (Note 10)	-	27,736,637	15,248,548	39,686,014	11,001,542	1,677,481	9,986,347	446,009	2,627,388	108,409,966	103,589,346										
Disposals during the year	-	-	(719,595)	(6,098,177)	-	(169,909)	(5,508,049)	(36,812)	(138,639)	(12,671,181)	(47,010,751)										
Reclassification (Note 14)	-	(4,137,127)	-	-	-	-	-	-	-	(4,137,127)	-										
As at 31st December	-	455,116,285	146,454,879	240,383,260	155,226,851	20,159,296	96,154,844	8,216,574	41,130,351	1,162,842,340	1,071,240,682										
Net carrying value																					
As at 31st December 2023	1,153,828,698	226,618,497	123,717,591	258,893,605	26,674,911	4,007,136	27,329,337	965,122	1,084,548	1,823,119,445	-										
As at 31st December 2022	774,186,753	246,797,862	106,321,266	137,898,683	18,990,798	4,232,702	16,945,301	726,567	2,917,255	-	1,309,017,188										
Capital work in progress (Note 13.2.1)																					
Total																					
As at 1st January																					
Additions during the year																					
Transferred to property, plant and equipment (Note 13.2)																					
Disposal during the year																					
Transferred to intangible assets (CWIP) (Note 15.3)																					
Reclassification (Note 15.3)																					
Reversal (impairment) of assets (Note 8 and 10)																					
As at 31st December																					
As at 31st December																					
As at 31st December																					

13.2.2 Borrowings from Bank of Maldives Plc and Habib Bank Limited are secured on STO Trade Center building (USD 13,000,000), super market warehouse (USD 652,983) and home improvement land and building (USD 8,035,000), respectively.

13.2.3 In 2023, the company has capitalised borrowing costs amounting to MVR 10,170,260/- (2022: MVR 5,450,450) on vessels. Borrowing costs were capitalised at the rate of 8.5%.

13.2.4 In 2023, the company has capitalised borrowing costs amounting to MVR 6,916,000/- (2022: Nil) on land and buildings. Borrowing costs were capitalised at the rate of 1 Month T-Bill Rate + 6.25%.

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14 INVESTMENT PROPERTY

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
Cost				
As at 1st January	174,780,695	154,516,271	174,780,695	154,516,271
Transferred from property, plant and equipment (Note 13.1 and 13.2)	-	20,264,424	-	20,264,424
As at 31st December	174,780,695	174,780,695	174,780,695	174,780,695
Accumulated depreciation				
As at 1st January	84,918,744	77,753,785	84,918,744	77,753,785
Depreciation for the year (Note 10)	6,922,926	7,164,959	6,922,926	7,164,959
Reclassification (Note 13)	4,137,127	-	4,137,127	-
As at 31st December	95,978,797	84,918,744	95,978,797	84,918,744
Net carrying amount				
Capital work in progress (Note 14.1)	78,801,898	89,861,951	78,801,898	89,861,951
Total	287,559,138	377,421,089	287,559,138	377,421,089

14.1 Capital work in progress

As at 1st January	656,663,809	656,663,809	656,663,809	656,663,809
Waive off of lease rent payable	-	-	-	-
Provision for impairment of investment in hulhumale hotel	656,663,809	656,663,809	656,663,809	656,663,809
As at 31st December	(369,104,671)	(369,104,671)	(369,104,671)	(369,104,671)
	287,559,138	287,559,138	287,559,138	287,559,138

14.2 Provision for impairment of investment in hulhumale hotel

As at 1st January	369,104,671	369,104,671	369,104,671	369,104,671
As at 31st December	369,104,671	369,104,671	369,104,671	369,104,671

14.3 Due to continuous delay in completing the construction of the hotel in Hulumale, MVR 369,104,671 was recognized as an impairment loss. No impairment charge was recognised during the year 2023 and 2022 since the recoverable value is higher than the carrying amount.

14.4 The fair value of the investment property is MVR 374,217,063/- as at 31st December 2023 based on an independent valuation of properties carried out. The management will carry out the exercise to determine the fair value of the investment property on annual basis.

14.5 The fair value measurement of investment property have been categorized as a Level 3 fair value based on the inputs to the valuation technique used. Since current price in an active market is not available the directors consider information from rent agreements with lessees and construction costs incurred.

14.6 The fair value of the investment properties which are classified under capital work in progress is MVR 287,559,138/- as at 31st December 2023 (2022: MVR 287,559,138/-). The fair value of investment property was determined by the management. The management will carry out the exercise to determine the fair value of the investment property on annual basis. The fair value measurements of investment properties have been categorized as a Level 3 fair value based on the inputs to the valuation technique used. Since current price in an active market is not available the directors consider information from sales agreement with Housing Development Cooperation (HDC) wherein HDC will pay STO minimum USD 20 million from the sale proceeds on a net present value basis.

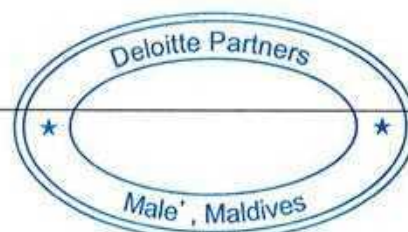
14.7 Investment property comprises a number of commercial properties that are leased to third parties and proportion under the construction with the purpose of leasing to third parties.

14.8 Capital work in progress includes the construction of a tourist hotel in Hulhumale Island.

14.9 Income earned from investment property

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

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Rent income	32,663,152	36,213,580	46,891,748	43,082,508
Direct expenses	(17,160,197)	(15,604,029)	(24,635,456)	(22,614,535)



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14.10 Income receivable from investment property

Investment properties are leased to tenants under operating leases with rentals payable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:

Within 1 year
Between 1 - 2 years
Between 2 - 3 years
Between 3 - 4 years

Group		Company	
2023	2022	2023	2022
MVR	MVR	MVR	MVR
28,844,920	30,255,244	38,530,923	37,328,170
23,998,334	37,644,392	26,888,132	42,293,726
35,656,540	13,404,408	38,754,712	16,316,970
13,793,118	8,018,772	35,651,899	14,814,751
102,292,912	89,322,815	139,825,666	110,753,617

15 INTANGIBLE ASSETS

15.1 GROUP

Cost

As at 1st January
Additions during the year
Transferred from capital work-in-progress (Note 15.3)
Transferred from property, plant and equipment (Note 13)
Disposal of a subsidiary (Note 16.4)
As at 31st December

Goodwill on Consolidation	Computer software	Total 2023	Total 2022
MVR	MVR	MVR	MVR
3,155,217	116,040,669	119,195,886	111,999,326
-	208,094	208,094	-
-	8,747,747	8,747,747	6,209,560
-	-	-	987,000
-	-	(18,162,633)	-
3,155,217	124,996,510	109,989,094	119,195,886

Accumulated amortization

As at 1st January
Amortization for the year (Note 10)
Amortization for the year (Discontinued operations)
Reclassification
Disposal of a subsidiary (Note 16.4)
As at 31st December

3,155,217	104,038,747	107,193,964	103,047,039
-	6,044,753	6,044,753	4,146,925
-	347,672	347,672	-
-	(493,439)	(493,439)	-
-	-	(17,884,297)	-
3,155,217	109,937,733	95,208,653	107,193,964

Net carrying value

Capital work-in-progress (Note 15.3)
Total

-	15,058,777	14,780,441	12,001,922
		70,716,680	11,102,160
		85,497,121	23,104,082

15.2 COMPANY

Cost

As at 1st January
Transferred from capital work-in-progress (Note 15.3)
Transferred from property, plant and equipment
As at 31st December

Computer software	
2023	2022
MVR	MVR
68,298,963	66,117,067
5,977,041	1,194,896
-	987,000
74,276,004	68,298,963

Accumulated amortization

As at 1st January
Charges for the year (Note 10)
Reclassification
As at 31st December

65,437,515	65,130,187
2,914,400	307,328
(493,439)	-
67,858,476	65,437,515

Net carrying value

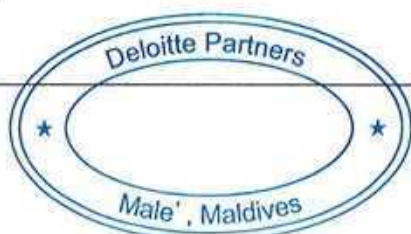
Capital work-in-progress (Note 15.3)
Total

6,417,528	2,861,448
58,729,178	-
65,146,706	-

15.3 Capital work-in-progress

As at 1st January
Additions during the year
Transferred from property, plant and equipment (CWIP) (Note 13.1.1 and 13.2.1)
Transferred to intangible asset (Note 15.1)
Reclassification (Note 13.2.1)
As at 31st December

Group		Company	
2023	2022	2023	2022
MVR	MVR	MVR	MVR
11,102,160	12,524,961	-	-
48,398,591	3,591,863	44,742,543	-
5,977,041	1,194,896	5,977,041	1,194,896
(8,747,747)	(6,209,560)	(5,977,041)	(1,194,896)
13,986,635	-	13,986,635	-
70,716,680	11,102,160	58,729,178	-



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16 INVESTMENT IN SUBSIDIARIES

	Company	
	2023 MVR	2022 MVR
Maldiv Gas Private Limited	61,200,000	61,200,000
Allied Insurance Company of the Maldives Private Limited	807,000	807,000
STO Maldives (Singapore) Private Limited	1,459,750	1,459,750
Fuel Supplies Maldives Private Limited	60,477,185	60,477,185
Maldives National Oil Company Limited	10,000,000	10,000,000
STO Hotels & Resorts Private Limited	999,900	999,900
Maldives State Shipping Company Private Limited	162,261,270	162,261,270
Maldives Industrial Fisheries Company Limited (MIFCO) (Note 16.4)	-	-
Provision for impairment of investment in subsidiaries (Note 16.1)	(12,305,455)	(12,305,455)
	<u>284,899,650</u>	<u>284,899,650</u>

The impairment loss is included in administrative expenses in the statement of profit or loss. The company has transferred all of its shares in MIFCO to government of Maldives on 30th December 2023.

16.1 Provision for impairment of investment in subsidiaries

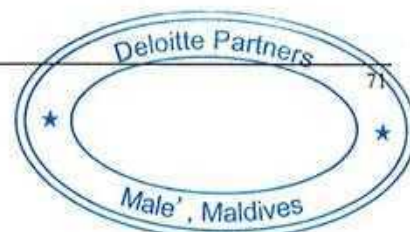
	Company	
	2023 MVR	2022 MVR
As at 1st January	12,305,455	12,305,455
Provision for the year	-	-
As at 31st December	<u>12,305,455</u>	<u>12,305,455</u>

16.2 Due to the continuous losses incurred by the subsidiaries, Maldives National Oil Company Private Limited ("MNO"), STO Maldives (Singapore) Private Limited and STO Hotels and Resorts Private Limited ("STOHR"), the Board of Directors of the Company has assessed the recoverable value of the investment in those subsidiary Companies and concluded that no additional provision was provided for the subsidiaries in 2022 and 2023.

16.3 Recoverable amount of the subsidiary is based on fair value less cost to sell. The fair value measurement have been categorised as a Level 3 fair value based on the inputs to the valuation technique used. since current price in an active market is not available the directors consider net assets values from the audited financial statements to measure the recoverable

	STO Maldives (Singapore) Pte Ltd MVR	STO Hotel and Resorts Pvt Ltd MVR	Maldives National Oil Company Pvt Ltd MVR	Total MVR
Estimated recoverable value	-	-	154,195	154,195
Cost of the investment in subsidiary	1,459,750	999,900	10,000,000	12,459,650
Provision for impairment	(1,459,750)	(999,900)	(9,845,805)	(12,305,455)

The recoverable value of these investments have been derived by calculating the estimated recovery of the investment without considering an improvement in the business of the subsidiaries.



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- 16.4 The Government transferred the control of assets and management of Maldives Industrial Fisheries Company Limited (MIFCO) to the Group on 30th September 2016 without group paying a purchase consideration and with a commitment from the Government of Maldives to inject a capital of MVR 333,632,560/- in cash to MIFCO. On 30th December 2023, the Group transferred the control of asset and management of MIFCO back to the Government of Maldives at no consideration.

The following table summarize the book value of assets and liabilities at the date of transfer.

Carrying values of identifiable assets and liabilities of the disposed subsidiary

	30/12/2023
	MVR
Property, plant and equipment	615,783,293
Intangible assets	278,336
Right-of-use assets	36,131,779
Total non-current assets	652,193,408
Inventories	354,063,111
Trade and other receivables	378,734,131
Cash and cash equivalents	25,045,474
Total current assets	757,842,716
Total assets	1,410,036,124
Loans and borrowings	91,170,461
Deferred income	25,618,793
Lease liabilities	36,655,916
Defined benefit obligation	71,536,180
Total non-current liabilities	224,981,350
Loans and borrowings	14,484,192
Trade and other payables	386,098,605
Lease liabilities	5,848,219
Deferred income	919,175
Amounts due to related parties	566,452,149
Bank overdrafts	650,407,592
Total current liabilities	1,624,209,932
Total liabilities	1,849,191,282
Total net-assets	(439,155,158)

- 16.5 The company has earned a net profit after tax amounting MVR 295,403,264 during the period 1 January 2023 to 30 December 2023, which has been considered as profit from discontinued operations in the group consolidated income statement.

17 EQUITY - ACCOUNTED INVESTEES

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Interest in associates (Note 17.1)	13,262,341	11,407,724	10,567,267	10,567,267
Interest in joint venture (Note 17.3)	35,415,897	28,151,858	4,700,000	4,700,000
	48,678,238	39,559,582	15,267,267	15,267,267

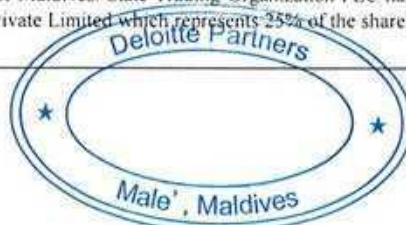
17.1 Investment in Associates

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
As at 1st January	11,407,724	11,095,326	10,567,267	10,567,267
Share of profit for the year (net of tax)	1,854,617	312,398	-	-
As at 31st December	13,262,341	11,407,724	10,567,267	10,567,267

Raysut Maldives Cement Private Limited

Lafarge Maldives Cement Private Limited has changed its ownership structure on 21st July 2020 and accordingly the name of the company was changed from Lafarge Maldives Cement Private Limited to Raysut Maldives Private Limited ("Associate") on 12th August 2020. The principal activity of the associate is trading of cement.

Raysut Maldives Cement Private Limited is a limited liability company incorporated in the Republic of Maldives. State Trading Organization PLC has acquired 10,567,267/- shares, at the price of MVR 1/- each on 8 of January 2002 in Raysut Maldives Cement Private Limited which represents 25% of the shareholding of that company.



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17 EQUITY - ACCOUNTED INVESTEEES (CONTINUED)

17.1 The summarized financial information of the associate, which is incorporated in the Republic of Maldives and unlisted, is as follows:

	Raysut Maldives Cement Private Limited	
	2023	2022
	MVR	MVR
Percentage of ownership	25%	25%
Non current assets	34,213,202	37,719,479
Current assets	71,981,161	58,874,763
Non current liabilities	(32,440,812)	(29,599,739)
Current liabilities	(20,704,203)	(21,363,608)
Net assets (100%)	53,049,349	45,630,895
Group's share of net assets	13,262,337	11,407,724
Carrying amount of interest in associates:	13,262,337	11,407,724
Revenue	119,562,501	189,438,046
Profit and other comprehensive income	7,418,469	1,249,591
Group's share of profit and other comprehensive income	1,854,617	312,398

17.2 Investment in joint venture

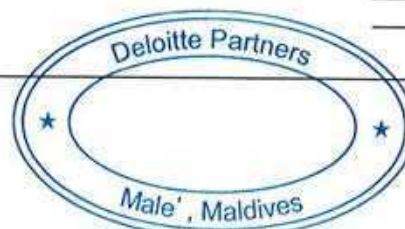
	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
As at 1st January	28,151,858	24,462,044	4,700,000	4,700,000
Share of profit for the year (net of tax)	15,264,039	11,689,814	-	-
Dividend received	(8,000,000)	(8,000,000)	-	-
As at 31st December	35,415,897	28,151,858	4,700,000	4,700,000

Maldives Structural Products Private Limited

State Trading Organization PLC has acquired 47,000 shares at the price of MVR 100/- each on 31 December 2001 in Maldives Structural Products Private Limited which represents 50% of the shareholding of the Company. Maldives Structural Products Private Limited ("Joint Venture") is engaged in the business of manufacturing and trading of structural products.

The summarized financial information of the joint venture, which is incorporated in Republic of Maldives and unlisted, is as follows:

	Maldives Structural Products Private Limited	
	2023	2022
	MVR	MVR
Percentage of ownership	50%	50%
Non current assets	8,709,767	9,990,050
Cash and cash equivalents	1,469,562	8,274,719
Other current assets	81,886,624	49,023,999
Non current financial liabilities	(7,226,130)	(7,838,052)
Current financial liabilities	(881,923)	(678,690)
Other current liabilities	(13,126,107)	(3,248,508)
Net assets (100%)	70,831,794	55,523,518
Group's share of net assets	35,415,897	27,761,759
Carrying amount of interest in joint venture	35,415,897	27,761,759
Revenue	142,582,625	123,058,749
Depreciation and amortization	(1,657,974)	(1,167,030)
Interest expense	(6,228,496)	(10,202,157)
Income tax expense	(6,336,860)	(5,390,600)
Profit and other comprehensive income	30,528,077	22,599,430
Group's share of profit and other comprehensive income	15,264,039	11,299,715
Dividend received by the Group	(8,000,000)	(8,000,000)



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18 INVESTMENT IN EQUITY INSTRUMENTS

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
As at 1st January	86,886,800	48,761,800	2,240,800	2,240,800
Investments made during the year	-	-	-	-
Net change in fair value during the year	9,875,000	38,125,000	-	-
Investments withdrawn during the year	(771,000)	-	-	-
As at 31st December	95,990,800	86,886,800	2,240,800	2,240,800

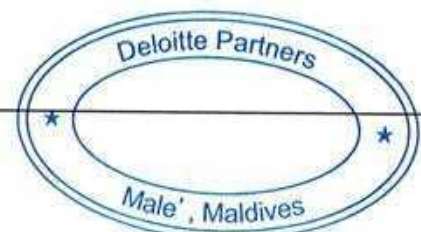
Determining the fair value

Marketable equity securities are measured at fair value annually at the close of business on 31st December. For investments traded in active markets, the fair value is determined by reference to Stock exchange quoted bid prices. Other investments (unlisted securities) are measured at fair value based on the adjusted net assets of the investee company. Equity investments are classified as non-current assets, unless they are expected to be realized within twelve months of the reporting date or unless they are intended to be sold to raise operating capital.

18.1 Movement in investment in equity instruments

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
Maldives Stock Exchange Company Private Limited	2,240,800	2,240,800	2,240,800	2,240,800
Dhivehi Raajjeyge Gulhun PLC	18,750,000	13,875,000	-	-
Ooredoo Maldives PLC	75,000,000	70,000,000	-	-
Maldives Shipping Services Lanka (Private) Limited	-	771,000	-	-
	95,990,800	86,886,800	2,240,800	2,240,800

The Group has acquired 125,000 shares at MVR 80 per share and 1,000,000 shares at MVR 30 ordinary share of the Dhivehi Rajjeyge Gulhun PLC and Ooredoo Maldives PLC respectively. The fair value of Dhivehi Rajjeyge Gulhun PLC and Ooredoo Maldives PLC were at MVR 150 and MVR 75 per share respectively as at 31 December 2023. Quoted equities are valued using level 1 input.



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19 RIGHT-OF-USE ASSET

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Cost				
As at 1st January	736,863,908	595,387,052	302,835,039	213,056,458
Additions during the year	20,205,098	172,992,534	11,077,932	116,039,402
Modifications during the year (Note 32)	7,309,031	23,796,697	5,623,469	18,026,431
De-recognitions during the year	(299,534,912)	(55,312,376)	(7,047,825)	(44,287,252)
Disposal of a subsidiary (Note 16.4)	(47,557,162)	-	-	-
As at 31st December	417,285,963	736,863,907	312,488,615	302,835,039
Accumulated depreciation				
As at 1st January	144,806,201	111,503,235	88,965,704	65,915,746
Charge for the year (Note 10)	67,802,878	60,456,101	53,072,039	40,975,751
Charge for the year (Discontinued operations)	2,447,405	-	-	-
De-recognitions during the year	(47,092,088)	(27,153,134)	(6,130,415)	(17,925,793)
Disposal of a subsidiary (Note 16.4)	(11,425,383)	-	-	-
As at 31st December	156,539,012	144,806,202	135,907,328	88,965,704
Net carrying value	260,746,951	592,057,705	176,581,287	213,869,335

Initially STO Hotel and Resorts Pvt Ltd obtained the leasehold right of Ekuhivaru island to develop a resort for 50 years. During the year 2023, the company exchanged the leasehold right of Ekuhivaru island for a plot of land in Male'. The fair value of the plot of land has been valued by an independent valuer at MVR 124,435,545. STO Hotel and Resorts transferred the land to the Company, State Trading Organization Plc and the payable to the company has been adjusted against the land value.

In addition to that the Company and the Group has recognized right of use assets relating to the leasehold right of retail outlets, offices and warehouses. Lease modification represents impact of lease extensions and change in rentals during the year.

20 LEASE RECEIVABLE

20.1 Finance Lease

Vessels

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
	-	170,223,074	102,434,433	272,657,507
	-	170,223,074	102,434,433	272,657,507

As at 1st January

Additions during the year

Written off during the year

Interest income of lease receivable

Proceeds of interest portion of lease receivable

Principal element of lease proceeds

As at 31st December

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
	-	-	272,657,507	-
	-	-	-	280,012,736
	-	-	(144,995,583)	-
	-	-	17,482,045	6,611,586
	-	-	(17,482,045)	(6,611,586)
	-	-	(25,227,491)	(7,355,229)
	-	-	102,434,433	272,657,507

Current

Non-Current

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
	-	-	23,431,653	31,324,195
	-	-	79,002,778	241,333,312
	-	-	102,434,430	272,657,507

Maturity analysis of non-current lease receivable is as follows:

Later than 1 year and not later than 2 years

Later than 2 year and not later than 5 years

Later than 5 years

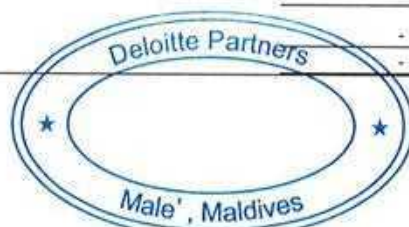
Gross Investment in lease

Less: Unearned finance

Present value of minimum lease payment receivable

Selling profit for finance lease

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
	-	-	26,078,446	34,610,183
	-	-	52,924,332	134,510,359
	-	-	-	72,212,770
	-	-	79,002,778	241,333,312
	-	-	166,555,807	392,116,786
	-	-	(64,121,377)	(119,459,279)
	-	-	102,434,430	272,657,507
	-	-	-	10,210,532
	-	-	-	10,210,532



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21 INVENTORIES

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
Food stock	66,416,711	80,084,791	66,416,711	80,084,791
Fuel	441,234,207	834,463,410	275,619,898	701,954,731
Home improvement and electronics	112,540,096	109,798,849	108,959,905	106,121,509
Construction materials	121,857,888	98,716,052	121,857,888	98,716,052
Medicals	524,950,917	535,551,814	524,950,917	535,551,814
Fish and processed fish products	-	239,046,318	-	-
Spare parts	54,418,788	155,751,219	32,689,946	30,245,356
Retail shops	64,064,702	69,939,153	64,064,702	63,608,809
Others	15,886,962	8,599,773	5,546,290	7,663,077
Goods in transit	322,246,726	225,742,342	321,298,396	224,982,545
Less: provision for slow and non moving inventories (Note - 21.1)	(167,829,450)	(213,648,397)	(157,840,902)	(159,623,328)
	1,555,787,547	2,144,045,324	1,363,563,751	1,689,305,356

21.1 Provision for slow moving and non moving inventories

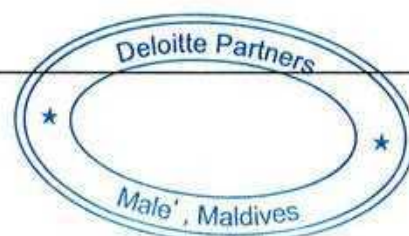
	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
As at 1st January	213,648,396	150,872,013	159,623,328	101,203,027
Inventory written off	(10,479,273)	(3,170,462)	(10,479,273)	(2,769,445)
Provision made during the year (Note 10)	11,855,598	65,946,846	8,696,847	61,189,746
Disposal of a subsidiary (Note 16.4)	(47,195,271)	-	-	-
As at 31st December	167,829,450	213,648,397	157,840,902	159,623,328

21.2 In 2023, inventories of MVR 13,284,564,890/- (2022: MVR 15,961,010,647/-) were recognized as an expense and included in 'cost of sales' of the Company.

21.3 In 2023, inventories of MVR 13,481,848,464/- (2022: MVR 16,154,323,419/-) were recognized as an expense and included in 'cost of sales' of the Group.

21.4 The Group recognized inventory provision of MVR 11,855,598/- during the year 2023. The Company recognized inventory provision of MVR 8,696,846/- during the year 2023. These amounts have been included in 'Cost of sales' in the statement of profit or loss.

21.5 The inventories of the Company are given as security against loans obtained from Nations Trust Bank PLC and the Hongkong & Shanghai Banking Corporation - Maldives branch.



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22 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
Trade receivables	1,042,882,280	1,289,798,644	371,526,965	364,018,264
Less : provision for impairment loss (Note 22.1)	(379,098,884)	(486,771,324)	(214,185,068)	(187,996,506)
	663,783,396	803,027,321	157,341,897	176,021,758
Advances, prepayments and deposits	310,653,102	183,706,775	251,985,858	133,598,171
Government employee credit scheme	38,800,822	38,585,629	38,800,822	38,585,629
Staff advances and other loans	9,233,883	9,004,067	9,233,883	9,004,067
Advances paid for custom duty	7,760,205	5,243,202	7,760,205	5,243,202
Receivable from ministry of Finance	-	-	-	-
Miscellaneous receivable	135,221,063	251,464,867	100,326,209	120,109,914
Less : unmatured interest	(1,561,823)	(1,793,925)	(1,561,823)	(1,793,925)
Less : provision for impairment loss (Note 22.2)	(135,192,824)	(142,986,531)	(89,024,538)	(83,477,088)
	364,914,427	343,224,084	317,520,615	221,269,970
Total trade and other receivable	1,028,697,823	1,146,251,405	474,862,512	397,291,728

22.1 Provision for impairment of trade receivables

As at 1st January	486,771,324	451,175,063	187,996,506	142,292,004
Reclassification	5,648,517	-	5,648,517	-
Provision made during the year	18,595,383	35,596,261	20,540,047	45,704,502
Provision made during the year (Discontinued operations)	2,963,431	-	-	-
Disposal of a subsidiary (Note 16.4)	(134,879,771)	-	-	-
As at 31st December	379,098,884	486,771,324	214,185,068	187,996,506

22.2 Provision for impairment of other receivables

As at 1st January	142,986,531	85,340,857	83,477,088	52,393,376
Provision made during the year	19,952,307	57,645,674	5,547,451	31,083,712
Provision written off during the year	(323,573)	-	-	-
Provision made during the year (Discontinued operations)	(18,019,182)	-	-	-
Disposal of a subsidiary (Note 16.4)	(9,403,258)	-	-	-
As at 31st December	135,192,824	142,986,531	89,024,538	83,477,088

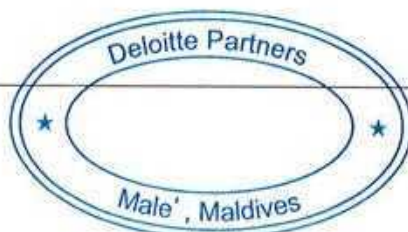
23 AMOUNTS DUE FROM RELATED PARTIES

	Relationship	Group		Company	
		31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
STO Maldives (Singapore) Private Limited	Subsidiary	-	-	27,767,388	27,519,753
Maldiva Gas Private Limited	Subsidiary	-	-	1,104,539	1,191,966
Fuel Supplies Maldives Private Limited	Subsidiary	-	-	2,636,024,832	2,771,239,033
Allied Insurance Company of the Maldives Private Limited	Subsidiary	-	-	11,926,716	22,703,249
Maldives National Oil Company Limited	Subsidiary	-	-	133,644	71,187
Maldives Industrials Fisheries Company Limited	Affiliate	36,548,703	-	36,300,338	145,642,191
STO Hotels & Resorts Private Limited	Subsidiary	-	-	81,390,084	205,786,033
Maldives State Shipping Company Private Limited	Subsidiary	-	-	35,787,242	18,794,094
Raysut Maldives Cement Private Limited	Associate	1,919,424	400,616	1,919,533	400,725
Maldives Shipping Services Lanka (Private) Limited	Associate	-	1,670,445	-	-
Ministry of Health	Affiliate	227,913,023	232,103,540	227,879,330	232,079,647
Ministry of Finance and Treasury	Majority shareholder	550,079,801	222,547,748	550,079,801	222,547,748
State Electric Company Limited (STELCO)	Affiliate	150,603,433	106,153,401	150,555,229	106,145,186
Fenaka Corporation	Affiliate	1,909,072,664	1,780,895,569	7,036,426	6,797,017
Indira Gandhi Memorial Hospital	Affiliate	130,986,992	121,196,961	130,555,312	120,774,586
Maldives Road Development Corporation	Affiliate	37,992,601	37,992,601	37,969,676	37,969,676
Addu International Airport Private Limited	Affiliate	18,971,463	35,562,289	18,971,463	35,562,289
Aasandha Private Limited	Affiliate	248,799,074	128,295,659	248,799,074	128,295,659
Hulhumale Hospital	Affiliate	15,205,095	23,143,607	14,666,608	22,323,637
Maldives Airport Company Limited	Affiliate	113,804,478	83,248,606	113,791,073	83,132,141
Ministry of Housing and Infrastructure	Affiliate	98,147,953	92,047,554	98,145,303	92,044,904
Rainbow Enterprises Private Limited	Affiliate	8,371,788	14,983,633	8,371,788	14,983,633
G.Dh Atoll Rayyithunge Cooperative Society	Affiliate	831,492	831,492	831,492	831,492
Champa Oil and Gas Company Private Limited	Affiliate	11,082,277	23,433,234	11,082,277	23,433,234
Marine Maldives Products Pvt Ltd	Affiliate	-	13,010,881	-	-
Ukulas Pvt Ltd	Affiliate	-	1,056,179	-	-
National Social Protection Agency	Affiliate	83,316,039	20,019,437	83,316,039	20,019,437
United Nations Office	Affiliate	72,586,151	-	72,586,151	-
Ministry of Construction	Affiliate	83,764,460	20,280,307	83,764,460	20,280,307
Maldives Transport and contracting company	Affiliate	59,964,131	22,319,253	59,964,131	22,319,253
National Disaster Management Authority	Affiliate	40,403,232	58,629,606	40,403,232	58,629,606
Island Aviation Service Ltd	Affiliate	18,750,284	4,676,567	18,750,284	4,676,567
Other Government entities	Affiliate	305,511,853	235,491,150	128,080,625	119,427,845
		4,224,626,412	3,279,990,334	4,937,954,090	4,565,622,095
Less : provision for impairment loss (Note 24.6)		(662,320,307)	(220,235,319)	(618,718,430)	(350,134,324)
Total amount due from related parties		3,562,306,105	3,059,755,015	4,319,235,660	4,215,487,771

Non - current

Current

3,562,306,105	3,059,755,015	4,319,235,660	4,215,487,771
3,562,306,105	3,059,755,015	4,319,235,660	4,215,487,771



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23.1 Provision for impairment of amounts due from related parties

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
As at 1st January	MVR	MVR	MVR	MVR
Reclassification of provision (note 24.1)	220,235,319	176,053,184	350,134,324	319,427,025
Provision made during the year	(33,104,266)	-	-	-
Accumulated provision on receivables due to loss of control	418,437,270	44,182,135	268,584,106	30,707,299
Disposal of a subsidiary (Note 16.4)	70,819,043	-	-	-
As at 31st December	(14,067,060)	-	-	-
	662,320,307	220,235,319	618,718,430	350,134,324

24 Loans receivable from related parties

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
As at 1st January	MVR	MVR	MVR	MVR
Loans given during the year	274,270,833	418,833,333	549,037,647	453,293,481
Repayment during the year	497,362,641	-	164,008,550	240,306,666
Provision for impairment loss on receivable (Note 24.1)	(197,467,688)	(144,562,500)	(329,737,280)	(144,562,500)
Disposal of a subsidiary	(24,816,547)	-	-	-
As at 31st December	34,460,148	-	-	-
	583,809,388	274,270,833	383,308,916	549,037,647
Current receivable:	212,562,686	274,270,833	383,308,916	549,037,647
Non Current receivable	371,246,701	-	-	-
	583,809,388	274,270,833	383,308,916	549,037,647

24.1 Provision for impairment of loan receivables

As at 1st January	-	-	-	-
Reclassification of provision	33,104,266	-	-	-
Provision made during the year	(8,287,719)	-	-	-
As at 31st December	24,816,547	-	-	-

24.2 The followings are the contractual maturities of loans receivable from related parties as at the reporting date.

Group	Carrying amount	Contractual Cash inflow	0-12 months	1-5 years	More than 5 years
31st December 2023	MVR	MVR	MVR	MVR	MVR
Loans receivable	583,809,388	721,284,122	213,180,013	362,931,506	145,172,603
31st December 2022	MVR	MVR	MVR	MVR	MVR
Loans receivable	274,270,833	284,345,785	235,704,901	48,640,884	-
Company	Carrying amount	Contractual Cash inflow	0-12 months	1-5 years	More than 5 years
31st December 2023	MVR	MVR	MVR	MVR	MVR
Loans receivable	383,308,916	383,762,301	383,762,301	-	-
31st December 2022	MVR	MVR	MVR	MVR	MVR
Loans receivable	549,037,647	561,855,052	513,214,168	48,640,884	-

24.3 Loans receivables includes loan to Maldives Industrial Fisheries Company Limited of MVR 88,153,729/- (2022: MVR 34,460,148/-) given at an interest rate of 7.5% per annum and an accrued interest of MVR 16,778,302/- as at 31st December 2023 (2022: MVR 13,136,013/-).

24.4 Receivables from Ministry of Finance include loans relating to finance obtained for covid related medical purchases of MVR 385,500,000/- given at an interest rate of 3.5% per annum + LIBOR, with a loan maturity period of 3 years.

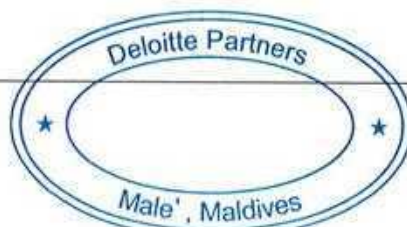
24.5 Receivables from Fenaka Corporation includes loan receivable on demand of MVR 33,333,333/- with a profit sharing ratio of 40 : 60. During the year the profit received was 4% on the loan. The financial asset meet the SPPI test and therefor has been classified as investment in debt instrument under amortized cost.

25 INSURANCE CONTRACT ASSETS

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Insurance contract assets (Note 26.10)	MVR	MVR	MVR	MVR
Net receivables from insurance	19,427,335	4,171,872	-	-
	19,427,335	4,171,872	-	-

26 REINSURANCE CONTRACTS

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Reinsurance contract assets (Note 26.10)	MVR	MVR	MVR	MVR
Net receivables from reinsurance	209,991,164	471,826,136	-	-
	209,991,164	471,826,136	-	-

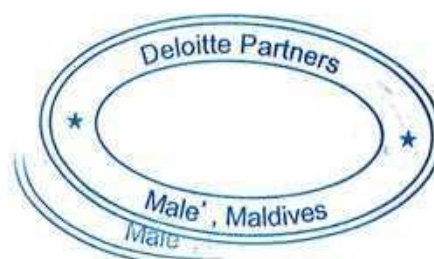


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26.10 INSURANCE AND REINSURANCE CONTRACTS

	General	Life		General Takaful	Family Takaful			Total
		Indirect Participating	Non - Participating		Direct Participating	Non - Participating	Takaful Surplus	
31 December 2023								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(327,436,545)	(34,348,627)	(1,393,357)	(45,265,761)	(6,959,479)	-	(1,255,686)	(416,659,454)
- Insurance contract assets	19,065,914	-	34,434	-	-	326,987	-	19,427,335
	(308,370,632)	(34,348,627)	(1,358,922)	(45,265,761)	(6,959,479)	326,987	(1,255,686)	(397,232,120)
Intercompany adjustments	(21,377,050)	-	-	-	-	-	-	(21,377,050)
Insurance contract liabilities - Group	(348,813,595)	(34,348,627)	(1,393,357)	(45,265,761)	(6,959,479)	-	(1,255,686)	(438,036,505)
Reinsurance contracts								
- Reinsurance contract liabilities	(247,958)	(22,760)	(173,130)	(269,840)	-	-	-	(713,688)
- Reinsurance contract assets	200,819,052	-	2,114,854	6,955,867	83,238	18,154	-	209,991,164
	200,571,094	(22,760)	1,941,724	6,686,027	83,238	18,154	-	209,277,476
31 December 2022								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(375,978,620)	(29,734,771)	(2,395,048)	(43,205,632)	(8,043,680)	(122,452)	(880,930)	(460,361,133)
- Insurance contract assets	3,671,248	-	500,624	-	-	-	-	4,171,872
	(372,307,372)	(29,734,771)	(1,894,424)	(43,205,632)	(8,043,680)	(122,452)	(880,930)	(456,189,261)
Intercompany adjustments	(16,551,203)	-	-	-	-	-	-	(16,551,203)
Insurance contract liabilities - Group	(392,529,823)	(29,734,771)	(2,395,048)	(43,205,632)	(8,043,680)	(122,452)	(880,930)	(476,912,336)
Reinsurance contracts								
- Reinsurance contract liabilities	(76,420,383)	(26,248)	(126,698)	(452,183)	-	5,724	-	(77,019,787)
- Reinsurance contract assets	458,218,402	-	2,114,854	11,411,385	81,494	-	-	471,826,136
	381,798,020	(26,248)	1,988,156	10,959,202	81,494	5,724	-	394,806,349
1 January 2022								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(489,983,793)	(34,511,347)	(5,110,698)	(39,624,240)	(8,043,449)	(138,671)	(611,463)	(578,023,661)
- Insurance contract assets	5,418,545	-	-	-	-	-	-	5,418,545
	(484,565,248)	(34,511,347)	(5,110,698)	(39,624,240)	(8,043,449)	(138,671)	(611,463)	(572,605,116)
Reinsurance contracts								
- Reinsurance contract liabilities	(26,787,221)	-	(16,266)	(105,895)	-	-	-	(26,909,382)
- Reinsurance contract assets	533,987,500	-	501,643	4,462,097	77,373	9,154	-	539,037,768
	507,200,279	-	485,377	4,356,202	77,373	9,154	-	512,128,386

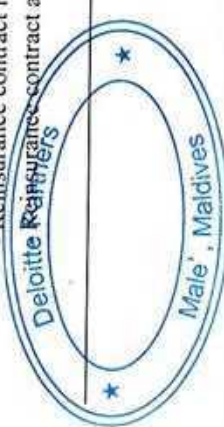


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26.11 INSURANCE AND REINSURANCE CONTRACTS

	Fire	Engineering	Liability	Workmen's compensation	Miscellaneous	Health	Marine	Total
31 December 2023								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(151,411,983)	(12,564,718)	(21,880,599)	(1,476,251)	(22,244,971)	(93,030,796)	(24,827,226)	(327,436,545)
- Insurance contract assets	18,776,564	-	-	-	-	-	289,350	19,065,914
	(132,635,418)	(12,564,718)	(21,880,599)	(1,476,251)	(22,244,971)	(93,030,796)	(24,537,877)	(308,370,632)
Reinsurance contracts								
- Reinsurance contract liabilities	-	-	-	-	-	(247,958)	-	(247,958)
- Reinsurance contract assets	129,304,191	8,832,357	16,632,562	95,675	18,569,863	84,196	27,300,208	200,819,052
	129,304,191	8,832,357	16,632,562	95,675	18,569,863	(163,762)	27,300,208	200,571,094
31 December 2022								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(197,023,824)	(17,254,488)	(28,227,382)	(2,700,198)	(6,105,500)	(70,962,226)	(53,705,002)	(375,978,620)
- Insurance contract assets	-	-	-	-	3,087,132	-	584,116	3,671,248
	(197,023,824)	(17,254,488)	(28,227,382)	(2,700,198)	(3,018,368)	(70,962,226)	(53,120,886)	(372,307,372)
Reinsurance contracts								
- Reinsurance contract liabilities	(75,500,929)	-	-	-	-	-	(919,454)	(76,420,383)
- Reinsurance contract assets	335,765,617	8,855,505	22,341,718	81,078	13,302,389	106,226	77,765,870	458,218,402
	260,264,689	8,855,505	22,341,718	81,078	13,302,389	106,226	76,846,416	381,798,020
1 January 2022								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(331,234,196)	(10,919,204)	(29,346,568)	(3,766,492)	(13,824,669)	(48,091,041)	(52,801,621)	(489,983,793)
- Insurance contract assets	5,418,545	-	-	-	-	-	-	5,418,545
	(325,815,651)	(10,919,204)	(29,346,568)	(3,766,492)	(13,824,669)	(48,091,041)	(52,801,621)	(484,565,248)
Reinsurance contracts								
- Reinsurance contract liabilities	(14,857,556)	(11,894,322)	-	(35,343)	-	-	-	(26,787,221)
- Reinsurance contract assets	442,240,467	148,673	23,353,497	18,392	12,495,597	2,611,766	53,119,109	533,987,500
	427,382,911	(11,745,649)	23,353,497	(16,951)	12,495,597	2,611,766	53,119,109	507,200,279



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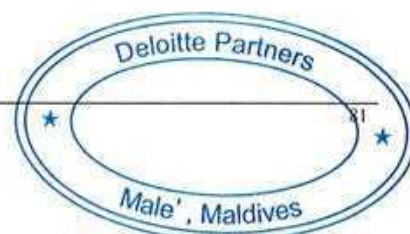
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.12 INSURANCE AND REINSURANCE CONTRACTS - General
Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	General				Total 2023
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	
Opening liabilities	(86,459,764)	-	(284,458,993)	(5,059,863)	(375,978,620)
Opening assets	3,671,248	-	-	-	3,671,248
Net opening balance	(82,788,516)	-	(284,458,993)	(5,059,863)	(372,307,372)
Changes in the statement of profit or loss and OCI					
Insurance revenue	521,572,699	-	-	-	521,572,699
Insurance service expenses					
Incurred claims and other expenses					
Incurred and paid during the year	-	-	(77,292,122)	-	(77,292,122)
Incurred in CY, LIC at end-CY	-	-	(52,038,767)	(116,104)	(52,154,871)
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(23,471,758)	-	(23,471,758)
Insurance acquisition cash flows on new contracts & amortisation of insurance acquisition cash flows - Commission on written premium	(45,614,708)	-	-	-	(45,614,708)
Past service: changes to liabilities for incurred claims					
Paid during the year	-	-	(170,895,558)	-	(170,895,558)
Change in LIC in CY	-	-	96,862,249	5,299,609	102,161,858
	(45,614,708)	-	(226,835,957)	5,183,505	(267,267,159)
Insurance service result before reinsurance contract held	475,957,992	-	(226,835,957)	5,183,505	254,305,541
Finance expenses from Insurance contracts issued	-	-	(13,371,993)	(239,746)	(13,611,739)
Total changes in the statement of profit or loss and OCI	475,957,992	-	(240,207,949)	4,943,759	240,693,801
Investment component	-	-	-	-	-
Cashflows					
Premium received	(495,160,115)	-	-	-	(495,160,115)
Claims paid	-	-	248,187,681	-	248,187,681
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	23,471,758	-	23,471,758
Insurance acquisition cash flows	46,743,615	-	-	-	46,743,615
Total	(448,416,501)	-	271,659,439	-	(176,757,062)
Net closing balance	(55,247,025)	-	(253,007,504)	(116,104)	(308,370,632)
Closing liabilities	(74,312,938)	-	(253,007,504)	(116,104)	(327,436,545)
Closing assets	19,065,913	-	-	-	19,065,914
Net closing balance	(55,247,025)	-	(253,007,504)	(116,104)	(308,370,632)



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26.14 INSURANCE AND REINSURANCE CONTRACTS - General (continued)

Movements in insurance and reinsurance contract balances

a) Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	General				Total 2022
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	
Opening liabilities	(61,622,313)	-	(422,854,547)	(5,506,932)	(489,983,793)
Opening assets	5,418,545	-	-	-	5,418,545
Net opening balance	(56,203,768)	-	(422,854,547)	(5,506,932)	(484,565,248)
Changes in the statement of profit or loss and OCI					
Insurance revenue	404,941,311	-	-	-	404,941,311
Insurance service expenses					
Incurring claims and other expenses					
Incurring and paid during the year	-	-	(53,298,775)	-	(53,298,775)
Incurring in CY, LIC at end-CY	-	-	(69,476,626)	(4,796,701)	(74,273,327)
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(23,708,380)	-	(23,708,380)
Insurance acquisition cash flows on new contracts & amortisation of insurance acquisition cash flows - commission on written premium	(37,314,386)	-	-	-	(37,314,386)
Past service: changes to liabilities for incurred claims					
Paid during th year	-	-	(230,092,203)	-	(230,092,203)
Change in LIC in CY	-	-	228,362,801	5,511,646	233,874,447
	(37,314,386)	-	(148,213,183)	714,945	(184,812,624)
Insurance service result before reinsurance contract held	367,626,924	-	(148,213,183)	714,945	220,128,687
Finance expnes from Insurance contracts issued	-	-	(20,490,621)	(267,875)	(20,758,496)
Total changes in the statement of profit or loss and OCI	367,626,924	-	(168,703,804)	447,070	199,370,190
Investment component	-	-	-	-	-
Cashflows					
Premium received	(436,281,102)	-	-	-	(436,281,102)
Claims paid	-	-	283,390,978	-	283,390,978
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	23,708,380	-	23,708,380
Insurance acquisition cash flows	42,069,429	-	-	-	42,069,429
Total	(394,211,673)	-	307,099,358	-	(87,112,315)
Net closing balance	(82,788,516)	-	(284,458,993)	(5,059,863)	(372,307,372)
Closing liabilities	(86,459,764)	-	(284,458,993)	(5,059,863)	(375,978,620)
Closing assets	3,671,248	-	-	-	3,671,248
Net closing balance	(82,788,516)	-	(284,458,993)	(5,059,863)	(372,307,372)

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26.15 INSURANCE AND REINSURANCE CONTRACTS - General (continued)

Movements in reinsurance and reinsurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	General					Total 2023
	Assets for remaining coverage		Assets for incurred claims			
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	Non-performance loss	
Opening liabilities	(76,420,383)	-	-	-	-	(76,420,383)
Opening assets	17,047,953	-	455,485,002	4,097,166	(18,411,718)	458,218,402
Net opening balance	(59,372,430)	-	455,485,002	4,097,166	(18,411,718)	381,798,020
Changes in the statement of profit or loss and OCI						
Reinsurance premium earned	(268,766,782)	-	-	-	-	(268,766,782)
Insurance commission earned	29,910,621	-	-	-	-	29,910,621
Impairment for NPL	-	-	-	-	5,233,514	5,233,514
Incurred claims and other expenses						
Incurred and paid during the year	-	-	16,887,438	-	-	16,887,438
Incurred in CY, LIC at end-CY	-	-	43,415,468	57,303	-	43,472,770
Past service: changes to liabilities for incurred claims						
Paid in CY	-	-	70,704,482	-	-	70,704,482
Change in LIC in CY	-	-	(143,638,739)	(4,291,833)	-	(147,930,572)
	-	-	(12,631,351)	(4,234,530)	5,233,514	(11,632,367)
Net income (expenses) from reinsurance contracts held	(238,856,161)	-	(12,631,351)	(4,234,530)	5,233,514	(250,488,528)
Finance income from reinsurance contracts held	-	-	10,393,773	194,667	-	10,588,441
Total changes in the statement of profit or loss and OCI	(238,856,161)	-	(2,237,577)	(4,039,863)	5,233,514	(239,900,088)
Investment component	-	-	-	-	-	-
Cashflows						
Premium paid	323,211,561	-	-	-	-	323,211,561
Claims received	-	-	(264,538,399)	-	-	(264,538,399)
Total	323,211,561	-	(264,538,399)	-	-	58,673,162
Net closing balance	24,982,970	-	188,709,025	57,303	(13,178,204)	200,571,094
Closing liabilities	(247,958)	-	-	-	-	(247,958)
Closing assets	25,230,928	-	188,709,025	57,303	(13,178,204)	200,819,052
Net closing balance	24,982,970	-	188,709,025	57,303	(13,178,204)	200,571,094

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26.16 INSURANCE AND REINSURANCE CONTRACTS - General (continued)
Movements in reinsurance and reinsurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	General					Total 2022
	Assets for remaining coverage		Assets for incurred Claims			
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	Non-performance loss	
Opening liabilities	(26,787,221)	-	-	-	-	(26,787,221)
Opening assets	13,756,437	-	530,810,935	3,668,198	(14,248,070)	533,987,500
Net opening balance	(13,030,784)	-	530,810,935	3,668,198	(14,248,070)	507,200,279
Changes in the statement of profit or loss and OCI						
Reinsurance premium earned	(227,720,695)	-	-	-	-	(227,720,695)
Insurance commission earned	45,080,043	-	-	-	-	45,080,043
Impairment for NPL	-	-	-	-	(4,163,648)	(4,163,648)
Incurred claims and other expenses						
Incurred and paid during the year	-	-	831,519	-	-	831,519
Incurred in CY, LIC at end-CY	-	-	58,253,144	3,806,234	-	62,059,378
Past service: changes to liabilities for incurred claims						
Paid in CY	-	-	197,726,866	-	-	197,726,866
Change in LIC in CY	-	-	(217,050,486)	(3,555,923)	-	(220,606,409)
Net income (expenses) from reinsurance contracts held	(182,640,652)	-	39,761,043	250,311	(4,163,648)	(146,792,946)
Finance income from reinsurance contracts held	-	-	17,648,683	178,657	-	17,827,340
Total changes in the statement of profit or loss and OCI	(182,640,652)	-	57,409,726	428,968	(4,163,648)	(128,965,606)
Investment component	-	-	-	-	-	-
Cashflows						
Premium paid	626,075,784	-	-	-	-	626,075,784
Claims received	-	-	(132,735,660)	-	(132,735,660)	(132,735,660)
Total	136,299,006	-	(132,735,660)	-	-	493,340,125
Net closing balance	(59,372,430)	-	455,485,001	4,097,166	(18,411,718)	871,574,798
Closing liabilities	(76,420,383)	-	-	-	-	(76,420,383)
Closing assets	17,047,953	-	455,485,001	4,097,166	(18,411,718)	458,218,402
Net closing balance	(59,372,430)	-	455,485,001	4,097,166	(18,411,718)	381,798,020

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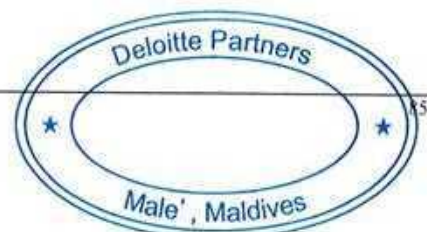
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26.17 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liabilities for remaining coverage and incurred claims -
contracts not measured under PAA

	Individual life (Non-participating)			Total 2023
	Excluding loss component	Loss component	Liabilities for incurred claims	
Liabilities for remaining coverage				
Opening liabilities	(1,816,001)	-	-	(1,816,001)
Opening assets	-	-	-	-
Net opening balance	(1,816,001)	-	-	(1,816,001)
Changes in the statement of profit or loss and OCI				
Insurance revenue	648,169	-	-	648,169
Insurance service expenses				
Incurred benefits and other directly attributable expenses	-	-	(6,313)	(6,313)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(27,939)	-	(27,939)
Amortisation of insurance acquisition cash flows	-	-	-	-
Impairment of acquisition cost asset	(269)	-	-	(269)
	(269)	(27,939)	(6,313)	(34,522)
Insurance service result	647,899	(27,939)	(6,313)	613,647
Insurance finance expenses/income	(64,328)	-	-	(64,328)
Total changes in the statement of profit or loss and OCI	583,571	(27,939)	(6,313)	549,319
Investment component	-	-	-	-
Cashflows				
Premium received	(43,256)	-	-	(43,256)
Claims and other directly attributable expenses paid	-	-	6,313	6,313
Insurance acquisition cash flows	269	-	-	269
Total	(42,987)	-	6,313	(36,673)
Net closing balance	(1,275,417)	(27,939)	-	(1,303,357)
Closing liabilities	(1,275,417)	(27,939)	-	(1,303,357)
Closing assets	-	-	-	-
Net closing balance	(1,275,417)	(27,939)	-	(1,303,357)



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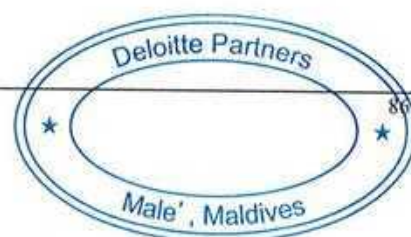
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.18 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance contract balances:

Insurance contracts

Analysis by measurement component – contracts not measured under the PAA:

	Individual life (Indirect participating)			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total 2023
Opening liabilities	(25,002,762)	(120,059)	(4,611,950)	(29,734,771)
Opening assets	-	-	-	-
Net opening balance	(25,002,762)	(120,059)	(4,611,950)	(29,734,771)
Changes related to current services				
CSM recognized in profit and loss	-	-	2,333,881	2,333,881
Risk adjustment recognized in profit and loss	-	55,554	-	55,554
Experience adjustments	790,721	-	-	790,721
	790,721	55,554	2,333,881	3,180,156
Changes related to future services				
Contracts initially recognized in the period	558,630	(60,096)	(498,534)	-
Changes in estimates that adjust CSM	(2,562,567)	58,959	2,503,607	-
Changes in estimates that result in onerous contracts or reversal of losses	(5,376,083)	-	-	(5,376,083)
	(7,380,020)	(1,137)	2,005,073	(5,376,084)
Insurance service result	(6,589,300)	54,418	4,338,954	(2,195,927)
Insurance finance expenses/income related to interest accretion	30,895	-	(238,374)	(207,479)
Insurance finance expenses/income related to time value of money adjustment	90,874	-	-	90,874
Total changes in the statement of profit or loss and OCI	(6,467,530)	54,418	4,100,579	(2,312,532)
Cashflows				
Premium received	(5,294,940)	-	-	(5,294,940)
Claims and other directly attributable expenses paid	3,527,552	-	-	3,527,552
Insurance acquisition cash flows	32,961	-	-	32,961
Total	(1,734,427)	-	-	(1,734,427)
Transfer to other items in the statement of financial position	(566,896)	-	-	(566,896)
Net closing balance	(33,771,616)	(65,641)	(511,370)	(34,348,627)
Closing liabilities	(33,771,616)	(65,641)	(511,370)	(34,348,627)
Closing assets	-	-	-	-
Net closing balance	(33,771,616)	(65,641)	(511,370)	(34,348,627)



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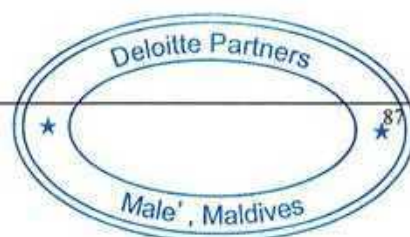
26.19 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Individual Life (Indirect participating)			Total 2023
	Excluding loss component	Loss component	Liabilities for incurred claims	
Opening liabilities	(29,250,173)	(97,160)	(387,438)	(29,734,771)
Opening assets	-	-	-	-
Net opening balance	(29,250,173)	(97,160)	(387,438)	(29,734,771)
Changes in the statement of profit or loss and OCI				
Insurance revenue	3,985,921	-	-	3,985,921
Insurance service expenses				
Incurred benefits and other directly attributable expenses	-	-	(772,804)	(772,804)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(5,376,083)	-	(5,376,083)
Amortisation of insurance acquisition cash flows	(32,961)	-	-	(32,961)
Impairment of acquisition cost asset	-	-	-	-
	(32,961)	(5,376,083)	(772,804)	(6,181,849)
Insurance service result	3,952,959	(5,376,083)	(772,804)	(2,195,927)
Insurance finance expenses	(116,605)	-	-	(116,605)
Total changes in the statement of profit or loss and OCI	3,836,354	(5,376,083)	(772,804)	(2,312,533)
Investment component	3,735,332	-	(3,735,332)	-
Cashflows				
Premium received	(5,294,940)	-	-	(5,294,940)
Claims and other directly attributable expenses paid	-	-	3,527,552	3,527,552
Insurance acquisition cash flows	32,961	-	-	32,961
Total	(5,261,979)	-	3,527,552	(1,734,428)
Transfer to other items in the statement of Financial Position	-	-	(566,896)	(566,896)
Net closing balance	(26,940,467)	(5,473,243)	(1,934,919)	(34,348,627)
Closing liabilities	(26,940,467)	(5,473,243)	(1,934,919)	(34,348,627)
Closing assets	-	-	-	-
Net closing balance	(26,940,467)	(5,473,243)	(1,934,919)	(34,348,627)



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26.20 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Insurance contracts

Analysis by measurement component – contracts not measured under the PAA:

	Individual life (Non-Participating)			Total 2023
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	(225,390)	(146,810)	(1,443,802)	(1,816,001)
Opening assets	-	-	-	-
Net opening balance	(225,390)	(146,810)	(1,443,802)	(1,816,001)
Changes related to current services				
CSM recognized in profit and loss	-	-	495,160	495,160
Risk adjustment recognized in profit and loss	-	38,938	-	38,938
Experience adjustments	107,488	-	-	107,488
	107,488	38,938	495,160	641,586
Changes related to future services				
Contracts initially recognized in the period	25,652	(892)	(24,759)	-
Changes in estimates that adjust CSM	(348,636)	46,052	302,583	-
Changes in estimates that result in onerous contracts or reversal of losses	(27,939)	-	-	(27,939)
	(350,923)	45,160	277,824	(27,939)
Changes that relate to past service				
Amortise of expected amounts	-	-	-	-
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance service result	(243,435)	84,098	772,984	613,647
Insurance finance expenses related to interest accretion	(5,060)	-	(60,546)	(65,606)
Insurance finance income related to time value of money adjustment	1,278	-	-	1,278
Total changes in the statement of profit or loss and OCI	(247,217)	84,098	712,438	549,319
Cashflows				
Premium received	(43,256)	-	-	(43,256)
Claims and other directly attributable expenses paid	6,313	-	-	6,313
Insurance acquisition cash flows	269	-	-	269
Total	(36,673)	-	-	(36,673)
Net closing balance	(509,280)	(62,712)	(731,364)	(1,303,357)
Closing liabilities	(509,280)	(62,712)	(731,364)	(1,303,357)
Closing assets	-	-	-	-
Net closing balance	(509,280)	(62,712)	(731,364)	(1,303,357)

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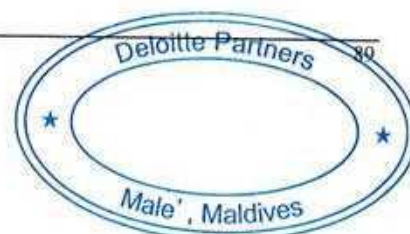
26.21 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis by remaining coverage and incurred claims - Contracts measured under PAA

	Individual life (Non-participating)				Total 2023
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment	Risk adjustment (RA)	
Opening liabilities	-	-	(579,047)	-	(579,047)
Opening assets	500,624	-	-	-	500,624
Net opening balance	500,624	-	(579,047)	-	(78,423)
Changes in the statement of profit or loss and OCI					
Insurance revenue	3,882,304	-	-	-	3,882,304
Insurance service expenses					
Incurred claims and other expenses					
Incurred and paid during the year	-	-	-	-	-
Incurred in CY, LIC at end-CY	-	-	489,047	-	489,047
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(541,420)	-	(541,420)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows - commission on written premium	(372,594)	-	-	-	(372,594)
Past service: changes to liabilities for incurred claims					
Paid during the year	-	-	-	-	-
Change in LIC in CY	-	-	-	-	-
	(372,594)	-	(52,373)	-	(424,968)
Insurance service result	3,509,709	-	(52,373)	-	3,457,336
Insurance finance expenses/income	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	3,509,709	-	(52,373)	-	3,457,336
Investment component	-	-	-	-	-
Cashflows					
Premium received	(4,317,578)	-	-	-	(4,317,578)
Claims paid	-	-	-	-	-
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	541,421	-	541,421
Insurance acquisition cash flows	341,679	-	-	-	341,679
Total	(3,975,899)	-	541,421	-	(3,434,478)
Net closing balance	34,434	-	(90,000)	-	(55,566)
Closing liabilities	-	-	(90,000)	-	(90,000)
Closing assets	34,434	-	-	-	34,434
Net closing balance	34,434	-	(90,000)	-	(55,566)



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INSURANCE AND REINSURANCE CONTRACTS - Life

26.22 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

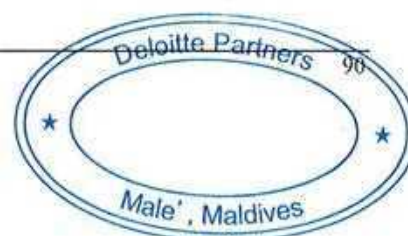
	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2023
Insurance revenue	(4,125,495)	(508,595)	(4,634,090)
CSM as at 1 January	(1,518,058)	(4,537,693)	(6,055,751)
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	599,481	2,229,559	2,829,040
Changes that relate to future service			
Changes in estimates that adjust the CSM	245,628	2,560,562	2,806,190
Contracts initially recognised in the period	(523,293)	-	(523,293)
	321,816	4,790,121	5,111,937
Finance income / expenses from insurance contracts issued	(86,340)	(212,580)	(298,920)
Total amounts recognised in comprehensive income	235,476	4,577,541	4,813,017
CSM as at 31 December	(1,282,582)	39,847	(1,242,735)

26.23 Impact of contracts recognised in the year

Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2023
Estimates of the present value of future cash outflows			-
Insurance acquisition cash flows	(14,608)		(14,608)
Claims and other directly attributable expenses	(1,690,235)		(1,690,235)
Claims and other directly attributable expenses	(1,704,843)	-	(1,704,843)
Claims and other directly attributable expenses	2,289,124		2,289,124
Risk adjustment for non-financial risk	(60,988)		(60,988)
Contractual service margin	(523,293)		(523,293)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-



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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2023

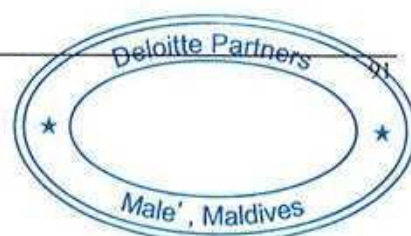
26.24 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Insurance contracts

Analysis of liabilities for remaining coverage and incurred claims

	Individual life (Non-participating)			Total 2022
	Liabilities for remaining	Liabilities for		
	Excluding loss component	Loss component	incurred claims	
Opening liabilities	(2,123,598)	-	-	(2,123,598)
Opening assets	-	-	-	-
Net opening balance	(2,123,598)	-	-	(2,123,598)
Changes in the statement of profit or loss and OCI				
Insurance revenue	1,183,335	-	-	1,183,335
Insurance service expenses				
Incurred benefits and expenses	-	-	(86,285)	(86,285)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	-	-	-	-
Impairment of acquisition cost asset	(3,665)	-	-	(3,665)
	(3,665)	-	(86,285)	(89,950)
Insurance service result	1,179,670	-	(86,285)	1,093,385
Insurance finance expenses	(111,941)	-	-	(111,941)
Total changes in the statement of profit or loss and OCI	1,067,729	-	(86,285)	981,444
Investment component	-	-	-	-
Cashflows				
Premium received	(763,797)	-	-	(763,797)
Claims paid	-	-	86,285	86,285
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	3,665	-	-	3,665
Total	(760,132)	-	86,285	(673,847)
Net closing balance	(1,816,001)	-	-	(1,816,001)
Closing liabilities	(1,816,001)	-	-	(1,816,001)
Closing assets	-	-	-	-
Net closing balance	(1,816,001)	-	-	(1,816,001)



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26.25 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance contract balances

Insurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life (Indirect participating)			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total 2022
Opening liabilities	(21,785,774)	(125,524)	(12,600,049)	(34,511,347)
Opening assets	-	-	-	-
Net opening balance	(21,785,774)	(125,524)	(12,600,049)	(34,511,347)
Changes related to current services				
CSM recognized in profit and loss	-	-	6,616,903	6,616,903
Risk adjustment recognized in profit and loss	-	34,589	-	34,589
Experience adjustments	900,941	-	-	900,941
	900,941	34,589	6,616,903	7,552,433
Changes related to future services				
Contracts initially recognized in the period	803,267	(67,653)	(735,614)	-
Changes in estimates that adjust CSM	(2,769,831)	38,529	2,731,302	-
Changes in estimates that result in onerous contracts or reversal of losses	(97,160)	-	-	(97,160)
	(2,063,725)	(29,124)	1,995,689	(97,160)
Changes that relate to past service				
Amortize of expected amounts	-	-	-	-
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance Service Result	(1,162,783)	5,466	8,612,591	7,455,274
Insurance finance expenses related to interest accretion	105,433	-	(624,492)	(519,059)
Insurance finance income related to time value of money adjustment	118,673	-	-	118,673
Total changes in the statement of profit or loss and OCI	(938,678)	5,465	7,988,099	7,054,886
Cashflows				
Premium received	(5,688,261)	-	-	(5,688,261)
Claims and other directly attributable expenses paid	3,382,659	-	-	3,382,659
Insurance acquisition cash flows	27,293	-	-	27,293
Total	(2,278,310)	-	-	(2,278,310)
Transfer to other items in the statement of financial position	-	-	-	-
Net closing balance	(25,002,762)	(120,059)	(4,611,949)	(29,734,771)
Closing liabilities	(25,002,762)	(120,059)	(4,611,949)	(29,734,771)
Closing assets	-	-	-	-
Net closing balance	(25,002,762)	(120,059)	(4,611,949)	(29,734,771)

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26.26 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liabilities for remaining coverage and incurred claims

	Individual life (Indirect participating)			Total 2022
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component		
Opening liabilities	(34,201,218)	-	(310,129)	(34,511,347)
Opening assets	-	-	-	-
Net opening balance	(34,201,218)	-	(310,129)	(34,511,347)
Changes in the statement of profit or loss and OCI				
Insurance revenue	8,347,119	-	-	8,347,119
Insurance service expenses				
Incurred benefits and other directly attributable expenses	-	-	(767,394)	(767,394)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(97,160)	-	(97,160)
Amortisation of insurance acquisition cash flows	(27,293)	-	-	(27,293)
Impairment of acquisition cost asset	-	-	-	-
	(27,293)	(97,160)	(767,394)	(891,847)
Insurance service result	8,319,825	(97,160)	(767,394)	7,455,272
Insurance finance expenses	(400,386)	-	-	(400,386)
Total changes in the statement of profit or loss and OCI	7,919,439	(97,160)	(767,394)	7,054,886
Investment component	2,692,575	-	(2,692,575)	-
Cashflows				
Premium received	(5,688,261)	-	-	(5,688,261)
Claims paid	-	-	3,382,659	3,382,659
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	27,293	-	-	27,293
Total	(5,660,969)	-	3,382,659	(2,278,310)
Transfer to other items in the statement of Financial Position	-	-	-	-
Net closing balance	(29,250,173)	(97,160)	(387,439)	(29,734,771)
Closing liabilities	(29,250,173)	(97,160)	(387,439)	(29,734,771)
Closing assets	-	-	-	-
Net closing balance	(29,250,173)	(97,160)	(387,439)	(29,734,771)

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FOR THE YEAR ENDED 31ST DECEMBER 2023

26.27 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Insurance contracts

Analysis by measurement component – contracts not measured under the PAA:

	Individual Life (Non-Participating)			Total 2022
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	(296,289)	(109,780)	(1,717,530)	(2,123,598)
Opening assets	-	-	-	-
Net opening balance	(296,289)	(109,780)	(1,717,530)	(2,123,598)
Changes related to current services				
CSM recognised in profit and loss	-	-	977,803	977,803
Risk adjustment recognized in profit and loss	-	42,679	-	42,679
Experience adjustments	72,902	-	-	72,902
	72,902	42,679	977,803	1,093,385
Changes related to future services				
Contracts initially recognized in the period	641,558	(43,350)	(598,208)	-
Changes in estimates that adjust CSM	33,670	(36,360)	2,690	-
Changes in estimates that result in onerous contracts or reversal of losses	-	-	-	-
	675,227	(79,709)	(595,518)	-
Changes that relate to past service				
Amortise of expected amounts	-	-	-	-
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance service result	748,130	(37,030)	382,285	1,093,385
Insurance finance expenses related to interest accretion	(4,041)	-	(108,558)	(112,599)
Insurance finance income related to time value of money adjustment	658	-	-	658
	744,746	(37,030)	273,727	981,444
Total changes in the statement of profit or loss and OCI	744,746	(37,030)	273,727	981,444
Cashflows				
Premium received	(763,797)	-	-	(763,797)
Claims and other directly attributable expenses paid	86,285	-	-	86,285
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	3,665	-	-	3,665
Total	(673,847)	-	-	(673,847)
Net closing balance	(225,390)	(146,810)	(1,443,802)	(1,816,001)
Closing liabilities	(225,390)	(146,810)	(1,443,802)	(1,816,001)
Closing assets	-	-	-	-
Net closing balance	(225,390)	(146,810)	(1,443,802)	(1,816,001)

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26.28 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liabilities for remaining coverage and incurred claims

	Individual life (Non-participating)				Total 2022
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment	Risk adjustment (RA)	
Opening liabilities	(1,148,080)	-	(1,839,020)	-	(2,987,100)
Opening assets	-	-	-	-	-
Net opening balance	(1,148,080)	-	(1,839,020)	-	(2,987,100)
Changes in the statement of profit or loss and OCI					
Insurance revenue	4,235,602	-	-	-	4,235,602
Insurance service expenses					
Incurred claims and other expenses					
Incurred and paid during the year	-	-	(4,262,121)	-	(4,262,121)
Incurred in CY, LIC at end-CY	-	-	1,259,973	-	1,259,973
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	409,993	-	409,993
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows - commission on written premium	(272,030)	-	-	-	(272,030)
Past service: changes to liabilities for incurred claims					
Paid during the year	-	-	-	-	-
Change in LIC in CY	-	-	-	-	-
	(272,030)	-	(2,592,155)	-	(2,864,185)
Insurance service result	3,963,572	-	(2,592,155)	-	1,371,417
Insurance finance expenses/income	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	3,963,572	-	(2,592,155)	-	1,371,417
Investment component	-	-	-	-	-
Cashflows					
Premium received	(2,614,737)	-	-	-	(2,614,737)
Claims paid	-	-	4,262,121	-	4,262,121
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	(409,993)	-	(409,993)
Insurance acquisition cash flows	299,870	-	-	-	299,870
Total	(2,314,867)	-	3,852,128	-	1,537,260
Net closing balance	500,624	-	(579,047)	-	(78,423)
Closing liabilities	-	-	(579,047)	-	(579,047)
Closing assets	500,624	-	-	-	500,624
Net closing balance	500,624	-	(579,047)	-	(78,423)

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INSURANCE AND REINSURANCE CONTRACTS - Life

26.29 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2022
Insurance revenue	(41,846)	(10,545,078)	(10,586,925)
CSM as at 1 January	(451,795)	(13,865,784)	(14,317,578)
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	306,239	7,288,467	7,594,706
Changes that relate to future service			
Changes in estimates that adjust the CSM	44,113	2,689,880	2,733,993
Contracts initially recognised in the period	(1,333,821)	-	(1,333,821)
	(983,469)	9,978,347	8,994,878
Finance income / expenses from insurance contracts issued	(82,794)	(650,257)	(733,050)
Total amounts recognised in comprehensive income	(1,066,263)	9,328,090	8,261,828
CSM as at 31 December	(1,518,058)	(4,537,693)	(6,055,751)

26.30 Impact of contracts recognised in the year

Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2022
Estimates of the present value of future cash outflows	-	-	-
Insurance acquisition cash flows	(19,087)	-	(19,087)
Claims and other directly attributable expenses	(3,394,641)	-	(3,394,641)
Claims and other directly attributable expenses	(3,413,727)	-	(3,413,727)
Claims and other directly attributable expenses	4,858,551	-	4,858,551
Risk adjustment for non-financial risk	(111,003)	-	(111,003)
Contractual service margin	(1,333,821)	-	(1,333,821)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

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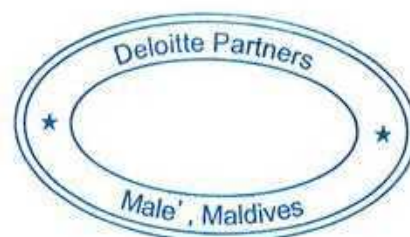
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.31 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	Individual life (Participating)		
	Assets for	Assets for	Total 2023
Opening liabilities	(26,248)	-	(26,248)
Opening assets	-	-	-
Net opening balance	(26,248)	-	(26,248)
Net Income (expenses) from reinsurance contracts held			
Re - insurance expenses	(14,668)	-	(14,668)
Other Incurred directly attributable expenses	-	-	-
Claims recovered	-	-	-
Changes that relate to past service -adjustments to incurred claims	-	-	-
Changes that relate to future service -changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-
Interest accreted to reinsurance contracts	67	-	67
	67	-	67
Net Income (expenses) from re-insurance contracts held	(14,601)	-	(14,601)
Finance income from re insurance contracts held	99	-	99
Total changes in the statement of profit or loss and OCI	(14,501)	-	(14,501)
Investment component	-	-	-
Other changes	-	-	-
Cashflows			
Premiums paid net of ceding commissions and other directly attributable expenses paid	17,989	-	17,989
Recoveries from re insurance	-	-	-
Total	17,989	-	17,989
Net closing balance	(22,760)	-	(22,760)
Closing liabilities	(22,760)	-	(22,760)
Closing assets	-	-	-
Net closing balance	(22,760)	-	(22,760)



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26.32 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component – contracts not measured under the PAA:

	Individual life (Participating)			Total 2023
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	(45,834)	11,490	8,096	(26,248)
Opening assets	-	-	-	-
Net opening balance	(45,834)	11,490	8,096	(26,248)
Changes related to current services				
CSM recognised in profit and loss for the services provided	-	-	1,226	1,226
Changes in the risk adjustments for non - financial risk for the risk expired	-	(4,781)	-	(4,781)
Experience adjustments	(11,113)	-	-	(11,113)
	(11,113)	(4,781)	1,226	(14,668)
Changes related to future services				
Contracts initially recognized in the period	(2,462)	1,470	992	-
Changes in estimates that adjust CSM changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	2,786	4,727	(7,513)	-
	-	-	-	-
	324	6,197	(6,521)	-
Changes that relate to past service				
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance service result	(10,788)	1,416	(5,295)	(14,668)
Effect of changes in the risk of reinsurers non-performance	67	-	-	67
Net Income (expenses) from re -insurance contracts held	(10,721)	1,416	(5,295)	(14,601)
Finance income (expenses) from re -insurance contracts held	(325)	-	425	99
Total changes in the statement of profit or loss and OCI	(11,046)	1,416	(4,871)	(14,501)
Cashflows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	17,989	-	-	17,989
Recoveries from re-insurance	-	-	-	-
Total	17,989	-	-	17,989
Net closing balance	(38,891)	12,906	3,226	(22,760)
Closing liabilities	(38,891)	12,906	3,226	(22,760)
Closing assets	-	-	-	-
Net closing balance	(38,891)	12,906	3,226	(22,760)

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26.33 INSURANCE AND REINSURANCE CONTRACTS - Life
Movements in insurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	Individual life (Non-Participating)		
	Assets for remaining coverage	Assets for incurred claims	Total 2023
Opening liabilities	-	-	-
Opening assets	-	2,114,854	2,114,854
Net opening balance	-	2,114,854	2,114,854
Net Income (Expenses) from reinsurance contracts held			
Re - Insurance Expenses	(175,731)	-	(175,731)
Other incurred directly attributable expenses	-	-	-
Claims recovered	-	-	-
Changes that relate to past service -adjustments to incurred claims	-	-	-
Changes that relate to future service -changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-
Effect of changes in the risk of re-insurers non performance	-	-	-
Net Income (expenses) from re-insurance contracts held	(175,731)	-	(175,731)
Finance income from re insurance contracts held	-	-	-
Total changes in the statement of profit or loss and OCI	(175,731)	-	(175,731)
Investment component	-	-	-
Other changes	-	-	-
Cashflows			
Premiums paid net of ceding commissions and other directly attributable expenses paid	175,731	-	175,731
Recoveries from re insurance	-	-	-
Total	175,731	-	175,731
Net closing balance	-	2,114,854	2,114,854
Closing liabilities	-	-	-
Closing assets	-	2,114,854	2,114,854
Net closing balance	-	2,114,854	2,114,854

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26.34 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component – contracts not measured under the PAA:

	Individual life (Non participating)					
	Assets for remaining coverage	Assets for incurred claims	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total 2023
Opening liabilities	(126,698)	-	(315,424)	236,691	(47,965)	(126,698)
Opening assets	-	-	-	-	-	-
Net opening balance	(126,698)	-	(315,424)	236,691	(47,965)	(126,698)
Changes related to current services						
CSM recognized in profit and loss for the services provided	-	-	-	-	31,859	31,859
changes in the risk adjustments for non - financial risk for the risk expired	-	-	-	(130,389)	-	(130,389)
Experience adjustments	-	-	(134,264)	-	-	(134,264)
Net expense from reinsurance contracts held	(232,794)	-	(134,264)	(130,389)	31,859	(232,794)
Changes related to future services						
Contracts initially recognized in the period	-	-	(3,674)	1,883	1,791	-
Changes in estimates that adjust CSM	-	-	(40,577)	12,862	27,715	-
changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-	-
	-	-	(44,251)	14,745	29,506	-
Changes that relate to past service						
Changes that relate to past service adjustments to LIC	-	-	-	-	-	-
	-	-	-	-	-	-
Insurance service result	-	-	(178,515)	(115,644)	61,365	(232,794)
Interest accreted to reinsurance contracts	484	-	484	-	-	484
Net Income (expenses) from re-insurance contracts held	(232,311)	-	(178,031)	(115,644)	61,365	(232,311)
Finance income (expenses) From re -insurance contracts held	(4,656)	-	(2,493)	-	(2,163)	(4,656)
Total changes in the statement of profit or loss and OCI	(236,967)	-	(180,525)	(115,644)	59,202	(236,967)
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	190,535	-	190,535	-	-	190,535
Recoveries from re-insurance	-	-	-	-	-	-
Total	190,535	-	190,535	-	-	190,535
Net closing balance	(173,129)	-	(305,413)	121,047	11,237	(173,130)
Closing liabilities	(173,129)	-	(305,413)	121,047	11,237	(173,130)
Closing assets	-	-	-	-	-	-
Net closing balance	(173,129)	-	(305,413)	121,047	11,237	(173,130)

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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.35 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

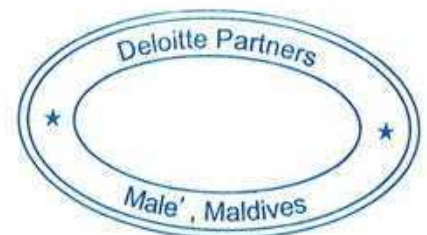
	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2023
CSM as at 1 January	(104,255)	64,387	(39,868)
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	58,089	(25,004)	33,085
Changes that relate to future service			
Changes in estimates that adjust the CSM	44,141	(23,471)	20,670
Contracts initially recognised in the period	2,875	-	2,875
	105,105	(48,475)	56,630
Finance income / expenses from insurance contracts issued	(4,757)	3,018	(1,738)
Total amounts recognised in comprehensive income	100,349	(45,457)	54,892
CSM as at 31 December	(3,907)	18,930	15,023

26.36 Impact of contracts recognised in the year

Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2023
Estimates of the present value of future cash outflows	18,858		18,858
Insurance acquisition cash flows	(24,993)		(24,993)
Claims and other directly attributable expenses	3,260		3,260
Claims and other directly attributable expenses	(2,875)	-	(2,875)



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26.37 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component –

Contracts not measured under the PAA:

	Individual life (Indirect participating)					
	Assets for remaining coverage	Assets for incurred claims	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total 2022
Opening liabilities	-	-	-	-	-	-
Opening assets	-	-	(48,491)	9,029	39,462	-
Net opening balance	-	-	(48,491)	9,029	39,462	-
Changes related to current services						
CSM recognized in profit and loss for the services provided	-	-	-	-	(27,726)	(27,726)
changes in the risk adjustments for non - financial risk for the risk expired	-	-	-	(4,792)	-	(4,792)
Experience adjustments	-	-	(10,445)	-	-	(10,445)
Re - insurance expenses	(42,962)	-	(10,445)	(4,792)	(27,726)	(42,962)
Changes related to future services						
Contracts initially recognized in the period	-	-	(1,265)	2,714	(1,449)	-
Changes in estimates that adjust CSM	-	-	(566)	4,538	(3,972)	-
changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-	-
	-	-	(1,830)	7,252	(5,422)	-
Changes that relate to past service						
Changes that relate to past service adjustments to LIC	-	-	-	-	-	-
Insurance service result	(42,962)	-	(12,275)	2,460	(33,148)	(42,962)
Effect of changes in the risk of reinsures non - performance	(2,327)	-	(2,327)	-	-	(2,327)
Net Income (expenses) from re -insurance contracts held	(45,289)	-	(14,602)	2,460	(33,148)	(45,289)
Finance income (expenses) from re -insurance contracts held	1,918	-	136	-	1,782	1,918
Total changes in the statement of profit or loss and OCI	(43,370)	-	(14,466)	2,460	(31,366)	(43,371)
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	17,123	-	17,123	-	-	17,123
Recoveries from re-insurance	-	-	-	-	-	-
Total	17,123	-	17,123	-	-	17,123
Net closing balance	(26,247)	-	(45,834)	11,490	8,096	(26,248)
Closing liabilities	(26,247)	-	(45,834)	11,490	8,096	(26,248)
Closing assets	-	-	-	-	-	-
Net closing balance	(26,247)	-	(45,834)	11,490	8,096	(26,248)

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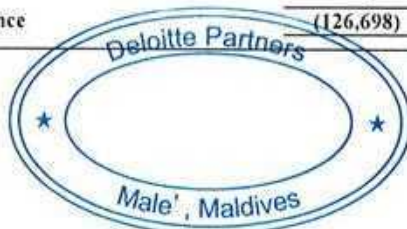
26.38 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual Life (Non Participating)					
	Assets for Remaining coverage	Assets for Incurred Claims	Estimates of PV of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total 2022
Opening liabilities	(16,266)	-	(504,260)	193,671	294,323	(16,266)
Opening assets	-	-	-	-	-	-
Net opening balance	(16,266)	-	(504,260)	193,671	294,323	(16,266)
Changes related to current services						
CSM recognized in profit and loss for the services provided	-	-	-	-	(154,307)	(154,307)
changes in the risk adjustments for non - financial risk for the risk expired	-	-	-	(35,908)	-	(35,908)
Experience adjustments	-	-	(137,145)	-	-	(137,145)
Re - insurance expenses	(327,360)	-	(137,145)	(35,908)	(154,307)	(327,360)
Changes related to future services						
Contracts initially recognized in the period	-	-	(61,750)	64,237	(2,487)	-
Changes in estimates that adjust CSM changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	184,484	14,691	(199,175)	-
	-	-	-	-	-	-
	-	-	122,734	78,928	(201,662)	-
Changes that relate to past service						
Changes that relate to past service adjustments to LIC	-	-	-	-	-	-
Insurance Service Result	(327,360)	-	(14,411)	43,020	(355,969)	(327,360)
Effect of changes in the risk of reinsured non - performance	440	-	440	-	-	440
Net Income (Expenses) from re -insurance contracts held	(326,920)	-	(13,971)	43,020	(355,969)	(326,920)
Finance income (Expenses) From re -insurance contracts held	20,278	-	6,597	-	13,681	20,278
Total changes in the statement of profit or loss and OCI	(306,642)	-	(7,374)	43,020	(342,288)	(306,642)
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	196,210	-	196,210	-	-	196,210
Recoveries from re-insurance	-	-	-	-	-	-
Total	196,210	-	196,210	-	-	196,210
Net closing balance	(126,698)	-	(315,424)	236,691	(47,965)	(126,698)
Closing liabilities	(126,698)	-	(315,424)	236,691	(47,965)	(126,698)
Closing assets	-	-	-	-	-	-
Net Closing Balance	(126,698)	-	(315,424)	236,691	(47,965)	(126,698)



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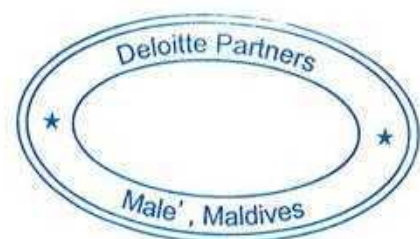
26.39 INSURANCE AND REINSURANCE CONTRACTS - Life

Movements in insurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	Individual life (Non-participating)		
	Assets for remaining coverage	Assets for incurred claims	Total 2022
Opening liabilities	-	-	-
Opening assets	-	501,643	501,643
Net opening balance	-	501,643	501,643
Net income (expenses) from reinsurance contracts held			
Re - insurance expenses	(313,778)	1,613,211	1,299,433
Other Incurred directly attributable expenses	-	-	-
Claims recovered	-	-	-
Changes that relate to past service -adjustments to incurred claims	-	-	-
Changes that relate to future service -changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-
Effect of changes in the risk of re-insurers non performance	-	-	-
	-	-	-
Net income (expenses) from re-insurance contracts held	(313,778)	1,613,211	1,299,433
Finance income from re insurance contracts held	-	-	-
Total changes in the statement of profit or loss and OCI	(313,778)	1,613,211	1,299,433
Investment component	-	-	-
Other changes	-	-	-
Cashflows			
Premiums paid net of ceding commissions and other directly attributable expenses paid	313,778	-	313,778
Recoveries from re insurance	-	-	-
Total	313,778	-	313,778
Net closing balance	-	2,114,854	2,114,854
Closing liabilities	-	-	-
Closing assets	-	2,114,854	2,114,854
Net closing balance	-	2,114,854	2,114,854



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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.40 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

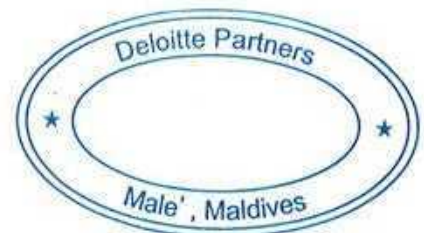
	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2022
CSM as at 1 January	195,408	138,378	333,786
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	(102,041)	(79,992)	(182,033)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(202,661)	(486)	(203,147)
Contracts initially recognised in the period	(3,936)	-	(3,936)
	<u>(308,639)</u>	<u>(80,478)</u>	<u>(389,117)</u>
Finance income / expenses from insurance contracts issued	8,975	6,487	15,462
Total amounts recognised in comprehensive income	<u>(299,663)</u>	<u>(73,991)</u>	<u>(373,655)</u>
CSM as at 31 December	(104,255)	64,387	(39,869)

26.41 Impact of contracts recognised in the year

Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2022
Estimates of the present value of future cash outflows	363,070		363,070
Insurance acquisition cash flows	(426,085)		(426,085)
Claims and other directly attributable expenses	66,951		66,951
Claims and other directly attributable expenses	<u>3,937</u>	<u>-</u>	<u>3,937</u>

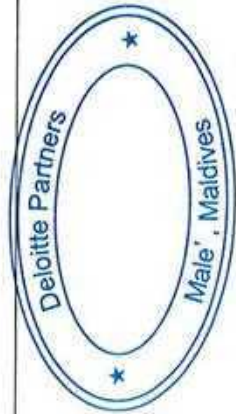


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26.42 INSURANCE AND REINSURANCE CONTRACTS -

	Fire	Engineering	Liability	Workmen's compensation	Miscellaneous	Health	Marine	Unallocated Surplus	Total
31 December 2023									
Insurance contracts									
Insurance contract balances									
- Insurance contract liabilities	(11,643,585)	(386,820)	(20,165)	(12,460)	(612,518)	(15,848,969)	(4,124,355)	(12,616,888)	(45,265,761)
- Insurance contract assets	(11,643,585)	(386,820)	(20,165)	(12,460)	(612,518)	(15,848,969)	(4,124,355)	(12,616,888)	(45,265,761)
Reinsurance contracts									
- Reinsurance contract liabilities	-	(33,063)	-	-	-	(236,777)	-	-	(269,840)
- Reinsurance contract assets	3,480,149	-	5,693	-	272,684	638,837	2,558,504	-	6,955,867
	3,480,149	(33,063)	5,693	-	272,684	402,060	2,558,504	-	6,686,027
31 December 2022									
Insurance contracts									
Insurance contract balances									
- Insurance contract liabilities	(9,821,942)	(735,914)	(11,492)	(5,305)	(858,824)	(6,695,490)	(6,984,945)	(18,091,719)	(43,205,632)
- Insurance contract assets	(9,821,942)	(735,914)	(11,492)	(5,305)	(858,824)	(6,695,490)	(6,984,945)	(18,091,719)	(43,205,632)
Reinsurance contracts									
- Reinsurance contract liabilities	-	-	-	-	(452,183)	-	-	-	(452,183)
- Reinsurance contract assets	2,271,001	85,425	2,014	-	155,410	9,969	8,887,567	-	11,411,385
	2,271,001	85,425	2,014	-	(296,773)	9,969	8,887,567	-	10,959,202
1 January 2022									
Insurance contracts									
Insurance contract balances									
- Insurance contract liabilities	(8,121,871)	(560,313)	(5,760)	(8,078)	(729,327)	(2,981,536)	(3,932,075)	(23,285,281)	(39,624,240)
- Insurance contract assets	(8,121,871)	(560,313)	(5,760)	(8,078)	(729,327)	(2,981,536)	(3,932,075)	(23,285,281)	(39,624,240)
Reinsurance contracts									
- Reinsurance contract liabilities	2,624,094	13,749	2,173	-	136,866	24,994	1,660,221	-	4,462,097
- Reinsurance contract assets	-	-	-	-	(59,122)	(46,772)	-	-	(105,895)
	2,624,094	13,749	2,173	-	77,744	(21,778)	1,660,221	-	4,356,202



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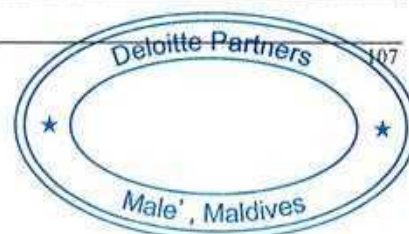
26.43 INSURANCE AND REINSURANCE CONTRACTS (continued)

Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	General Takaful				Total 2023
	Liabilities for remaining		Liabilities for incurred Claims		
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	
Opening liabilities	(17,256,068)	-	(7,430,582)	(427,263)	(25,113,913)
Opening assets	-	-	-	-	-
Net opening balance	(17,256,068)	-	(7,430,582)	(427,263)	(25,113,913)
Changes in the statement of profit or loss and OCI					
Insurance revenue	60,487,158	-	-	-	60,487,158
Insurance service expenses					
Incurred claims and other expenses					
Incurred in CY, Paid in CY	-	-	(15,990,030)	-	(15,990,030)
Incurred in CY, LIC at end-CY	-	-	(3,646,163)	(80,967)	(3,727,130)
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(3,830,704)	-	(3,830,704)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows - Commission on written premium	(3,921,418)	-	-	-	(3,921,418)
Past service: changes to liabilities for incurred claims					
Paid during the year	-	-	(9,382,220)	-	(9,382,220)
Change in LIC in CY	-	-	(1,700,272)	447,350	(1,252,922)
	(3,921,418)	-	(34,549,389)	366,383	(38,104,425)
Insurance service result	56,565,740	-	(34,549,389)	366,383	22,382,733
Insurance finance expenses/income	-	-	(346,132)	(20,087)	(366,219)
Total changes in the statement of profit or loss and OCI	56,565,740	-	(34,895,522)	346,296	22,016,514
Investment component	649,167	-	(649,167)	-	-
Cashflows					
Premium received	(64,316,233)	-	-	-	(64,316,233)
Claims paid	-	-	26,021,418	-	26,021,418
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	3,830,704	-	3,830,704
Insurance acquisition cash flows	4,912,637	-	-	-	4,912,637
Total	(59,403,596)	-	29,852,122	-	(29,551,475)
Net closing balance	(19,444,757)	-	(13,123,149)	(80,967)	(32,648,873)
Closing liabilities	(19,444,757)	-	(13,123,149)	(80,967)	(32,648,873)
Closing assets	-	-	-	-	-
Net closing balance	(19,444,757)	-	(13,123,149)	(80,967)	(32,648,873)



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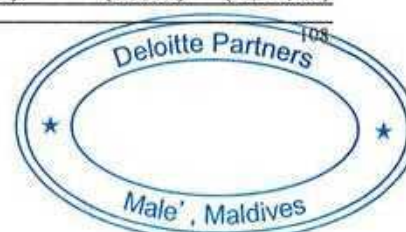
26.44 INSURANCE AND REINSURANCE CONTRACTS (continued)

Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Liabilities for remaining		General Takaful Liabilities for incurred Claims		Total 2022
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	
Opening liabilities	(11,157,914)	-	(4,901,473)	(279,572)	(16,338,959)
Opening assets	-	-	-	-	-
Net opening balance	(11,157,914)	-	(4,901,473)	(279,572)	(16,338,959)
Changes in the statement of profit or loss and OCI					
Insurance revenue	36,147,104	-	-	-	36,147,104
Insurance service expenses					
Incurred claims and other expenses					
Incurred in CY, Paid in CY	-	-	(15,892,882)	-	(15,892,882)
Incurred in CY, LIC at end-CY	-	-	(7,102,928)	(427,263)	(7,530,191)
Directly attributable expenses, excluding insurance acquisition cash flows	-	-	(2,981,441)	-	(2,981,441)
Insurance acquisition cash flows on new contracts & amortization of insurance acquisition cash flows - Commission on written premium	(3,163,633)	-	-	-	(3,163,633)
Future service: losses on onerous contracts and reversals of those losses					
Losses on new onerous contracts	-	-	-	-	-
Reversal of losses on existing onerous contracts - Reversal / amortization of losses following an assumed pattern	-	-	-	-	-
Reversal of losses on existing onerous contracts - Change in assumptions affecting onerosity	-	-	-	-	-
Past service: changes to liabilities for incurred claims					
Paid during the year	-	-	(5,657,327)	-	(5,657,327)
Change in LIC in CY	-	-	4,811,084	293,114	5,104,198
	(3,163,633)	-	(26,823,495)	(134,149)	(30,121,277)
Insurance service result	32,983,471	-	(26,823,495)	(134,149)	6,025,827
Insurance finance expenses	-	-	(237,264)	(13,542)	(250,806)
Total changes in the statement of profit or loss and OCI	32,983,471	-	(27,060,759)	(147,691)	5,775,021
Investment Component	1,007,089	-	(1,007,089)	-	-
Cashflows					
Premium received	(43,416,642)	-	-	-	(43,416,642)
Claims paid	-	-	22,557,298	-	22,557,298
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	2,981,441	-	2,981,441
Insurance acquisition cash flows	3,327,928	-	-	-	3,327,928
Total	(40,088,714)	-	25,538,739	-	(14,549,975)
Net closing balance	(17,256,068)	-	(7,430,582)	(427,263)	(25,113,913)
Closing liabilities	(17,256,068)	-	(7,430,582)	(427,263)	(25,113,913)
Closing assets	-	-	-	-	-
Net Closing Balance	(17,256,068)	-	(7,430,582)	(427,263)	(25,113,913)



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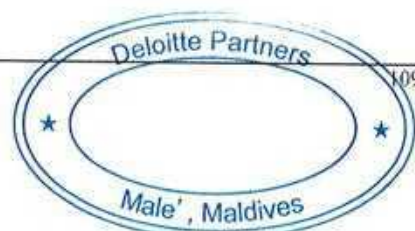
26.45 INSURANCE AND REINSURANCE CONTRACTS (continued)

Movements in reinsurance and reinsurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	General Takaful					Total 2023
	Assets for remaining		Assets for incurred Claims			
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	Non-Performance Loss	
Opening liabilities	(452,183)	-	-	-	-	(452,183)
Opening assets	2,345,904	-	8,981,294	183,083	(98,895)	11,411,385
Net opening balance	1,893,720	-	8,981,294	183,083	(98,895)	10,959,202
Changes in the statement of profit or loss and OCI						
Reinsurance Premium Earned	(21,406,934)	-	-	-	-	(21,406,934)
Insurance Commission Earned	6,725,035	-	-	-	-	6,725,035
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	1,079	1,079
Incurred claims and other expenses						
Incurred in CY, Paid in CY	-	-	749,017	-	-	749,017
Incurred in CY, LIC at end-CY	-	-	2,548,159	72,169	-	2,620,328
Past service: changes to liabilities for incurred claims						
Paid during the year	-	-	782,882	-	-	782,882
Change in LIC in CY	-	-	(2,725,390)	(191,658)	-	(2,917,049)
	-	-	1,354,667	(119,489)	1,079	1,236,257
Net income (expenses) from reinsurance contracts held	(14,681,899)	-	1,354,667	(119,489)	1,079	(13,445,642)
Reinsurance finance income	-	-	123,335	8,575	-	131,910
Total changes in the statement of profit or loss and OCI	(14,681,899)	-	1,478,002	(110,914)	1,079	(13,313,733)
Investment component	-	-	-	-	-	-
Cashflows						
Premium paid	16,311,088	-	-	-	-	16,311,088
Claims received	-	-	(7,270,532)	-	-	(7,270,532)
Total	16,311,088	-	(7,270,532)	-	-	9,040,557
Net closing balance	3,522,910	-	3,188,764	72,169	(97,817)	6,686,027
Closing liabilities	(269,840)	-	-	-	-	(269,840)
Closing assets	3,792,750	-	3,188,764	72,169	(97,817)	6,955,867
Net closing balance	3,522,910	-	3,188,764	72,169	(97,817)	6,686,027



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26.46 INSURANCE AND REINSURANCE CONTRACTS (continued)

Movements in reinsurance and reinsurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	General Takaful					Total 2022
	Assets for remaining		Assets for incurred claims			
	Excluding loss component	Loss component	Excluding risk adjustment (RA)	Risk adjustment (RA)	Non-performance loss	
Opening liabilities	2,336,294	-	2,117,826	105,661	(97,684)	4,462,097
Opening assets	(105,895)	-	-	-	-	(105,895)
Net opening balance	2,230,399	-	2,117,826	105,661	(97,684)	4,356,202
Changes in the statement of profit or loss and OCI						
Reinsurance premium earned	(17,906,310)	-	-	-	-	(17,906,310)
Insurance commission earned	5,625,421	-	-	-	-	5,625,421
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	(1,211)	(1,211)
Incurred claims and other expenses						
Incurred in CY, Paid in CY	-	-	6,394,755	-	-	6,394,755
Incurred in CY, LIC at end-CY	-	-	2,470,460	183,083	-	2,653,543
Past service: changes to liabilities for incurred claims						
Paid during the year	-	-	2,165,944	-	-	2,165,944
Change in LIC in CY	-	-	(1,791,424)	(110,768)	-	(1,902,192)
	-	-	9,239,735	72,315	(1,211)	9,310,839
Net income (expenses) from reinsurance contracts held	(12,280,888)	-	9,239,735	72,315	(1,211)	(2,970,050)
Reinsurance finance income	-	-	90,078	5,107	-	95,185
Total changes in the statement of profit or loss and OCI	(12,280,888)	-	9,329,813	77,423	(1,211)	(2,874,864)
Investment component	-	-	-	-	-	-
Cashflows						
Premium paid	11,944,209	-	-	-	-	11,944,209
Claims received	-	-	(2,466,345)	-	-	(2,466,345)
Total	11,944,209	-	(2,466,345)	-	-	9,477,864
Net closing balance	1,893,720	-	8,981,294	183,083	(98,895)	10,959,202
Closing liabilities	(452,183)	-	-	-	-	(452,183)
Closing assets	2,345,904	-	8,981,294	183,083	(98,895)	11,411,385
Net closing balance	1,893,720	-	8,981,294	183,083	(98,895)	10,959,202

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26.47 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Individual life (Direct Participating)			Total 2023
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component		
Opening liabilities	(8,043,680)	-	-	(8,043,680)
Opening assets	-	-	-	-
Net opening balance	(8,043,680)	-	-	(8,043,680)
Changes in the statement of profit or loss and OCI				
Insurance revenue	2,685,811	-	-	2,685,811
Insurance service expenses				
Incurred benefits and other directly attributable expenses	-	-	(103,723)	(103,723)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	(53,249)	-	-	(53,249)
Impairment of acquisition cost asset	-	-	-	-
	(53,249)	-	(103,723)	(156,972)
Insurance service result	2,632,562	-	(103,723)	2,528,839
Insurance finance expenses/income	(87,187)	-	-	(87,187)
Total changes in the statement of profit or loss and OCI	2,545,376	-	(103,723)	2,441,653
Investment component	562,860	-	(562,860)	-
Cashflows				
Premium received	(2,077,284)	-	-	(2,077,284)
Claims and other directly attributable expense paid	-	-	666,583	666,583
Insurance acquisition cash flows	53,249	-	-	53,249
Total	(2,024,035)	-	666,583	(1,357,452)
Net closing balance	(6,959,479)	-	-	(6,959,479)
Closing liabilities	(6,959,479)	-	-	(6,959,479)
Closing assets	-	-	-	-
Net closing balance	(6,959,479)	-	-	(6,959,479)

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26.48 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

Movements in insurance contract balances

Insurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life (Participating)			Total 2023
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	(1,959,796)	(1,567,381)	(4,516,503)	(8,043,680)
Opening assets	-	-	-	-
Net opening balance	(1,959,796)	(1,567,381)	(4,516,503)	(8,043,680)
Changes related to current services				
CSM recognised in profit and loss	-	-	2,398,039	2,398,039
Risk adjustment recognised in profit and loss	-	552,434	-	552,434
Experience adjustments	(421,633)	-	-	(421,633)
	(421,633)	552,434	2,398,039	2,528,839
Changes related to future services				
Contracts initially recognised in the period	1,834,191	(562,144)	(1,272,047)	-
Changes in estimates that adjust CSM	1,128,708	(13,368)	(1,115,340)	-
Changes in estimates that result in onerous contracts or reversal of losses	-	-	-	-
	2,962,899	(575,512)	(2,387,387)	-
Changes that relate to past service				
Amortise of Expected Amounts	-	-	-	-
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance service result	2,541,266	(23,078)	10,652	2,528,839
Insurance finance expenses/income related to interest accretion	(84,290)	-	(2,897)	(87,187)
Insurance finance expenses/income related to time value of money adjustment	-	-	-	-
Total changes in the statement of profit or loss and OCI	2,456,976	(23,078)	7,755	2,441,653
Cashflows				
Premium received	(2,077,284)	-	-	(2,077,284)
Claims and other directly attributable expenses paid	666,583	-	-	666,583
Insurance acquisition cash flows	53,249	-	-	53,249
Total	(1,357,452)	-	-	(1,357,452)
Net closing balance	(860,272)	(1,590,459)	(4,508,748)	(6,959,479)
Closing liabilities	(860,272)	(1,590,459)	(4,508,748)	(6,959,479)
Closing assets	-	-	-	-
Net closing balance	(860,272)	(1,590,459)	(4,508,748)	(6,959,479)

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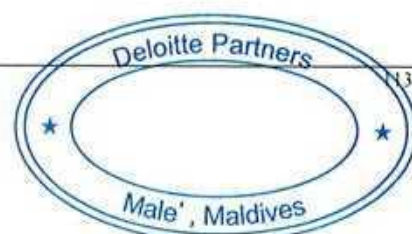
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.49 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Individual life (Non-participating)			Total 2023
	Excluding loss component	Loss component	Liabilities for incurred claims	
Opening liabilities	(122,452)	-	-	(122,452)
Opening assets	-	-	-	-
Net opening balance	(122,452)	-	-	(122,452)
Changes in the statement of profit or loss and OCI				
Insurance revenue	438,754	-	-	438,754
Insurance service expenses				
Incurred benefits and expenses	-	-	-	-
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	(213)	-	-	(213)
Impairment of acquisition cost asset	-	-	-	-
	(213)	-	-	(213)
Insurance service result	438,542	-	-	438,542
Insurance finance expenses/income	-	-	-	-
Total changes in the statement of profit or loss and OCI	438,542	-	-	438,542
Investment component	-	-	-	-
Cashflows				
Premium received	10,685	-	-	10,685
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	211	-	-	211
Total	10,897	-	-	10,897
Net closing balance	326,987	-	-	326,987
Closing liabilities	-	-	-	-
Closing assets	326,987	-	-	326,987
Net closing balance	326,987	-	-	326,987



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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.50 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

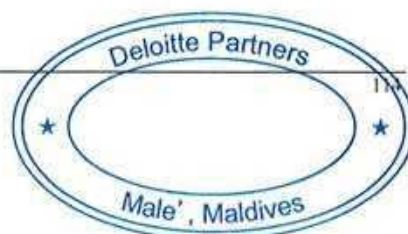
	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2023
Insurance revenue	(5,879)	(2,679,932)	(2,685,811)
CSM as at 1 January	(640,604)	(3,875,899)	(4,516,503)
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	200,922	2,197,117	2,398,039
Changes that relate to future service			
Changes in estimates that adjust the CSM	(798,350)	(316,990)	(1,115,340)
Contracts initially recognised in the period	(1,272,047)	-	(1,272,047)
	(1,869,475)	1,880,127	10,652
Finance income / expenses from insurance contracts issued	(501)	(2,396)	(2,897)
Total amounts recognised in comprehensive income	(1,869,976)	1,877,731	7,755
CSM as at 31 December	(2,510,580)	(1,998,168)	(4,508,748)

26.51 Impact of contracts recognised in the year

Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2023
Estimates of the present value of future cash outflows	-	-	-
Insurance acquisition cash flows	(228,235)	-	(228,235)
Claims and other directly attributable expenses	(13,493,095)	-	(13,493,095)
Claims and other directly attributable expenses	(13,721,330)	-	(13,721,330)
Claims and other directly attributable expenses	15,555,521	-	15,555,521
Risk adjustment for non-financial risk	(562,144)	-	(562,144)
Contractual service margin	(1,272,047)	-	(1,272,047)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-



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26.52 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

Movements in insurance and reinsurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Individual life (Participating)			Total 2022
	Liabilities for remaining coverage	Loss component	Liabilities for incurred claims	
	Excluding loss component	Loss component		
Opening liabilities	(8,043,449)	-	-	(8,043,449)
Opening assets	-	-	-	-
Net opening balance	(8,043,449)	-	-	(8,043,449)
Changes in the statement of profit or loss and OCI				
Insurance revenue	2,323,866	-	-	2,323,866
Insurance service expenses				
Incurred benefits and other directly attributable expenses	-	-	(97,437)	(97,437)
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	(51,733)	-	-	(51,733)
Impairment of acquisition cost asset	-	-	-	-
	(51,733)	-	(97,437)	(149,170)
Insurance service result	2,272,133	-	(97,437)	2,174,696
Insurance finance expenses	(751,516)	-	-	(751,516)
Total changes in the statement of profit or loss and OCI	1,520,617	-	(97,437)	1,423,180
Investment component	45,163	-	(45,163)	-
Cashflows				
Premium received	(1,617,743)	-	-	(1,617,743)
Claims paid	-	-	142,600	142,600
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	51,732	-	-	51,733
Total	(1,566,010)	-	142,600	(1,423,410)
Net closing balance	(8,043,680)	-	-	(8,043,680)
Closing liabilities	(8,043,680)	-	-	(8,043,680)
Closing assets	-	-	-	-
Net closing balance	(8,043,680)	-	-	(8,043,680)

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26.53 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Insurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life (Participating)			Total 2022
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	(647,767)	(1,268,705)	(6,126,978)	(8,043,449)
Opening assets	-	-	-	-
Net opening balance	(647,767)	(1,268,705)	(6,126,978)	(8,043,449)
Changes related to current services				
CSM recognized in profit and loss	-	-	2,018,707	2,018,707
Risk adjustment recognized in profit and loss	-	395,856	-	395,856
Experience adjustments	(239,867)	-	-	(239,867)
	(239,867)	395,856	2,018,707	2,174,696
Changes related to future services				
Contracts initially recognized in the period	269,990	(72,899)	(197,091)	-
Changes in estimates that adjust CSM	757,622	(621,632)	(135,990)	-
Changes in estimates that result in onerous contracts or reversal of losses	-	-	-	-
	1,027,612	(694,532)	(333,081)	-
Changes that relate to past service				
Amortize of Expected Amounts	-	-	-	-
Changes that relate to past service adjustments to LIC	-	-	-	-
Insurance service result	787,745	(298,676)	1,685,626	2,174,696
Insurance finance expenses/income related to interest accretion	(676,364)	-	(75,152)	(751,516)
Insurance finance expenses/income related to time value of money adjustment	-	-	-	-
Total changes in the statement of profit or loss and OCI	111,381	(298,676)	1,610,475	1,423,180
Cashflows				
Premium received	(1,617,743)	-	-	(1,617,743)
Claims and other directly attributable expenses paid	142,600	-	-	142,600
Insurance acquisition cash flows	51,733	-	-	51,733
Total	(1,423,410)	-	-	(1,423,410)
Net closing balance	(1,959,796)	(1,567,381)	(4,516,503)	(8,043,680)
Closing liabilities	(1,959,796)	(1,567,381)	(4,516,503)	(8,043,680)
Closing assets	-	-	-	-
Net closing balance	(1,959,796)	(1,567,381)	(4,516,503)	(8,043,680)

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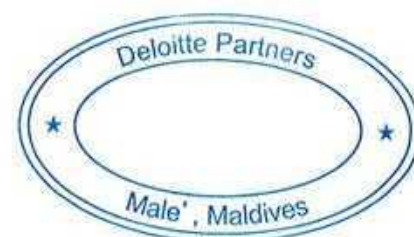
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26.54 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Insurance contracts

Analysis of liability for remaining coverage and incurred claims

	Individual life (Non-participating)			Total 2022
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component		
Opening liabilities	(138,671)	-	-	(138,671)
Opening assets	-	-	-	-
Net opening balance	(138,671)	-	-	(138,671)
Changes in the statement of profit or loss and OCI				
Insurance revenue	422,128	-	-	422,128
Insurance service expenses				
Incurred benefits and expenses	-	-	-	-
Changes that relate to past service - adjustments to LIC	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Amortisation of insurance acquisition cash flows	(35)	-	-	(35)
Impairment of acquisition cost asset	-	-	-	-
	(35)	-	-	(35)
Insurance service result	422,093	-	-	422,093
Insurance finance expenses/income	-	-	-	-
Total changes in the statement of profit or loss and OCI	422,093	-	-	422,093
Investmen component	-	-	-	-
Cashflows				
Premium received	(405,906)	-	-	(405,906)
Directly attributable expenses paid (excluding insurance acquisition cash flows)	-	-	-	-
Insurance acquisition cash flows	32	-	-	32
Total	(405,874)	-	-	(405,874)
Net closing balance	(122,452)	-	-	(122,452)
Closing liabilities	(122,452)	-	-	(122,452)
Closing assets	-	-	-	-
Net closing balance	(122,452)	-	-	(122,452)



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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.55 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

Individual life

	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2022
Insurance revenue	(42,434)	(2,281,432)	(2,323,866)
CSM as at 1 January	(407,483)	(5,719,495)	(6,126,978)
Changes that relate to current service			
CSM recognised in profit or loss for the services provided	61,747	1,956,960	2,018,707
Changes that relate to future service			
Changes in estimates that adjust the CSM	(96,692)	(39,298)	(135,990)
Contracts initially recognised in the period	(197,091)	-	(197,091)
	(232,036)	1,917,662	1,685,626
Finance income / expenses from insurance contracts issued	(1,085)	(74,066)	(75,152)
Total amounts recognised in comprehensive income	(233,122)	1,843,596	1,610,475
CSM as at 31 December	(640,604)	(3,875,899)	(4,516,503)

26.56 Impact of contracts recognised in the year

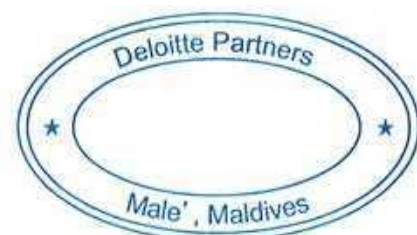
Individual life

Insurance contracts

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2022
Estimates of the present value of future cash outflows	-	-	-
Insurance acquisition cash flows	(14,969)	-	(14,969)
Claims and other directly attributable expenses	(2,076,824)	-	(2,076,824)
Claims and other directly attributable expenses	(2,091,792)	-	(2,091,792)
Claims and other directly attributable expenses	2,361,782	-	2,361,782
Risk adjustment for non-financial risk	(72,899)	-	(72,899)
Contractual service margin	(197,091)	-	(197,091)
Increase in insurance contract liabilities from contracts recognised in the period	-	-	-

26.57 Policyholder risk fund movement

	2023	2022
Opening balance	(880,929)	(611,463)
During the year transfer	(374,757)	(269,466)
Closing balance	(1,255,686)	(880,930)



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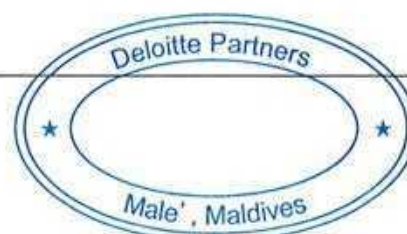
26.58 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual Life (Participating)					Total 2023
	Assets for remaining coverage	Assets for incurred claims	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	-	-	-	-	-	-
Opening assets	81,494	-	117,812	724	(37,042)	81,494
Net opening balance	81,494	-	117,812	724	(37,042)	81,494
Changes related to current services						
CSM recognized in profit and loss for the services provided changes in the risk adjustments for non - financial risk for the risk expired	-	-	-	-	14,090	14,090
Experience adjustments	-	-	(29,990)	-	-	(29,990)
Re - insurance expenses	(16,011)	-	(29,990)	(111)	14,090	(16,011)
Changes related to future services						
Contracts initially recognized in the period	-	-	56,183	149	(56,332)	-
Changes in estimates that adjust CSM changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	(27,316)	493	26,823	-
	-	-	-	-	-	-
	-	-	28,867	642	(29,509)	-
Changes that relate to past service						
Changes that relate to past service adjustments to LIC	-	-	-	-	-	-
Insurance service result	(16,011)	-	(1,123)	531	(15,420)	(16,011)
Effect of changes in the risk of reinsures non - performance	(338)	-	(338)	-	-	(338)
Net income (expenses) from re -insurance contracts held	(16,349)	-	(1,461)	531	(15,420)	(16,349)
Finance income/(expenses) from re -insurance contracts held	(4,068)	-	229	-	(4,297)	(4,068)
Total changes in the statement of profit or loss and OCI	(20,417)	-	(1,232)	531	(19,717)	(20,417)
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	22,161	-	22,161	-	-	22,161
Recoveries from re-insurance	-	-	-	-	-	-
Total	22,161	-	22,161	-	-	22,161
Net closing balance	83,238	-	138,741	1,255	(56,759)	83,238
Closing liabilities	-	-	-	-	-	-
Closing assets	83,238	-	138,741	1,255	(56,759)	83,238
Net closing balance	83,238	-	138,741	1,255	(56,759)	83,238



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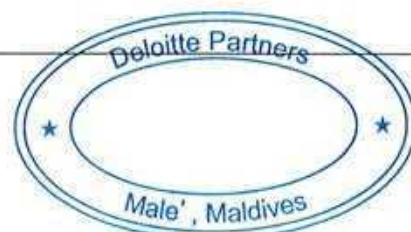
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26.59 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	Individual life (Non-participating)		
	Assets for remaining coverage	Assets for incurred claims	Total 2023
Opening liabilities	5,724	-	5,724
Opening assets	-	-	-
Net opening balance	5,724	-	5,724
Net income (expenses) from reinsurance contracts held			
Re - insurance expenses	(56,839)	-	(56,839)
Other incurred directly attributable expenses	-	-	-
Claims recovered	-	-	-
Changes that relate to past service -adjustments to incurred claims	-	-	-
Changes that relate to future service -changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-
Effect of changes in the risk of re-insurers non performance	-	-	-
	-	-	-
Net income (expenses) from re-insurance contracts held	(56,839)	-	(56,839)
Finance income from re insurance contracts held	-	-	-
Total changes in the statement of profit or loss and OCI	(56,839)	-	(56,839)
Investment component	-	-	-
Other changes	-	-	-
Cashflows			
Premiums paid net of ceding commissions and other directly attributable expenses paid	69,269	-	69,269
Recoveries from re insurance	-	-	-
Total	69,269	-	69,269
Net closing balance	18,154	-	18,154
Closing liabilities	-	-	-
Closing assets	18,154	-	18,154
Net closing balance	18,154	-	18,154



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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.60 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

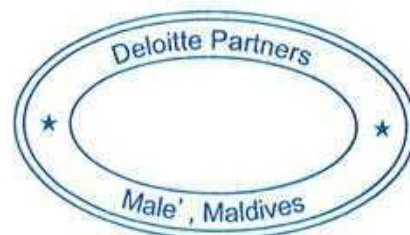
Individual Life

	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2023
CSM as at 1 January	(19,263)	(17,779)	(37,042)
Changes that relate to current service			
CSM recognized in profit or loss for the services received	7,608	6,481	14,090
Changes that relate to future service			
Changes in estimates that adjust the CSM	7,558	19,265	26,823
Contracts initially recognised in the period	(56,332)	-	(56,332)
	(41,166)	25,746	(15,420)
Finance income / expenses from insurance contracts issued	-	-	-
Total amounts recognised in comprehensive income	(41,166)	25,746	(15,420)
CSM as at 31 December	(60,428)	7,967	(52,461)

26.61 Impact of contracts recognised in the year

Individual life

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2023
Estimates of the present value of future cash inflows	150,064	-	150,064
Estimates of the present value of future cash outflows	(93,881)	-	(93,881)
Risk adjustment for non-financial risk	149	-	149
Contractual service margin	(56,332)	-	(56,332)



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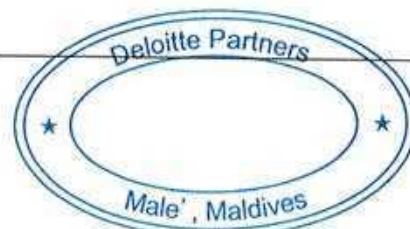
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.62 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Reinsurance contracts

Analysis by measurement component – Contracts not measured under the PAA:

	Individual life (Participating)					Total 2022
	Assets for remaining coverage	Assets for incurred claims	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	
Opening liabilities	-	-	-	-	-	-
Opening assets	77,373	-	113,346	-	(35,974)	77,373
Net opening balance	77,373	-	113,346	-	(35,974)	77,373
Changes related to current services						
CSM recognized in profit and loss for the services provided	-	-	-	-	10,295	10,295
changes in the risk adjustments for non - financial risk for the risk expired	-	-	-	(62)	-	(62)
Experience adjustments	-	-	(23,865)	-	-	(23,865)
Re - insurance expenses	(13,632)	-	(23,865)	(62)	10,295	(13,632)
Changes related to future services						
Contracts initially recognized in the period	-	-	8,074	786	(8,860)	-
Changes in estimates that adjust CSM	-	-	401	-	(401)	-
changed in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-	-
	-	-	8,475	786	(9,261)	-
Changes that relate to past service						
Changes that relate to past service adjustments to LIC	-	-	-	-	-	-
Insurance service result	(13,632)	-	(15,389)	724	1,034	(13,632)
Effect of changes in the risk of reinsures non - performance	(503)	-	(503)	-	-	(503)
Net income (expenses) from re -insurance contracts held	(14,135)	-	(15,892)	724	1,034	(14,135)
Finance income (expenses) From re -insurance contracts held	(1,818)	-	284	-	(2,102)	(1,818)
Total changes in the statement of profit or loss and OCI	(15,953)	-	(15,608)	724	(1,068)	(15,953)
Cashflows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	20,074	-	20,074	-	-	20,074
Recoveries from re-insurance	-	-	-	-	-	-
Total	20,074	-	20,074	-	-	20,074
Net closing balance	81,494	-	117,812	724	(37,042)	81,494
Closing liabilities	-	-	-	-	-	-
Closing assets	81,494	-	117,812	724	(37,042)	81,494
Net closing balance	81,494	-	117,812	724	(37,042)	81,494



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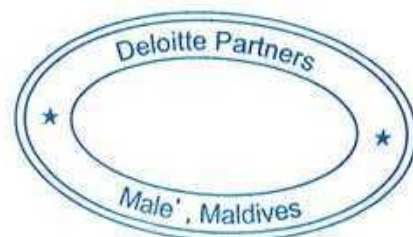
FOR THE YEAR ENDED 31ST DECEMBER 2023

26.63 INSURANCE AND REINSURANCE CONTRACTS - Family Takaful
Movements in insurance contract balances

Reinsurance contracts

Analysis of assets for remaining coverage and incurred claims

	Individual Life (Non Participating)		
	Assets for remaining coverage	Assets for incurred claims	Total 2022
Opening liabilities	-	-	-
Opening assets	9,154	-	9,154
Net opening balance	9,154	-	9,154
Net Income (Expenses) from reinsurance contracts held			
Re - Insurance Expenses	(41,397)	-	(41,397)
Other Incurred directly attributable expenses	-	-	-
Claims Recovered	-	-	-
Changes that relate to past service -adjustments to incurred claims	-	-	-
Changes that relate to future service -changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-
Effect of changes in the risk of re-insurers non performance	-	-	-
Net Income (Expenses) from re-insurance contracts held	(41,397)	-	(41,397)
Finance income from re insurance contracts held	-	-	-
Total changes in the statement of profit or loss and OCI	(41,397)	-	(41,397)
Investment Component	-	-	-
Other Changes	-	-	-
Cashflows			
Premiums paid net of ceding commissions and other directly attributable expenses paid	37,967	-	37,967
Recoveries from re insurance	-	-	-
Total	37,967	-	37,967
Net closing balance	5,724	-	5,724
Closing liabilities	5,724	-	5,724
Closing assets	-	-	-
Net Closing Balance	5,724	-	5,724



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INSURANCE AND REINSURANCE CONTRACTS - Family Takaful

26.64 Amounts determined on transition to IFRS 17

Reinsurance contracts (continued)

Insurance revenue and the CSM by transition method - direct participating contracts issued

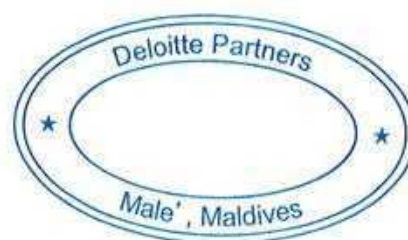
Individual life

	New contracts and full retrospective approach contracts at transition	Modified retrospective approach contracts at transition	Total 2022
CSM as at 1 January	(11,213)	(24,760)	(35,974)
Changes that relate to current service			
CSM recognized in profit or loss for the services received	2,027	8,268	10,295
Changes that relate to future service			
Changes in estimates that adjust the CSM	(275)	(126)	(401)
Contracts initially recognised in the period	(8,860)	-	(8,860)
	(7,109)	8,142	1,034
Finance income / expenses from insurance contracts issued	(941)	(1,161)	(2,102)
Total amounts recognised in comprehensive income	(8,050)	6,981	(1,068)
CSM as at 31 December	(19,263)	(17,779)	(37,042)

26.65 Impact of contracts recognised in the year

Individual life

	Contracts with no net gain at origin	Contracts with net gain at origin	Total 2022
Estimates of the present value of future cash inflows	21,412	-	21,412
Estimates of the present value of future cash outflows	(13,337)	-	(13,337)
Risk adjustment for non-financial risk	786	-	786
Contractual service margin	(8,860)	-	(8,860)



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FOR THE YEAR ENDED 31ST DECEMBER 2023

27 OTHER FINANCIAL INVESTMENTS

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
Investment in treasury bills	1,175,567,416	1,079,358,445	848,100,000	848,100,000
Corporate bonds	68,529,367	67,499,656	-	-
Investment in term deposit	370,449,251	395,312,042	259,620,000	263,475,000
Less: Expected credit loss (Note 27.1)	(2,003,926)	(1,448,086)	-	-
	1,612,542,108	1,540,722,057	1,107,720,000	1,111,575,000
As at 1st January	1,540,722,057	531,769,608	1,111,575,000	109,275,000
Purchased during the year	237,131,248	1,574,999,458	15,420,000	1,452,300,000
Matured during the year	(180,184,705)	(568,315,187)	(19,275,000)	(450,000,000)
Add: Interest receivable during the year	15,429,348	3,716,264	-	-
Less: Expected credit loss	(555,840)	(1,448,086)	-	-
As at 31st December	1,612,542,107	1,540,722,057	1,107,720,000	1,111,575,000
Non - current financial investments	1,176,265,016	1,155,954,802	1,017,720,000	1,021,575,000
Current financial investments	436,277,092	384,767,255	90,000,000	90,000,000
27.1 Provision for impairment on other financial investments				
As at 1st January	1,448,086	17,830	-	-
Written off during the year	-	-	-	-
Provision made during the year	555,840	1,430,256	-	-
As at 31st December	2,003,926	1,448,086	-	-

27.2 During the year, the Company has invested in SBI of MVR 15,420,000.00 (2022: NIL) at an interest of 3.0% with a maturity period of 12 months, and made no additional investment in Habib Bank Limited (2022: MVR 154,200,000).

27.3 During the year the company has not invested in additional treasury bills (2022: MVR 848,100,000 at the rate of Term SOFR plus 5.48%, with a maturity period of 3 years) in Ministry of Finance.

27.4 The Group has invested MVR 322,729,983/- (2022: MVR 227,413,030/-) in treasury bills issued by the Ministry of Finance for a maturity value of MVR 330,974,000/- (2022: MVR 234,970,000/-) at the rate of interest ranging from 3.5% to 4.6% per annum (2022: 3.5% to 4.6% per annum) with the maturity period of 28 days to 364 days (2022: 28 days to 364 days).

27.5 During the year, the Group has made an investment of MVR 51,152,604/- (2022: MVR 62,473,444/-) in the short term and long-term corporate bonds / sukuk by Housing Development Finance Corporation PLC at the interest rate ranging from 6.0% to 7.0% (2022: 7.0% per annum) with a maturity period of 2 to 10 years (2022: 2 to 10 years). The Group made an additional investment during the year of MVR 15,000,000/- in fixed term bond issued by Maldives Ports Limited at interest rate of 7.00% per annum with maturity period of 7 years.

27.6 Moreover, investment of MVR 16,000,000/- (2022: MVR 16,000,000/-) in Bank of Maldives Islamic, General Investment Account at the rate of 4.0% (2022: 3.90% per annum) with a maturity period of one year (2022: 1 year) was maintained.

28 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
Favorable balances				
Cash in hand	7,414,225	12,322,739	3,288,684	5,985,615
Balances at banks	856,692,689	1,303,713,282	659,752,105	1,081,460,940
Short-term financial instruments	876,794,328	51,040,000	822,657,000	30,840,000
Impairment on bank balances (Note 28.1)	(5,187,008)	(3,970,256)	(4,618,192)	(2,533,829)
	1,735,714,234	1,363,105,765	1,481,079,597	1,115,752,726
Unfavorable balances				
Bank overdrafts	(144,100,930)	(730,000,116)	(140,993,019)	(82,821,283)
	1,591,613,304	633,105,649	1,340,086,578	1,032,931,443
Cash and cash equivalents for the purpose of cash flow statement				

28.1 Provision for impairment on bank balance

As at 1st January	3,970,256	3,486,349	2,533,829	2,533,829
Provision made during the year	1,216,752	483,907	2,084,363	-
As at 31st December	5,187,008	3,970,256	4,618,192	2,533,829

28.2 During the year, the Company has invested in short term deposit of MVR 177,330,000 (2022: NIL) in Habib Bank Limited at the rate of interest ranging from 3.0% to 3.25% with a maturity period of 1 to 6 months, an additional investment in Habib Bank Limited (Singapore) of MVR 77,100,000 (2022: MVR 30,840,000) at an interest rate ranging from 4.15% to 4.68% with a maturity period of 3 to 6 months, investments in HSBC of MVR 151,887,000 (2022: NIL) at an interest rate of 3.0% with a maturity period of 1 to 3 months, additional investments in ITFC of MVR 154,200,000.00 (2022: NIL) at an interest rate of 5.65% with a maturity period of 3 to 6 months, and additional investments in MIB of MVR 262,140,000.00 (2022: NIL) at an interest rate of 3.0% with a maturity period of 3 months.

28.3 During the year, the group has made a short-term investment of MVR 54,137,328/- (2022: MVR 20,200,000/-) in Maldives Islamic Bank, General Investment Account at the rate ranging from 2.20% to 4.0% (2022: 1.96%) with a maturity period of 3 months to 1 year were made.

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29 SHARE CAPITAL AND RESERVES

A. SHARE CAPITAL AND SHARE PREMIUM

29.1 Authorized

The authorized share capital comprises 2,000,000 (2022: 2,000,000) ordinary shares of par value of MVR 50/- per share.

Issued and fully paid

The issued and fully paid share capital comprises 1,126,910 (2022: 1,126,910) ordinary shares at a par value of MVR 50 per share (2022: MVR 50/- per share)

The above mentioned 1,126,910 shares include 26,040 shares issued at a premium of MVR 250/- per share in year 2001 and 60,870 shares issued at a premium of MVR 350/- in year 2003.

29.2 Preference shares

The share capital comprises 2 (2022: 2) redeemable preference shares of MVR 100/- each.

29.3 Dividends and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Shareholders' meetings.

29.4 Dividends per share

At the Annual General Meeting held on 30th May 2023, a dividend of MVR 77/- per share in respect of 2022 (2022: declared dividend MVR 65/- per share in respect of 2021) amounting to a total of MVR 86,772,070/- (2021: declared MVR 73,249,150/-) was declared and approved by the shareholders and accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 31st December 2023.

B. RESERVES

29.5 General reserve

20% of Profit after tax is reclassified to General reserve each year. General reserve balance will be utilized for any purpose decided by the Board of Directors.

29.6 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments until the assets are derecognized.

29.7 Claim equalization reserve

Reserve for claim equalization represents 12% of the operating profit of Allied Insurance Company of the Maldives Private Limited before taking into account other operating income of the current year. The reserve was created to meet abnormally high future claims.

29.8 Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

30 NON CONTROLLING INTEREST

	Group	
	31/12/2023	31/12/2022
	MVR	MVR
As at 1st January	22,961,361	24,228,269
Share of Profit/(loss) of subsidiary	2,614,872	(1,257,790)
Share of profit/(loss) of other comprehensive income of subsidiary	(416)	(9,118)
As at 31st December	25,575,817	22,961,361

31 LOANS AND BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
As at 1st January	4,535,839,516	2,997,616,708	4,458,721,475	2,293,713,988
Loans obtained during the year	6,472,712,455	7,479,937,484	6,476,768,124	7,479,937,484
Repayments during the year	(7,141,866,149)	(5,365,246,914)	(7,206,990,584)	(5,314,929,997)
Loans Waived off	-	(576,467,762)	-	-
Disposal of a subsidiary (Note 16.4)	(105,654,658)	-	-	-
As at 31st December	3,761,031,164	4,535,839,516	3,728,499,015	4,458,721,475
31.1 Sources of finance				
Secured loans	3,458,681,026	4,226,035,083	3,498,499,015	4,152,434,748
Unsecured loans	302,350,138	233,517,706	230,000,000	230,000,000
Corporate bond	-	76,286,727	-	76,286,727
	3,761,031,164	4,535,839,516	3,728,499,015	4,458,721,475

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31 LOANS AND BORROWINGS (CONTINUED)

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
31.2 Non - Current				
Bank borrowings	1,131,032,775	1,202,212,753	1,070,651,922	1,113,573,697
Other borrowings	91,170,461	4,343,491	-	-
Disposal of a subsidiary (Note 16.4)	(91,170,461)	-	-	-
	<u>1,131,032,775</u>	<u>1,206,556,244</u>	<u>1,070,651,922</u>	<u>1,113,573,697</u>
31.3 Current				
Bank borrowings	2,378,887,905	2,987,401,868	2,325,267,235	2,956,281,195
Other borrowings	265,594,676	265,594,676	332,579,858	312,579,858
Corporate bond	-	76,286,727	-	76,286,727
Disposal of a subsidiary (Note 16.4)	(14,484,192)	-	-	-
	<u>2,629,998,389</u>	<u>3,329,283,271</u>	<u>2,657,847,093</u>	<u>3,345,147,780</u>

31.4 Terms and repayment schedule

Source of finance	Nominal interest rate	Year of maturity	Security	Loan denominated currency	Group carrying value		Company carrying value	
					31/12/2023	31/12/2022	31/12/2023	31/12/2022
					MVR	MVR	MVR	MVR
Hongkong & Shanghai Banking Corporation	SOFR + 7%	Revolving	Government guarantee	USD	-	18,365,635	-	18,365,635
Hongkong & Shanghai Banking Corporation	SOFR + 3.76%	2024	Government guarantee	USD	48,187,500	240,937,500	48,187,500	240,937,500
Hongkong & Shanghai Banking Corporation	1 Month T-Bill Rate + 6.25%	2028	Mortgage of Property STO No 8	MVR	113,066,667	-	113,066,667	-
Allied Insurance	5.00%	Revolving	Un-secured	MVR	-	-	68,119,710	48,119,710
Habib Bank Limited	7.00%	2021	Backed by STO's assets	USD	84,149,824	18,788,823	84,149,824	18,788,823
Habib Bank Limited	28 Day T-Bill +5% / Floor of 8.5%	2024	Backed by USD 5m Deposit	MVR	77,100,000	-	77,100,000	-
State Bank of India	6.50%	35 Months	Backed by SBI term deposit	USD	-	7,930,136	-	7,930,136
Bank of Maldives	8.00%	2025	Backed by STO's assets (Supermart godown)	USD	-	43,001,346	-	43,001,346
Bank of Maldives	8.50%	2027	Backed by STO's assets (Supermart)	USD	103,225,778	133,320,222	103,225,778	133,320,222
Ministry of Finance and treasury	Profit Share 65 : 35 (7%)	2022	Un-secured	MVR	130,000,000	130,000,000	130,000,000	130,000,000
Ministry of Finance and treasury	Profit Share 60 : 40 (7.5%)	2022	Un-secured	MVR	100,000,000	100,000,000	100,000,000	100,000,000
Ministry of Finance and treasury	7.50%	2022	MIFCO assets procured / constructed under	MVR	34,460,148	34,460,148	34,460,148	34,460,148
International Islamic Trade finance corporation	2.95% + SOFR	2022	Government guarantee	USD	2,035,659,961	2,653,084,318	2,035,659,961	2,653,084,318
CFSIT Inc	Term SOFR + 5.48%	2025	Government guarantee	USD	848,100,000	848,100,000	848,100,000	848,100,000
Habib Bank Limited	SOFR + 6% (Floor rate 8%)	2027		USD	86,429,426	106,326,913	86,429,426	106,326,913
Listed corporate bond	5.25%	2023	Government	USD	-	76,286,727	-	76,286,727
Ministry of Fisheries and agriculture	Interest free	2028	Un-secured	MVR	-	3,517,706	-	-
Ministry of Fisheries and agriculture	Interest free	2024	Government guarantee	MVR	-	1,960,313	-	-
Bank of Maldives PLC	8.00%	2023	Leasehold rights of commercial plots & MIFCO assets	MVR	-	3,442,658	-	-
Bank of Maldives PLC	9.75%	2021	MIFCO vessels and government	MVR	-	535,087	-	-
Habib Bank Limited	8.00%	2026	Backed by HBL term deposit	USD	72,350,137	89,807,572	-	-
Hongkong & Shanghai Banking Corporation	6.21% + SOFR	2025	Backed by Maldives Gas properties and facilities in Thilafushi	USD	28,301,722	25,974,412	-	-
					<u>3,761,031,164</u>	<u>4,535,839,515</u>	<u>3,728,499,015</u>	<u>4,458,721,477</u>

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31 LOANS AND BORROWINGS (CONTINUED)

31.5 Bank borrowings of the Group / Company are secured by inventories, receivables, vessels, buildings, leasehold rights of commercial plots and guarantee from the Government of Maldives

31.6 During the year 2023, the Group / Company has not incurred any foreign exchange loss on borrowings (2022: nil)

31.7 This financing facilities obtained from Ministry of finance with the profit share arrangement need to be repaid within specified time period and therefore recognized as financial liability and classified under amortized cost

31.8 Maturity analysis of undiscounted loans and borrowings is as follows:

	Group		Company	
	2023	2022	2023	2022
Later than 1 year and not later than 5 years	1,160,807,961	1,206,556,244	1,100,427,108	1,113,573,697
Later than 5 years	-	-	-	-
	<u>1,160,807,961</u>	<u>1,206,556,244</u>	<u>1,100,427,108</u>	<u>1,113,573,697</u>

32 LEASE LIABILITY

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
As at 1st January	622,340,232	486,565,750	235,984,791	165,645,413
Additions during the year	20,205,099	172,992,534	11,077,932	116,039,402
Interest charge for the year (Note 9)	32,402,475	43,458,002	19,599,891	18,465,318
Interest charge for the year (Discontinued operations)	4,085,522	-	-	-
Modifications during the year (Note 19)	7,309,031	23,796,697	5,623,469	18,026,431
Interest payment	(32,402,475)	(43,458,002)	(19,599,891)	(18,465,318)
Interest payment (Discontinued operations)	(4,085,522)	-	-	-
Principal payment	(54,769,763)	(28,601,433)	(50,427,540)	(33,306,165)
Disposals during the year	(258,067,669)	(32,413,315)	(1,066,067)	(30,420,289)
Disposal of a subsidiary (Note 16.4)	(42,504,135)	-	-	-
As at 31st December	<u>294,512,795</u>	<u>622,340,232</u>	<u>201,192,585</u>	<u>235,984,791</u>
Non-current liabilities	243,467,520	497,588,067	162,931,285	185,578,149
Current liabilities	<u>51,045,275</u>	<u>124,752,165</u>	<u>38,261,300</u>	<u>50,406,642</u>

32.1

The total cash outflow for leases in 2023 for the Group was MVR 87,172,238/- (2022: MVR 72,059,435/-) and Company MVR 70,027,431/- (2022: MVR 51,771,483/-)

32.2

Lease modification for the year 2023 represents revision of lease terms without changing the underlying lease asset

32.3

The Company does not face a significant liquidity risk with regard to its lease liabilities

32.4

The security deposit of MVR 1,304,016 for leases in 2023 is held by the lessor throughout the term of the lease. The deposit is refundable to the company at the end of lease term.

32.5

Maturity analysis of undiscounted non-current lease liabilities is as follows:

	Group		Company	
	2023	2022	2023	2022
Later than 1 year and not later than 5 years	196,364,634	191,847,102	130,797,889	141,483,837
Later than 5 years	357,272,641	418,642,317	201,280,907	222,543,757
	<u>553,637,275</u>	<u>610,489,420</u>	<u>332,078,796</u>	<u>364,027,594</u>

Sensitivity of incremental borrowing rate to lease

As of 31 December 2023

(Decrease) / increase in net carrying amount of right-of-use assets

(Decrease) / increase in lease liability

(Decrease) / increase in depreciation

Increase / (decrease) in interest expense

Increase / (decrease) in total expense

	Group		Company	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
(Decrease) / increase in net carrying amount of right-of-use assets	(1,209,359)	1,266,776	(965,215)	975,652
(Decrease) / increase in lease liability	(1,246,841)	1,317,789	(901,275)	910,583
(Decrease) / increase in depreciation	(501,038)	528,717	(113,521)	114,236
Increase / (decrease) in interest expense	214,705	(221,924)	123,552	(124,539)
Increase / (decrease) in total expense	<u>(286,333)</u>	<u>306,793</u>	<u>10,032</u>	<u>(10,303)</u>

As of 31 December 2022

(Decrease) / increase in net carrying amount of right-of-use assets

(Decrease) / increase in lease liability

(Decrease) / increase in depreciation

Increase / (decrease) in interest expense

Increase / (decrease) in total expense

	Group		Company	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
(Decrease) / increase in net carrying amount of right-of-use assets	(2,352,097)	2,869,629	(1,062,515)	1,073,642
(Decrease) / increase in lease liability	(2,312,112)	2,592,444	(1,022,285)	1,032,470
(Decrease) / increase in depreciation	(411,574)	150,946	(101,237)	101,847
Increase / (decrease) in interest expense	209,337	(449,609)	122,618	(123,474)
Increase / (decrease) in total expense	<u>(202,237)</u>	<u>(298,663)</u>	<u>21,382</u>	<u>(21,627)</u>

33 DEFINED BENEFIT OBLIGATION

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
As at 1st January	143,702,723	128,975,524	55,724,125	50,354,123
Current service cost	5,405,489	7,616,306	3,449,941	3,108,035
Current service cost (Discontinued operations)	3,954,445	-	-	-
Past service cost	1,922,827	-	-	-
Interest cost	3,487,606	6,027,583	2,563,310	2,316,290
Interest cost (Discontinued operations)	3,937,983	-	-	-
Deficit/(gain) for the year	<u>7,690,741</u>	<u>4,994,391</u>	<u>3,593,313</u>	<u>1,632,514</u>
	<u>170,101,814</u>	<u>147,613,804</u>	<u>65,330,689</u>	<u>57,410,962</u>
Less: payments during the year	(5,466,765)	(3,911,081)	(1,774,770)	(1,686,837)
Less: payments during the year (Discontinued operations)	(3,866,589)	-	-	-
Disposal of a subsidiary (Note 16.4)	(71,911,067)	-	-	-
As at 31st December	<u>88,857,393</u>	<u>143,702,723</u>	<u>63,555,919</u>	<u>55,724,125</u>

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33 DEFINED BENEFIT OBLIGATION (continued)

33.1 Following amounts are recognized in profit or loss and other comprehensive income during the year in respect of retirement benefit obligation.

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
<i>Amount recognized in profit or loss</i>				
Current service cost	5,405,489	7,616,306	3,449,941	3,108,035
Past service cost	1,922,827	-	-	-
Interest cost	3,487,606	6,027,583	2,563,310	2,316,290
	10,815,922	13,643,889	6,013,251	5,424,325
<i>Amount recognized in other comprehensive income</i>				
Deficit for the year	7,690,741	4,994,391	3,593,313	1,632,514
	7,690,741	4,994,391	3,593,313	1,632,514

33.2 The Group / Company have engaged a qualified actuary to estimate the retirement benefit obligation. The projected unit credit method is used to determine the present value of the defined benefit obligation. Key assumptions used in the calculation are as follows:

	Group		Company	
	2023	2022	2023	2022
Expected salary increment	2% - 5%	2% - 5%	4.00%	4.00%
Discount rate	4.60%	4.60%	4.60%	4.60%
Staff turnover factor	10% - 20%	10% - 23%	10.00%	10.00%

33.3 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

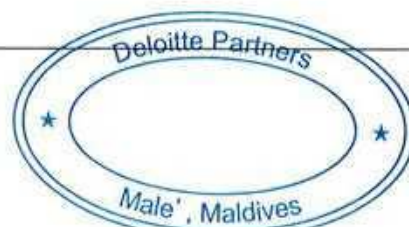
The sensitivity of the total comprehensive income and statement of financial position is the effect of the assumed changes in discount rate, expected salary increment rate and staff turnover rate to total comprehensive income and defined benefit obligation for the year.

As at 31st December 2023

	Sensitivity effect on			
	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability
	MVR	MVR	MVR	MVR
	Group		Company	
Increase in discount rate (1%)	8,415,283	(8,415,283)	4,187,054	(4,187,054)
Decrease in discount rate (1%)	(9,650,257)	9,650,257	(4,816,877)	4,816,877
Increase in expected salary increment rate (1%)	(8,989,778)	8,989,778	(4,299,718)	4,299,718
Decrease in expected salary increment rate (1%)	7,998,961	(7,998,961)	3,798,002	(3,798,002)
Increase in staff turnover rate (1%)	5,478,705	(5,478,705)	215,028	(215,028)
Decrease in staff turnover rate (1%)	(1,783,563)	1,783,563	(196,542)	196,542

As at 31st December 2022

	Sensitivity effect on			
	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability
	MVR	MVR	MVR	MVR
	Group		Company	
Increase in discount rate (1%)	8,124,310	(8,124,310)	3,720,274	(3,720,274)
Decrease in discount rate (1%)	(9,525,949)	9,525,949	(4,283,467)	4,283,467
Increase in expected salary increment rate (1%)	(8,742,759)	8,742,759	(3,817,447)	3,817,447
Decrease in expected salary increment rate (1%)	7,377,224	(7,377,224)	3,368,946	(3,368,946)
Increase in staff turnover rate (1%)	1,025,160	(1,025,160)	153,590	(153,590)
Decrease in staff turnover rate (1%)	(1,176,845)	1,176,845	(129,689)	129,689



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33 DEFINED BENEFIT OBLIGATION (CONTINUED)

33.3 Sensitivity analysis (continued)

As at 31st December 2023

Future expected working life	Group			No. of employees	Company	
	No of employees	Average future expected working life	Defined benefit obligation		Average future expected working life	Defined benefit obligation
Within the next 12 months	30	0.33 - 0.62	2,228,754	11	0.62	1,799,442
Between 1-2years	15	1.44-1.53	1,102,475	9	1.53	987,275
Between 2-5 years	644	3.79 - 4.96	19,604,255	47	3.79	7,268,274
Between 5-10 years	2,534	6.13 - 9.15	65,921,910	2,192	9.15	53,500,929
Total	3,223		88,857,394	2,259		63,555,920

As at 31st December 2022

Future expected working life	Group			No. of employees	Company	
	No of employees	Average future expected working life	Defined benefit obligation		Average future expected working life	Defined benefit obligation
Within the next 12 months	44	0.21 - 0.62	3,869,149	11	0.55	936,675
Between 1-2years	34	1.07-1.70	4,446,386	6	1.4	1,240,930
Between 2-5 years	1,095	2.28 - 4.53	73,069,614	51	3.88	6,614,023
Between 5-10 years	2,894	5.19 - 9.45	62,317,578	2,178	9.18	46,932,497
Beyond 10 years	-	10.57 - 26.9	-	-	-	-
Total	4,067		143,702,727	2,246		55,724,125

34 TRADE AND OTHER PAYABLES

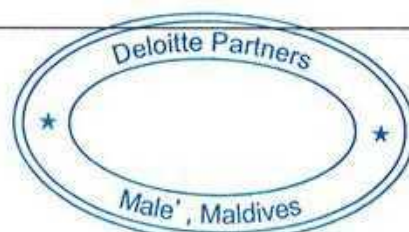
	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
Trade payables	2,785,476,697	2,581,201,631	2,621,897,363	2,292,944,873
Accrued expenses	74,189,946	56,912,475	60,522,906	40,747,039
Lease rent accrual	-	-	-	-
Dividend payable	364,964,448	295,731,242	364,964,448	293,081,242
Other payable	256,962,618	415,262,379	196,260,427	242,874,828
	3,481,593,710	3,349,107,727	3,243,645,144	2,869,647,982

34.1 Trade payables include payable to fuel vendors (mainly OQ Trading Limited) amounting MVR 2,291,754,811/- (2022: MVR 1,896,210,081), which carries an interest of 2.95% (2022: 2.7%) plus SOFR for any additional period in excess of 31 days to and including 90 days, 3.1% (2022: 3.1%) plus SOFR for any additional period from 91 days upto and including 180 days.

34.2 Other payables of the Company mainly includes advances received from customers amounting to MVR 56,147,703/- (2022: MVR 67,048,024/-) and other advances received from government amounting to MVR 84,056,396/- (2022: MVR 84,056,396/-).

35 DEFERRED INCOME

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
As at 1st January	64,438,668	44,852,249	45,875,798	47,806,652
Received during the year	16,844,625	28,139,831	11,962,800	-
Recognized during the year	(9,916,798)	(8,553,412)	(3,924,652)	(1,930,854)
Disposal of a subsidiary (Note 16.4)	(26,537,967)	-	-	-
	44,828,530	64,438,668	53,913,945	45,875,798
Analysis of deferred income				
Realize within one year	9,160,635	7,903,783	4,323,414	1,930,854
Realize after one year	35,667,894	56,534,885	49,590,531	43,944,944
	44,828,529	64,438,668	53,913,945	45,875,798



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35 DEFERRED INCOME (CONTINUED)

35.1 Deferred revenues relate to the rent received in advance from tenants and registration fees received from customers for the initial purchase of gas cylinders. Rent advances are initially recognized in liabilities as deferred income and credited to profit or loss as revenue over the period to which rent advances are related to. On receipt of the registration fees, they are included in liabilities as deferred revenue and are credited to profit or loss as revenue on a straight line basis over 5 years.

36 INSURANCE CONTRACTS

	Group		Company	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
Insurance contract liabilities (Note 26.10)	438,036,505	476,912,336	-	-
Total insurance liabilities, gross	438,036,505	476,912,336	-	-

37 REINSURANCE CONTRACTS

	Group		Company	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
Reinsurance contract liabilities (Note 26.10)	713,688	77,019,787	-	-
Total reinsurance liabilities	713,688	77,019,787	-	-

38 CURRENT TAX LIABILITIES

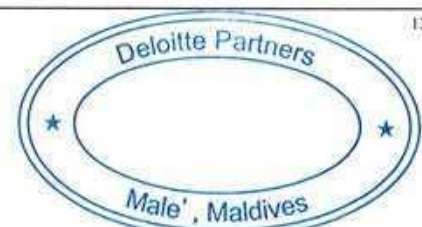
	Group		Company	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
As at 1st January	105,886,360	54,934,394	105,304,041	54,942,475
Provision for the year (Note 11)	276,867,769	168,161,734	200,818,579	152,775,642
Charge for the year (Discontinued operations)	11,040,913	-	-	-
Disposal of a subsidiary	(11,040,913)	-	-	-
Tax paid during the year	(198,271,683)	(116,957,388)	(183,259,347)	(102,160,357)
Adjustment in respect of prior years (Note 11)	1,862,247	(252,380)	1,044,990	(253,719)
As at 31st December	186,344,693	105,886,360	123,908,263	105,304,041

39 AMOUNTS DUE TO RELATED PARTIES

	Relationship	Group		Company	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		MVR	MVR	MVR	MVR
Maldivian Gas Private Limited	Subsidiary	-	-	6,694,349	1,895,477
Fuel Supplies Maldives Private Limited	Subsidiary	-	-	1,033,005	1,033,005
Allied Insurance Company of the Maldives Private Limited	Subsidiary	-	-	82,017,164	70,658,302
Maldives National Oil Company Limited	Subsidiary	-	-	-	-
Maldives State Shipping Company Private Limited	Subsidiary	-	-	8,507,893	62,278,721
Raysut Maldives Cement Private Limited	Associate	35,179,397	29,286,192	35,179,397	29,286,192
Maldives Structural Product Private Limited	Joint venture	16,569,025	10,548,947	16,569,025	10,548,947
Maldives Shipping Services Lanka (Private) Limited	Associate	-	346,926	-	-
Ministry of Housing and Infrastructure	Affiliate	15,830,882	13,022,882	15,830,882	13,022,882
Charge for the year (Discontinued operations)	Affiliate	1,665,931	1,632,439	1,665,931	1,632,439
Fenaka Corporation Limited	Affiliate	29,028,370	20,063,972	28,176,408	19,448,426
Ministry of Finance and Treasury	Majority shareholder	71,903,277	60,779,802	71,903,277	60,779,802
Housing Development Corporation Limited	Affiliate	13,080,539	12,994,719	13,080,539	12,994,719
Rainbow Enterprises Private Limited	Affiliate	79,380	-	79,380	-
State Electric Company Limited (STELCO)	Affiliate	3,583,376	-	3,583,376	-
Maldives Airport Company Limited	Affiliate	339,023	-	339,023	-
Indira Gandhi Memorial Hospital	Affiliate	232,674	-	232,674	-
Aasandha Private Limited	Affiliate	3,440,850	-	3,440,850	-
Maldives Transport and contracting company	Affiliate	1,637,188	95,125	1,637,188	95,125
Island Aviation Service Ltd	Affiliate	4,508,610	3,259,585	4,508,610	3,259,585
Other Government entities	Affiliate	12,887,614	13,251,971	12,144,271	12,484,334
		209,966,141	165,282,559	306,623,242	299,417,957

39.1 Goods and services are provided by related parties on cost-plus basis, on normal commercial terms based on conditions and negotiations agreed between parties and based on market rates.

The amount due to related parties are unsecured, interest free, and have no fixed repayment period. Accordingly, these amounts have been determined to be payable on demand and classified as current liabilities.



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40 CAPITAL 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 return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

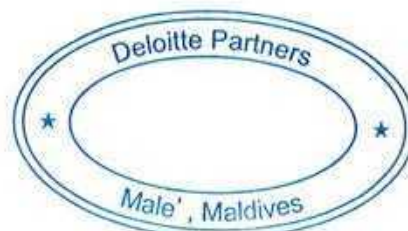
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings, trade and other payables, amounts due to related parties, bank overdrafts and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	Group		Company	
	31/12/2023 MVR	31/12/2022 MVR	31/12/2023 MVR	31/12/2022 MVR
Loans and borrowings (Note 31)	3,761,031,164	4,535,839,511	3,728,499,015	4,458,721,477
Trade and other payables (Note 34)	3,481,593,710	3,349,107,729	3,243,645,144	2,869,647,983
Amounts due to related parties (Note 39)	209,966,141	165,282,559	306,623,242	299,417,957
Bank overdrafts (Note 28)	144,100,930	730,000,116	140,993,019	82,821,283
Lease liabilities (Note 32)	294,512,795	622,340,233	201,192,585	235,984,791
Less: Cash and cash equivalent (Note 28)	(1,735,714,234)	(1,363,105,765)	(1,481,079,597)	(1,115,752,726)
Net debt	6,155,490,505	8,039,464,383	6,139,873,408	6,830,840,765
Total equity	5,259,340,744	3,593,477,658	4,310,529,054	3,582,056,489
Total capital employed	11,414,831,249	11,632,942,041	10,450,402,462	10,412,897,255
Gearing	54%	69%	59%	66%

The decrease in gearing ratio of the Company during 2023 is primarily due to decrease in loans and borrowings and increase in equity due to profit earned during the year.

Group	Loans and borrowings	Payables	Leases	Sub-total	Cash / bank overdraft	Total
Net debt as at 1st January 2022	2,997,616,702	3,015,920,883	486,565,748	6,500,103,332	(615,871,545)	5,884,231,787
Financing cash flows	1,538,222,815	-	(28,601,431)	1,509,621,384	(1,496,680,892)	12,940,492
Working capital changes	-	452,427,671	-	452,427,671	55,811,572	508,239,244
Investments	-	-	-	-	1,620,612,919	1,620,612,919
New leases	-	-	172,992,534	172,992,534	(172,992,534)	-
Lease modification	-	-	23,796,697	23,796,697	-	23,796,697
Lease disposals	-	-	(32,413,315)	(32,413,315)	32,413,315	-
Dividend	-	60,308,665	-	60,308,665	(12,940,483)	47,368,182
Interest expense	-	244,986,948	(43,458,002)	201,528,946	-	201,528,946
Interest payments (presented as operating cash flows)	-	(259,253,884)	43,458,002	(215,795,882)	(43,458,002)	(259,253,884)
Net debt as at 31st December 2022	4,535,839,517	3,514,390,284	622,340,232	8,672,570,032	(633,105,649)	8,039,464,383
Financing cash flows	(774,808,352)	-	(97,273,896)	(872,082,248)	741,462,321	(130,619,927)
Working capital changes	-	116,726,147	-	116,726,147	(1,885,092,660)	(1,768,366,513)
Investments	-	-	-	-	(2,798,549)	(2,798,549)
New leases	-	-	20,205,099	20,205,099	(20,205,099)	-
Lease modification	-	-	7,309,031	7,309,031	-	7,309,031
Lease disposals	-	-	(258,067,669)	(258,067,669)	258,067,669	-
Dividend	-	69,233,206	-	69,233,206	(17,538,864)	51,694,342
Interest expense	-	309,549,851	(32,402,475)	277,147,376	-	277,147,376
Interest payments (presented as operating cash flows)	-	(318,339,642)	32,402,475	(285,937,167)	(32,402,475)	(318,339,642)
Net debt as at 31st December 2023	3,761,031,165	3,691,559,846	294,512,797	7,747,103,807	(1,591,613,306)	6,155,490,501



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40 CAPITAL MANAGEMENT (continued)

Company	Loans and borrowings	Payables	Leases	Sub-total	Cash / bank overdraft	Total
Net debt as at 1st January 2022	2,293,713,988	2,737,834,156	165,645,414	5,197,193,558	(814,139,492)	4,383,054,066
Financing cash flows	2,165,007,489	-	(33,306,166)	2,131,701,323	(2,118,760,839)	12,940,484
Working capital changes	-	370,416,680	-	370,416,680	582,939,521	953,356,200
Investments	-	-	-	-	1,434,054,283	1,434,054,283
New leases	-	-	116,039,402	116,039,402	(116,039,402)	-
Lease modification	-	-	18,026,431	18,026,431	-	18,026,431
Lease disposals	-	-	(30,420,289)	(30,420,289)	30,420,289	-
Dividend	-	60,308,667	-	60,308,667	(12,940,483)	47,368,184
Interest expense	-	198,026,429	(18,465,318)	179,561,111	-	179,561,111
Interest payments (presented as operating cash flows)	-	(197,519,993)	18,465,318	(179,054,675)	(18,465,318)	(197,519,994)
Net debt as at 31st December 2022	4,458,721,477	3,169,065,939	235,984,791	7,863,772,207	(1,032,931,441)	6,830,840,765
Financing cash flows	(730,222,458)	-	(50,427,541)	(780,649,999)	795,538,864	14,888,865
Working capital changes	-	305,306,447	-	305,306,447	(1,525,398,061)	(1,220,091,614)
Investments	-	-	-	-	467,204,683	467,204,683
New leases	-	-	11,077,932	11,077,932	(11,077,932)	-
Lease modification	-	-	5,623,469	5,623,469	-	5,623,469
Lease disposals	-	-	(1,066,067)	(1,066,067)	1,066,067	-
Dividend	-	71,883,206	-	71,883,206	(14,888,864)	56,994,342
Interest expense	-	304,060,584	(19,599,891)	284,460,693	-	284,460,693
Interest payments (presented as operating cash flows)	-	(300,047,791)	19,599,891	(280,447,900)	(19,599,891)	(300,047,795)
Net debt as at 31st December 2023	3,728,499,019	3,550,268,385	201,192,584	7,479,959,988	(1,340,086,575)	6,139,873,408

41 COMMITMENTS

	Group		Company	
	2023 MVR	2022 MVR	2023 MVR	2022 MVR
41.1 Capital commitments				
Capital expenditure contracted as of the reporting date but not yet incurred	121,338,513	190,113,538	117,630,774	100,246,549

There were no other material capital commitments outstanding at the reporting date which require disclosure in the financial statements.

41.2 Undrawn borrowing facilities

The company has undrawn loan balance of MVR 721,180,991 (2022: MVR 857,748,355) as at 31st December 2023.

42 CONTINGENT LIABILITY

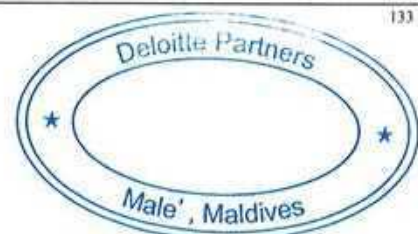
(i) State Trading Organization PLC has issued following corporate guarantees for the facilities obtained by its subsidiaries and jointly controlled company.

In favor of	Purpose	Issued to	31/12/2023 MVR	31/12/2022 MVR
Maldives Structural Products Private Limited	Overdraft	Bank of Maldives	3,855,000	3,855,000
Maldives Structural Products Private Limited	Letter of credit	Bank of Maldives	15,420,000	15,420,000
Maldives Structural Products Private Limited	Loan facility	Bank of Maldives	19,275,000	19,275,000
Fuel Supplies Maldives Private Limited	Loan facility	Allied Insurance	-	49,442,688
Maldiv Gas Private Limited	Loan facility	HSBC	71,548,800	71,548,800
			110,098,800	159,541,488

There were no other material contingent liabilities which require disclosure in the consolidated and separate financial statements as at the reporting date other than those disclosed above.

(ii) Letter of credits issued by the banks to the Company as at 31st December:

Issued by	31/12/2023 MVR	31/12/2022 MVR
State bank of India	66,333,480	16,977,478
Hongkong & Shanghai Banking Corporation	-	25,997,131
	66,333,480	42,974,610



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER 2023

Group	Carrying amount				Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial liabilities		Level 1	Level 2	Level 3
	MVR	MVR	MVR	MVR		MVR	MVR	MVR
Financial assets measured at fair value								
Investment in equity instruments	-	95,990,800	-	-	95,990,800	93,750,000	-	2,240,800
	-	95,990,800	-	-	95,990,800	93,750,000	-	2,240,800
Financial assets not measured at fair value								
Other financial investments	-	-	1,612,542,107	-	1,612,542,107	-	-	-
Trade and other receivables	-	-	701,050,634	-	701,050,634	-	-	-
Loans receivables	-	-	583,809,388	-	583,809,388	-	-	-
Amounts due from related parties	-	-	3,562,306,105	-	3,562,306,105	-	-	-
Reinsurance contracts	-	-	209,991,164	-	209,991,164	-	-	-
Cash and cash equivalents	-	-	1,735,714,234	-	1,735,714,234	-	-	-
	-	-	8,405,413,631	-	8,405,413,631	-	-	-
Financial liabilities not measured at fair value								
Bank overdraft	-	-	144,100,930	-	144,100,930	-	-	-
Loans and borrowings	-	-	3,761,031,164	-	3,761,031,164	-	-	-
Lease liabilities	-	-	294,512,795	-	294,512,795	-	-	-
Amounts due to related parties	-	-	209,966,141	-	209,966,141	-	-	-
Insurance contracts	-	-	438,036,505	-	438,036,505	-	-	-
Trade and other payables	-	-	3,297,263,702	-	3,297,263,702	-	-	-
	-	-	8,144,911,236	-	8,144,911,236	-	-	-

AS AT 31ST DECEMBER 2022

Group	Carrying amount				Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial liabilities		Level 1	Level 2	Level 3
	MVR	MVR	MVR	MVR		MVR	MVR	MVR
Financial assets measured at fair value								
Investment in equity instruments	-	86,886,800	-	-	86,886,800	83,875,000	-	3,011,800
	-	86,886,800	-	-	86,886,800	83,875,000	-	3,011,800
Financial assets not measured at fair value								
Other financial investments	-	-	1,540,722,057	-	1,540,722,057	-	-	-
Trade and other receivable	-	-	948,297,362	-	948,297,362	-	-	-
Loans receivables	-	-	274,270,833	-	274,270,834	-	-	-
Amounts due from related parties	-	-	3,059,755,015	-	3,059,755,016	-	-	-
Reinsurance contracts	-	-	471,826,136	-	471,826,136	-	-	-
Cash and cash equivalents	-	-	1,363,105,765	-	1,363,105,765	-	-	-
	-	-	7,657,977,168	-	7,657,977,171	-	-	-
Financial liabilities not measured at fair value								
Bank overdraft	-	-	730,000,116	-	730,000,116	-	-	-
Loans and borrowings	-	-	4,535,839,516	-	4,535,839,516	-	-	-
Lease liabilities	-	-	622,340,233	-	622,340,233	-	-	-
Amounts due to related parties	-	-	165,282,559	-	165,282,559	-	-	-
Insurance contracts	-	-	476,912,336	-	476,912,336	-	-	-
Trade and other payables	-	-	3,167,677,090	-	3,167,677,090	-	-	-
	-	-	9,698,051,851	-	9,698,051,851	-	-	-

41.A.1 The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

41.A.2 The fair value of the investment in equity instruments is based on the marketable shares and the net assets amounts as at year end of related companies.

Below is the hierarchy for the fair value instruments.

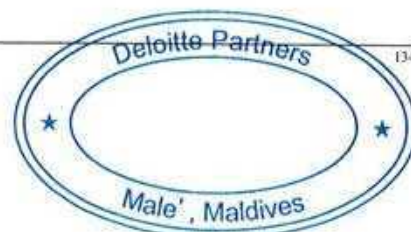
Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used

for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as

possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

A. Accounting classifications and fair values (Continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER
2023

Company	Carrying amount					Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial assets	Other financial liabilities		Level 1	Level 2	Level 3
Financial assets measured at fair value	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	
Investment in equity instruments	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
Financial assets not measured at fair value									
Other financial investments	-	-	1,107,720,000	-	-	1,107,720,000	-	-	-
Trade and other receivables	-	-	205,882,567	-	-	205,882,567	-	-	-
Loans receivables	-	-	383,308,916	-	-	383,308,916	-	-	-
Amounts due from related parties	-	-	4,319,235,660	-	-	4,319,235,660	-	-	-
Cash and cash equivalents	-	-	1,481,079,597	-	-	1,481,079,597	-	-	-
	-	-	7,497,226,740	-	-	7,497,226,740	-	-	-
Financial liabilities not measured at fair value									
Bank overdraft	-	-	140,993,019	-	-	140,993,019	-	-	-
Loans and borrowings	-	-	3,728,499,015	-	-	3,728,499,015	-	-	-
Lease liabilities	-	-	201,192,585	-	-	201,192,585	-	-	-
Amounts due to related parties	-	-	306,623,242	-	-	306,623,242	-	-	-
Trade and other payables	-	-	3,059,315,136	-	-	3,059,315,136	-	-	-
	-	-	7,436,622,997	-	-	7,436,622,997	-	-	-

AS AT 31ST DECEMBER
2022

Company	Carrying amount					Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial assets	Other financial liabilities		Level 1	Level 2	Level 3
Financial assets measured at fair value	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	
Investment in equity instruments	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
Financial assets not measured at fair value									
Other financial investments	-	-	1,111,575,000	-	-	1,111,575,000	-	-	-
Trade and other receivables	-	-	249,446,289	-	-	249,446,289	-	-	-
Loans receivables	-	-	549,037,647	-	-	549,037,647	-	-	-
Amounts due from related parties	-	-	4,215,487,771	-	-	4,215,487,771	-	-	-
Cash and cash equivalents	-	-	1,115,752,726	-	-	1,115,752,726	-	-	-
	-	-	7,241,299,432	-	-	7,241,299,432	-	-	-
Financial liabilities not measured at fair value									
Bank overdraft	-	-	82,821,283	-	-	82,821,283	-	-	-
Loans and borrowings	-	-	4,458,721,475	-	-	4,458,721,475	-	-	-
Lease liabilities	-	-	235,984,791	-	-	235,984,791	-	-	-
Amounts due to related parties	-	-	299,417,957	-	-	299,417,957	-	-	-
Trade and other payables	-	-	2,688,217,344	-	-	2,688,217,344	-	-	-
	-	-	7,765,162,851	-	-	7,765,162,851	-	-	-

41.A.3 The Company has not disclosed the fair values of financial instruments when their carrying amounts are a reasonable approximation of fair value.

41.A.4 The fair value of the investment in equity instruments is based on the net assets amounts as at year end of related companies for unlisted companies. For listed companies shares for fair value have been determined by Level 1 stock exchange quoted prices.

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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

B. Measurement of fair value

(i) Valuation techniques and significant unobservable input

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation techniques	Significant unobservable input	Inter relationship between significant unobservable inputs and fair value measurement
Equity investments	Adjusted net asset method	Investees financial data	N/A

C. Financial risk management

(i) Overview

The Group / the Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's / the Company's objectives, policies and processes for measuring and managing risk, and the Group's / the Company's management of capital. Further, quantitative disclosures are included throughout these group's / the Company's financial statements.

(ii) Risk management framework

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

(iii) Credit risk

Credit risk is the risk of financial loss to the Group / the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the Group's / the Company's receivables from customers, investment in debt securities and deposits with banks.

To measure the expected credit losses, cash and cash equivalent, trade, other receivables and related party receivables have been grouped based on shared credit risk characteristics and the days past due.

Impairment

The Group/ Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

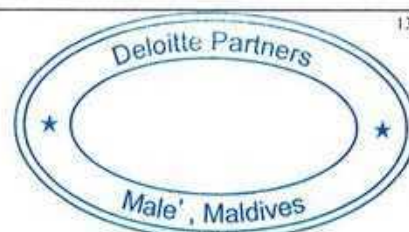
Credit quality

The credit quality of cash and cash equivalent, trade, other receivables and related party receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	Carrying amount		Carrying amount	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	MVR	MVR	MVR	MVR
Trade and other receivables (Net)	701,050,634	948,297,362	205,882,567	249,446,289
Loans receivable	583,809,388	274,270,833	383,308,916	549,037,647
Amounts due from related party (Net)	3,562,306,105	3,059,755,015	4,319,235,660	4,215,487,771
Reinsurance contracts	209,991,164	471,826,136	-	-
Other financial investments	1,612,542,107	1,540,722,057	1,107,720,000	1,111,575,000
Balances with banks and short term deposits	1,735,714,234	1,363,105,765	1,481,079,597	1,115,752,726
	8,405,413,631	7,657,977,168	7,497,226,740	7,241,299,432

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade and other receivables

Expected credit loss assessment under IFRS 9

The Group/ Company uses an allowance matrix to measure the ECLs of trade, other receivables and related party receivables. Loss rates are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect difference between economic condition during the period over which historical data has been collected, current condition and company's view of economic condition of expected lives of the receivables.

Scalar factors are based on actual and forecast GDP growth rates and normalized average GDP use for ECL assessment.

Forecasts of the economic variables (the "base economic scenario") are obtained by STO PLC from the report available in the IMF website "World Economic Outlook Database, October 2023".

Economic variable assumptions

Forecasted GDP growth rates

The forecasted GDP growth rates considered to determine the weightages along with weightages for each case are as follows:

Cases	2024		2023	
	GDP rate	Weightages	GDP rate	Weightages
Best case	6.0%	11%	7.1%	11%
Base case	5.0%	68%	6.1%	68%
Worst case	4.0%	21%	5.1%	21%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The group of the company consider these forecasts to represent their best estimate of the possible outcomes.

Other forward-looking considerations not otherwise incorporated, such as the impact of any regulatory or legislative, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on an annual basis.

Set out below are the changes to the ECL as at 31 December 2022 that would result from reasonably possible changes in the parameter from the actual assumption used in group's / company's economic variable assumption.

Group

	2023		2022	
	-1% MVR	+1% MVR	-1% MVR	+1% MVR
Increase / (decrease) in expected credit loss allowance for trade receivables, other receivables and amounts due from related parties	(5,681,787)	(2,817,266)	189,887	(134,155)

Company

	2023		2022	
	-1% MVR	+1% MVR	-1% MVR	+1% MVR
Increase / (decrease) in expected credit loss allowance for trade receivables, other receivables and amounts due from related parties	200,247	(198,926)	206,575	(204,859)

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a member to engage in a repayment plan with the Corporation, and failure to make contractual payments.

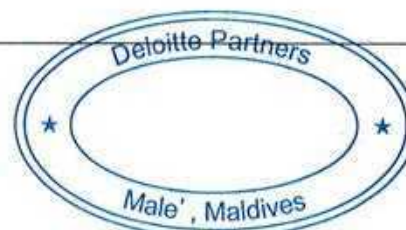
Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

Probability of default (PD)

Loss given default (LGD)

Exposure at default (EAD)



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iii) Credit risk (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade, other receivables and related party receivables as at 31st December

31 st December 2023	Group			Company		
	Weighted average loss rate	Gross carrying amount	Loss allowance	Weighted average loss rate	Gross carrying amount	Loss allowance
		MVR	MVR		MVR	MVR
Not past due	0.0%	939,275,726	389,442	0.0%	1,544,974,374	-
1-30 days past due	0.7%	670,759,428	4,492,718	0.4%	1,004,153,560	4,165,072
31-90 days past due	2.8%	658,918,239	18,133,727	2.4%	634,970,833	15,214,676
91 - 180 days past due	2.3%	832,635,441	18,927,450	1.1%	1,268,148,747	13,352,749
181-365 days past due	3.1%	876,204,416	27,598,111	4.4%	326,098,721	14,307,410
Above 365 days past due	47.2%	2,398,448,630	1,131,887,116	66.2%	1,320,988,895	874,888,132
		<u>6,376,241,880</u>	<u>1,201,428,564</u>		<u>6,099,335,129</u>	<u>921,928,039</u>

31 st December 2022	Group			Company		
	Weighted average loss rate	Gross carrying amount	Loss allowance	Weighted average loss rate	Gross carrying amount	Loss allowance
		MVR	MVR		MVR	MVR
Not past due	0.8%	1,046,819,974	7,977,588	0.0%	1,679,684,795	-
1-30 days past due	2.9%	375,351,189	10,770,785	0.5%	952,687,718	4,512,461
31-90 days past due	3.8%	371,284,063	13,975,579	1.0%	728,350,092	7,431,014
91 - 180 days past due	4.7%	690,028,417	32,721,609	2.6%	680,952,864	17,726,241
181-365 days past due	5.1%	747,781,360	38,024,332	6.2%	346,971,380	21,450,863
Above 365 days past due	35.6%	2,192,519,118	781,259,466	40.9%	1,394,778,215	570,487,340
		<u>5,423,784,121</u>	<u>884,729,360</u>		<u>5,783,425,065</u>	<u>621,607,919</u>

Gross carrying amount and loss allowance comprise the trade, other receivables, loans receivable and related party receivables.

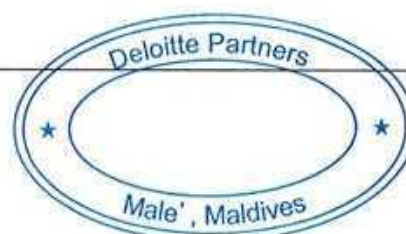
The Company believes that the unimpaired amounts are still collectible, based on historic payment behavior. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of trade, other and related party receivables.

Other financial investments

The Group / the Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating.

Guarantees

The Group / the Company policy is to provide financial guarantees only to subsidiaries, joint venture and associates. As at 31st December 2023, the Company has issued corporate guarantees to Bank of Maldives PLC for the facilities obtained by Maldives Structural Products Private Limited and to Habib Bank Limited for the facility obtained by Maldivian Gas Private Limited.



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FOR THE YEAR ENDED 31ST DECEMBER 2023

43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Group / the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's / the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's / the Company's reputation.

The following are the contractual maturities stated at the undiscounted cashflows of financial liabilities as at the reporting date.

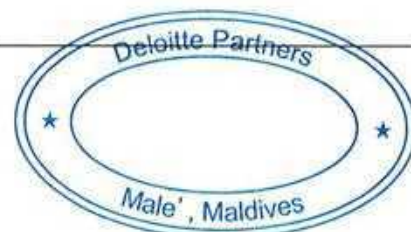
31st December 2023	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Group					
Financial liabilities (Non- derivative)					
Trade and other payables	3,297,263,702	3,297,263,702	3,297,263,702	-	-
Loans and borrowings	3,761,031,164	3,815,722,096	2,654,914,135	1,160,807,961	-
Amounts due to related parties	209,966,141	209,966,141	209,966,141	-	-
Lease Liabilities	294,512,795	490,605,426	68,192,908	156,829,351	265,583,167
Insurance contracts	438,036,505	438,036,505	438,036,505	-	-
Bank overdrafts	144,100,930	144,100,930	144,100,930	-	-
Total	8,144,911,236	8,395,694,800	6,812,474,320	1,317,637,312	265,583,167

31st December 2022	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Group					
Financial liabilities (Non- derivative)					
Trade and other payables	3,305,961,493	3,305,961,493	3,305,961,493	-	-
Loans and borrowings	4,535,839,515	4,573,040,785	3,366,484,541	1,206,556,244	-
Amounts due to related parties	165,282,559	165,282,559	165,282,559	-	-
Lease liabilities	622,340,232	698,635,089	88,145,670	191,847,102	418,642,317
Insurance contracts	633,405,635	633,405,635	633,405,635	-	-
Bank overdrafts	730,000,116	730,000,116	730,000,116	-	-
Total	9,992,829,551	10,106,325,678	8,289,280,015	1,398,403,346	418,642,317

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31st December 2023	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Company					
Financial liabilities (Non- derivative)					
Trade and other payables	3,059,315,136	3,059,315,136	3,059,315,136	-	-
Loans and borrowings	3,728,499,015	3,783,189,947	2,682,762,839	1,100,427,108	-
Lease liabilities	201,192,585	385,667,415	53,588,619	130,797,889	201,280,907
Amounts due to related parties	306,623,242	306,623,242	306,623,242	-	-
Bank overdrafts	140,993,019	140,993,019	140,993,019	-	-
Total	7,436,622,997	7,675,788,759	6,243,282,855	1,231,224,997	201,280,907

31st December 2022	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Company					
Financial liabilities (Non- Derivative)					
Trade and other payables	2,688,217,344	2,688,217,344	2,688,217,344	-	-
Loans and borrowings	4,458,721,477	4,495,922,747	3,382,349,050	1,113,573,697	-
Lease liabilities	235,984,791	430,689,816	66,662,222	141,483,837	222,543,757
Amounts due to related parties	299,417,957	299,417,957	299,417,957	-	-
Bank overdrafts	82,821,283	82,821,283	82,821,283	-	-
Total	7,765,162,852	7,997,069,146	6,519,467,856	1,255,057,534	222,543,757



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(v) Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates that affect the Group's / the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's / the Company's interest-bearing financial instruments were:

	Group		Company	
	Carrying amount		Carrying amount	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
Variable rate instruments				
Financial assets	81,520,833	81,520,833	81,520,833	274,270,833
Financial liabilities	(2,598,244,033)	(2,411,487,627)	(2,569,942,311)	(2,385,513,215)
	(2,516,723,200)	(2,329,966,795)	(2,488,421,478)	(2,111,242,382)
Fixed rate instruments				
Financial assets	1,455,666,674	667,257,379	1,153,976,147	365,566,852
Financial liabilities	(3,598,642,872)	(4,745,084,065)	(3,591,304,534)	(4,052,239,625)
	(2,142,976,198)	(4,077,826,687)	(2,437,328,387)	(3,686,672,773)

The interest rate exposure of the borrowing of the Group's / Company's is as follows:

	Group		Company	
	Carrying amount		Carrying amount	
	2023	2022	2023	2022
	MVR	MVR	MVR	MVR
- At variable rate	3,276,678,609	4,122,788,778	3,248,376,887	4,096,814,366
- At fixed rate	294,185,888	413,050,737	289,955,461	361,907,111
	3,570,864,497	4,535,839,515	3,538,332,348	4,458,721,477

Cash flow sensitivity analysis for variable - rate instruments

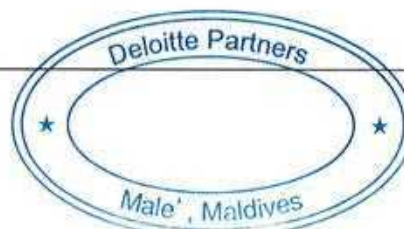
A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

GROUP

	Profit or loss		Equity net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 st December 2023				
Variable rate instruments	(25,167,232)	25,167,232	(21,392,147)	21,392,147
31 st December 2022				
Variable rate instruments	(23,299,668)	23,299,668	(19,804,718)	19,804,718

COMPANY

	Profit or loss		Equity net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 st December 2023				
Variable rate instruments	(24,884,215)	24,884,215	(21,151,583)	21,151,583
31 st December 2022				
Variable rate instruments	(21,112,424)	21,112,424	(17,945,560)	17,945,560



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(v) Market risk (Continued)

(a) Interest rate risk (Continued)

IBOR reforms

The Group / Company has transitioned from London Inter Bank Offer Rate (LIBOR) to Secured Overnight Financing Rate (SOFR) during the year 2022 for all the financial instruments.

Table: Non-derivative liabilities exposed to USD SOFR

Group

	Carrying value as at 31 December 2023		Of which:	
	Assets (MVR)	Liabilities (MVR)	Have yet to transition to an Assets (MVR)	Liabilities (MVR)
<u>Non-derivative assets and liabilities exposed to USD SOFR</u>				
Measured at amortized costs				
Loan receivables	-	-	-	-
Borrowings	-	(3,046,678,609)	-	(3,046,678,609)
Total assets and liabilities exposed to USD SOFR	-	(3,046,678,609)	-	(3,046,678,609)

Company

	Carrying value as at 31 December 2023		Of which:	
	Assets (MVR)	Liabilities (MVR)	Have yet to transition to an Assets (MVR)	Liabilities (MVR)
<u>Non-derivative assets and liabilities exposed to USD SOFR</u>				
Measured at amortized costs				
Loan receivables	-	-	-	-
Borrowings	-	(3,018,376,887)	-	(3,018,376,887)
Total assets and liabilities exposed to USD SOFR	-	(3,018,376,887)	-	(3,018,376,887)

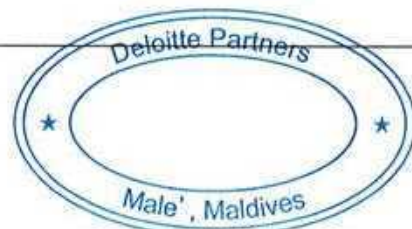
(b) Currency risk

Exposure to currency risk

Group

The Group's exposure to foreign currency risk in equivalent Maldives Rufiyaa was as follows:

	31/12/2023		
	US\$	Euro	SGD
Cash and cash equivalents	585,303,362	7,506	-
Trade, amount due from related parties and other receivables	868,284,241	226,099	761,321
Trade, amount due to related parties and other payables	(2,589,477,267)	(2,701,993)	(8,499,606)
Loans and borrowings	(3,306,404,349)	-	-
Bank overdrafts	(140,993,019)	-	-
Net currency exposure	(4,583,287,031)	(2,468,387)	(7,738,285)



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(v) Market risk (Continued)

Exposure to currency risk (Continued)

Group

The Group's exposure to foreign currency risk was as follows:

	31/12/2022		
	US\$	Euro	SGD
Cash and cash equivalents	727,671,096	68,634	-
Trade, amount due from related parties and other receivables	825,128,678	4,939,726	576,283
Reinsurance contracts	-	-	-
Trade, amount due to related parties and other payables	(1,990,383,731)	(3,389,607)	(11,257,075)
Loans and borrowings	(4,261,923,603)	-	-
Bank overdrafts	(82,821,283)	-	-
Net currency exposure	(4,782,328,842)	1,618,754	(10,680,793)

Company

The Company's exposure to foreign currency risk was as follows:

	31/12/2023		
	US\$	Euro	SGD
Cash and cash equivalents	575,181,609	2,396	-
Trade, amount due from related parties and other receivables	789,801,643	226,099	761,321
Trade, amount due to related parties and other payables	(2,582,974,401)	(2,701,993)	(8,499,606)
Loans and borrowings	(3,395,919,157)	-	-
Bank overdrafts	(140,993,019)	-	-
Net currency exposure	(4,754,903,324)	(2,473,497)	(7,738,285)

Company

The Company's exposure to foreign currency risk was as follows:

	31/12/2022		
	US\$	Euro	SGD
Cash and cash equivalents	717,294,697	63,524	-
Trade, amount due from related parties and other receivables	746,646,080	4,939,726	576,283
Trade, amount due to related parties and other payables	(1,983,880,865)	(3,389,607)	(11,257,075)
Loans and borrowings	(4,146,141,619)	-	-
Bank overdrafts	(82,821,283)	-	-
Net currency exposure	(4,748,902,990)	1,613,644	(10,680,793)

The following significant exchange rate were applied during the year:

1 US\$: MVR

1 Euro : MVR

1 SGD : MVR

	Average rate		Reporting date spot rate	
	2023	2022	31/12/2023	31/12/2022
1 US\$: MVR	15.42	15.42	15.42	15.42
1 Euro : MVR	16.55	16.55	16.46	16.46
1 SGD : MVR	11.29	11.29	11.53	11.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, SGD against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

GROUP

31 st December 2023

USD 5% movement

EURO 5% movement

SGD 5% movement

31 st December 2022

USD 5% movement

EURO 5% movement

SGD 5% movement

COMPANY

31 st December 2023

USD 5% movement

EURO 5% movement

SGD 5% movement

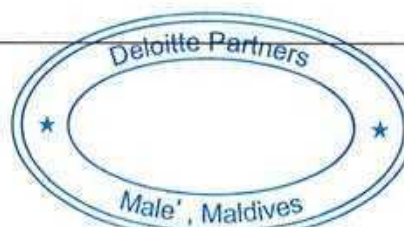
31 st December 2022

USD 5% movement

EURO 5% movement

SGD 5% movement

	Profit or loss	
	Strengthening	Weakening
31 st December 2023		
USD 5% movement	(229,164,352)	229,164,352
EURO 5% movement	(123,419)	123,419
SGD 5% movement	(386,914)	386,914
	(229,674,685)	229,674,685
31 st December 2022		
USD 5% movement	(239,116,442)	239,116,442
EURO 5% movement	80,938	(80,938)
SGD 5% movement	(534,040)	534,040
	(239,569,544)	239,569,544
31 st December 2023		
USD 5% movement	(237,745,166)	237,745,166
EURO 5% movement	(123,675)	123,675
SGD 5% movement	(386,914)	386,914
	(238,255,755)	238,255,755
31 st December 2022		
USD 5% movement	(237,445,149)	237,445,149
EURO 5% movement	80,682	(80,682)
SGD 5% movement	(534,040)	534,040
	(237,898,507)	237,898,507



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(c) Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet as at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded and are included in the Maldives Stock Exchange (Masix).

Sensitivity

The table below summarises the impact of increases/decreases of the indexes on the Group's equity for the period. The analysis is based on the assumption that the equity indexes had increased by 5% or decreased by 5%, with all other variables held constant, and that all of the Group's equity instruments moved in line with the indexes.

	Impact on other components of equity	
	2023	2022
	MVR	MVR
Maldives Stock Exchange - Masix – increase 5%	4,838,090	4,344,340
Maldives Stock Exchange - Masix – decrease 5%	(4,838,090)	(4,344,340)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as at FVOCI.

Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income in relation to the various investments held by the Group are disclosed in Note 19.

(vi) Insurance risks

(a) Key risks arising from contracts issued

The Company issues life and non-life insurance contracts including direct and indirect participating contracts. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management

(a)(i) Life direct participating and indirect participating contracts

Product	Key Risks	Risk mitigation
Term assurance	• Mortality risk: death of policyholder earlier than expected	• Reinsurance with financially strong reinsurers
Indirect participating	• Mortality risk	• Matching of asset and liability cash flows
Direct participating	• Mortality risk	• Matching of asset and liability cash flows

These key risks reflect only the downside risk to the Company. For most of these risks, there is also an upside risk.

All life contracts expose the Company to significant insurance risk. Although mortality and morbidity experience may be affected by unexpected events (e.g. epidemics), the most significant changes to insurance risk factors (e.g. lifestyle changes, medical advances and improvements in social conditions) tend to occur over a long period of time. The longer the coverage period, the greater the Company's exposure to insurance risk.

Policyholder behaviour risk is a key risk life contracts. The timing of surrenders and the timing and frequency of withdrawals may impact the Company's returns.

Underlying items

The following table sets out the composition and the fair value of underlying items of the Company's participating contracts at the reporting date.

In millions (MVR)	Note	31st December 2023			31st December 2023	
		Direct participating contracts	Indirect participating contracts	Total	Direct Participating contracts	Indirect participating contracts
Cash & Cash Equivalent		997,038	1,331,767	2,328,805	6,925,573	2,152,530
Financial Investments		8,695,666	123,180,616	131,876,282	1,833,586	112,161,933

(a)(ii) Non-life contracts

Product	Key Risks	Risk mitigation
Property and casualty	• Extreme weather events	• Diversification of types of risk; industries

The key risks arising from non-life contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered.

For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. floods, wildfires and hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk.



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43 Financial Risk Management (continued)

(vi) Insurance risks (continued)

(b) Underwriting risk

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

- **Insurance risk:** the risk transferred from the policyholder to the Company, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.
- **Policyholder behaviour risk:** the risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, withdraw deposits a contract earlier or later than expected.
- **Expense risk:** the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

(b)(i) Management of underwriting risk

The board of directors sets the Company's strategy for accepting and managing underwriting risk. Specific underwriting objectives (e.g. aggregation limits, reinsurance protection thresholds and line of business diversification parameters) are prepared and reviewed by the Company's head of underwriting. The board continuously reviews its underwriting strategy in the light of evolving market pricing and loss conditions and as opportunities present themselves.

The carrying amounts of the Company's non-life insurance contracts (net of reinsurance) are analysed below by type of product.

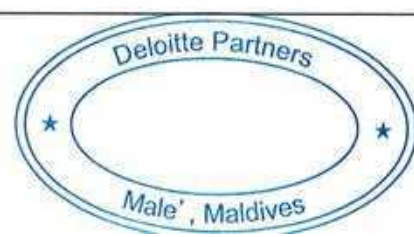
	2023	2022 (Restated)
Engineering	(4,152,245)	(9,049,472)
Fire	(11,494,663)	55,689,925
Liability	(5,262,510)	(5,895,143)
Marine	1,196,480	25,628,151
Health	(108,641,467)	(77,541,522)
Miscellaneous	(4,014,942)	9,128,425
Workmen's compensation	(1,393,036)	(2,624,425)
Total non-life	(133,762,384)	(4,664,061)

(b)(ii) Sensitivity analysis

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in

(b)(ii) Sensitivity analysis (continued)

31 December 2023	CSM	
	Gross	Net
<i>In million of MVR</i>		
Life risk and life savings		
Mortality rates (1% increase)	(413)	(574)
Mortality rates (1% decrease)	414	575
Morbidity rates (1% increase)	3,251	3,251
Morbidity rates (1% decrease)	(3,251)	(3,251)
Expenses (5% increase)	18,000	18,000
Expenses (5% decrease)	(18,000)	(18,000)
Lapse rates (5% increase)	(8,658)	(8,681)
Lapse rates (5% decrease)	8,766	8,789
Participating		
Mortality rates (1% increase)	(244)	(339)
Mortality rates (1% decrease)	244	339
Expenses (5% increase)	6,660	6,660
Expenses (5% decrease)	(6,660)	(6,660)
Lapse rates (5% increase)	(2,944)	(2,952)
Lapse rates (5% decrease)	2,980	2,988



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FOR THE YEAR ENDED 31ST DECEMBER 2023

43 Financial Risk Management (continued)
(vi) Insurance risks (continued)
(b) Underwriting risk (continued)
(b)(ii) Sensitivity analysis (continued)

31 December 2022 (Restated)	CSM	
	Gross	Net
<i>In million of MVR</i>		
Life risk and life savings		
Mortality rates (1% increase)	(39)	(55)
Mortality rates (1% decrease)	40	55
Morbidity rates (1% increase)	310	310
Morbidity rates (1% decrease)	(310)	(310)
Expenses (5% increase)	1,718	1,718
Expenses (5% decrease)	(1,718)	(1,718)
Lapse rates (5% increase)	(826)	(829)
Lapse rates (5% decrease)	837	839
Participating		
Mortality rates (1% increase)	(10)	(14)
Mortality rates (1% decrease)	10	14
Expenses (5% increase)	445	445
Expenses (5% decrease)	(445)	(445)
Lapse rates (5% increase)	(214)	(215)
Lapse rates (5% decrease)	217	217

Changes in underwriting risk variables mainly affect the CSM, profit or loss and equity as follows. The effects on profit or loss and equity are presented net of the related income tax.

CSM	• Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
Profit or loss	• Changes in fulfilment cash flows relating to loss components.
Equity	• Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI. • The effect on profit or loss under (ii)

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and this principally arises from the Company's insurance receivable. Credit risk may also arise from the counter-parties who hold financial assets of the company.

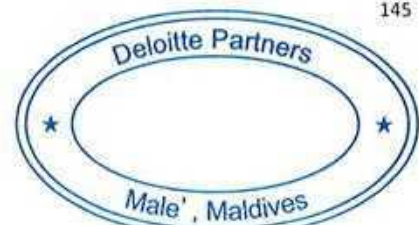
Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount As at 31 December	
	2023	2022
Amount due from related parties	119,930,382	119,930,382
Other receivables	4,000,000	4,000,000
Financial assets measured at amortized cost	466,381,697	336,150,675
Balances with banks	39,421,357	99,175,876
	629,733,436	559,256,933

Insurance receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new credit customer is analyzed individually for creditworthiness before the Company's standard credit payment terms are offered.



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FOR THE YEAR ENDED 31ST DECEMBER 2023

43 Financial Risk Management (continued)

(ii) Credit risk (Continued)

Reinsurance receivables

Credit risk on the company's recoverable from reinsurers balance existed at December 31, 2023 to the extent that any reinsurer may be unable or unwilling to reimburse the company under the terms of the relevant reinsurance arrangements. The company is also exposed to the credit risk assumed in fronting arrangements and to potential reinsurance capacity constraints. The company regularly assesses the creditworthiness of reinsurers with whom it transacts business.

Amount due from related parties and other receivables

The Company takes on exposure to credit risk from amounts due from related party and other receivable, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. The Company's management therefore carefully manages its exposure to credit risk.

Debt Securities

The credit risk arising from the deposits made in financial institutions are managed by the company policy directions provided by the Board of Directors

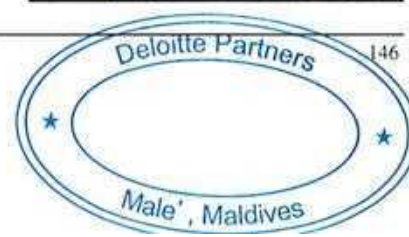
Allied Insurance Company of Maldives transacts only with a limited number of institutions all of which have stable credit ratings. The Company's exposure and credit rating of counterparties are continuously monitored.

The Company monitors changes in credit risk by tracking the published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting period that has not been reflected in published ratings, the company supplements this by reviewing changes in bond yields and with available regulatory information about debtors.

12 month and the lifetime probabilities of default are based on historical data supplied by the Rating Agency (S&P 500) for each credit rating and recalibrated based on the current bond yields. Loss given default parameters generally reflects as assumed recovery rate of 74 percent except when a security is credit impaired, in which case the estimate of loss is based on the instrument's current market price and the original effective interest rate.

The maximum credit risk of the Company is limited to the carrying value of these financial assets as at 31st December 2023

	2023 MVR	2022 MVR
Financial assets measured at amortized cost		
Investments in government treasury bills	327,467,416	231,258,443
Investments in Corporate bonds	68,529,367	67,499,657
Investment - Fixed deposit	70,384,914	37,392,575
Total net amount	466,381,697	336,150,675
Provision for impairment	(2,003,925)	(1,448,085)
Total net amount	464,377,772	334,702,590
	2023 MVR	2022 MVR
Cash and cash Equivalent	39,590,525	99,355,447
Less : Expected credit loss	(568,816)	(1,436,427)
	39,021,709	97,919,020



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FOR THE YEAR ENDED 31ST DECEMBER 2023

43 Financial Risk Management (continued)

(ii) Credit risk (Continued)

The cash and cash equivalents are held with the bank and financial institution counterparties, which are rated B- based on the S&P 500 ratings. The Company uses a similar approach for assessments for ECLs for cash and cash equivalent to those used for debt securities.

Impairment on cash and cash equivalent has been measured on a 12- month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalent have low credit risk based on the external credit ratings of the counterparties.

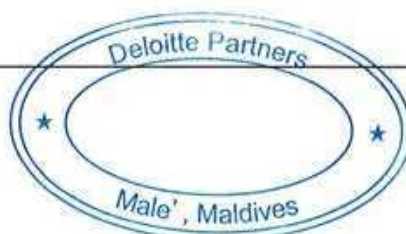
	2023	2022
	MVR	MVR
Analysis of Financial assets measured at amortized cost		
Not Impaired	327,467,413	234,567,850
BBB- to AAA	53,006,216	101,582,825
BB- to BB+	-	-
B- to B+	85,908,068	-
C to CCC+	-	-
D	-	-
Total Gross Carrying Amounts	466,381,697	336,150,675
Provision for impairment	(2,003,925)	(1,448,085)
Total net amount	464,377,772	334,702,590
Movement in the allowances of the impairment for debt securities at amortized cost during the year.		
	2023	2022
	MVR	MVR
Balances as at 1st January	1,448,085	17,828
During the year provision	555,840	1,430,257
Balances as at 31st December	2,003,925	1,448,085

Balances with banks

The Company's balance with bank are primarily held at major financial institutions in the jurisdictions in which the Company operates. The Company monitors risks associated with cash and short term investments by regularly reviewing the financial strength and creditworthiness of these financial institutions and more frequently during periods of economic volatility.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitors cash inflows and outflows sector levels to ensure matching of cash flows wherever possible.



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FOR THE YEAR ENDED 31ST DECEMBER 2023

44 EVENTS AFTER THE REPORTING DATE

44.1 Dividend

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommends a First and Final dividend of MVR 80/- per ordinary share for the year ended 31st December 2023 (31st December 2022: MVR 77/-). The dividend payable has not been accounted for until it is approved at the forthcoming Annual General Meeting.

44.2 Investment in Maldives Industrial Development Free Zone Plc

On 3rd January 2024, the Company acquired 12% shares in Maldives Industrial Development Free Zone Plc.

44.3 Corporate Guarantee issued to Maldivian Gas

The company has issued corporate guarantee to Allied Insurance Company of the Maldives for the loan facility obtained by Maldivian Gas Private Limited amounting MVR 61,680,000.

44.4 Relocation of Funadhoo terminal

The company has initiated to relocate Funadhoo fuel terminal to Maagiri Lagoon.

45 DIRECTOR'S RESPONSIBILITY

The Board of Directors of the Group / the Company is responsible for the preparation and presentation of these consolidated and separate financial statements.

46 CORRESPONDING FIGURES

The corresponding figures of the financial statements have been reclassified to conform with current year's classifications.

47 INVESTMENT IN SUBSIDIARIES

The Company is the parent company for the following subsidiary companies:

	Country of incorporation	No of shares		Shareholding	
		2023	2022	2023	2022
Maldivian Gas Private Limited	Republic of Maldives	61,200	61,200	90.00%	90.00%
Allied Insurance Company of the Maldives Private Limited	Republic of Maldives	299,998	299,998	99.99%	99.99%
STO Maldives (Singapore) Private Limited	Singapore	200,000	200,000	100.00%	100.00%
Fuel Supplies Maldives Private Limited	Republic of Maldives	15,299	15,299	99.99%	99.99%
Maldives National Oil Company Limited	Republic of Maldives	99,999	99,999	99.99%	99.99%
STO Hotels & Resorts Private Limited	Republic of Maldives	9,999	9,999	99.99%	99.99%
Maldives Industrial Fisheries Company Limited (MIFCO)	Republic of Maldives	-	1,439,725	-	99.99%
Maldives State Shipping Company Private Limited	Republic of Maldives	999.90	999.90	99.99%	99.99%

47.1 Principal subsidiaries with material non-controlling interests

Summarised financial information in respect of STO PLC's subsidiary Maldivian Gas Private Limited that have material non-controlling interest.

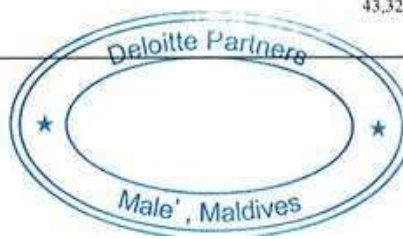
Maldivian Gas Private Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company under the Companies Act No. 10 of 1996, with its registered office H. Maizan, Sosun Magu, Male', Republic of Maldives.

Summarised financial details before inter-company eliminations, is set out below.

As at 31 December	2023 MVR	2022 MVR
Non-controlling interest in %	10%	10%
Non-current assets	282,669,138	272,963,943
Current assets	96,439,601	72,413,674
Total assets	379,108,739	345,377,617
Equity	255,756,177	229,611,617
Non-current liabilities:	73,250,863	79,372,679
Current liabilities	50,101,699	36,393,321
Total liabilities	123,352,562	115,766,000

For the year ended 31 December

Revenue from contracts with customers	272,781,430	238,797,232
(Loss)/ profit after tax	26,148,716	(12,577,904)
Total comprehensive income	(4,156)	(91,180)
Net cash generated from operating activities	60,592,418	13,104,469
Net cash used in investing activities	(28,565,040)	(30,820,043)
Net cash used in financing activities	(705,612)	(15,022,881)
Cash and cash equivalents at the end of the year	43,325,432	12,003,666



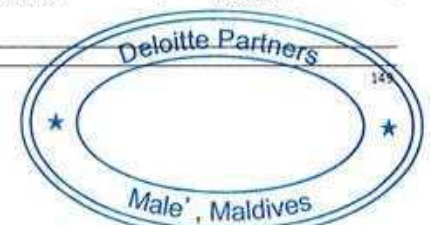
STATE TRADING ORGANIZATION PLC
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FOR THE YEAR ENDED 31ST DECEMBER 2023

48 RELATED PARTY TRANSACTIONS

48.1 GROUP

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2023	2022	31/12/2023		31/12/2022	
			MVR	MVR	Receivables	Payables	Receivables	Payables
Maldives Structural Product Private Limited	Joint venture	Sale of goods	-	-	-	(16,569,025)	-	(10,548,947)
		Purchase of goods	(82,133,603)	(72,603,885)				
		Dividend received	8,000,000	8,000,000				
		Payment received	-	(12,000,000)				
		Other income	2,356,549	-				
		Payment made	65,756,977	76,326,551				
Raysut Maldives Cement Private Limited	Associate	Purchase of goods	(100,887,514)	(169,254,847)	1,919,424	(35,179,397)	400,616	(29,286,192)
		Payment made	97,999,653	182,516,032				
		Transportation charges paid	(1,486,535)	(17,890,648)				
		Expense reimbursement	-	398,551				
		Sales of goods	206,104	246,526				
		Payment received	(206,104)	(245,867)				
		Rent received	-	-				
Ministry of Finance and Treasury	Majority shareholder	Food subsidy income	335,401,269	317,621,132	598,267,301	(71,903,277)	463,485,248	(60,779,802)
		Fuel subsidy	1,886,244,318	2,641,551,526				
		Interest receivable	125,020,595	16,540,418				
		Interest payable	(11,123,475)	(4,642,290)				
		Other services	23,376	-				
		Sale of goods	7,200	-				
		Loans repaid	(192,750,000)	-				
		Payment received	(2,019,164,706)	(2,899,317,792)				
Ministry of Health	Affiliate company	Sale of goods	170,319,869	259,604,291	227,913,023	-	232,103,540	-
		Payment received	(174,510,385)	(244,521,448)				
State Electric Company (STELCO)	Affiliate company	Service obtained	(20,798,339)	(17,420,301)	150,603,433	(3,583,376)	106,153,401	-
		Payment made	17,214,963	17,618,079				
		Payment received	(1,428,267,448)	(1,245,380,492)				
		Sale of goods and fuel	1,472,717,480	1,254,577,674				
Indira Gandhi Memorial Hospital	Affiliate company	Sale of goods	346,349,443	393,875,856	130,986,992	-	121,196,961	-
		Payment received	(336,559,411)	(460,163,990)				
Rainbow Enterprises Private Limited	Affiliate company	Purchase of goods	(719,809)	-	8,371,788	(79,380)	14,983,633	-
		Sale of goods	9,127,432	28,012,612				
		Payment made	640,429	-				
		Interest	423,495	99,252				
		Payment received	(16,162,772)	(24,728,515)				
Maldives Road Development Corporation	Affiliate company	Sale of goods	-	74,830	37,992,601	-	37,992,601	-
		Payment received	-	(39,070)				
Hulhumale Hospital	Affiliate company	Sale of goods	42,364,870	56,111,128	15,205,095	-	23,143,607	-
		Payment received	(50,303,381)	(49,540,179)				
Ministry of Housing and Infrastructure	Affiliate company	Sale of goods	-	-	98,147,953	(15,830,882)	92,047,554	(13,022,882)
		Service obtained	(2,808,000)	(2,808,000)				
		Payment received	-	-				
Fenaka Corporation Limited	Affiliate company	Sale of goods and fuel	1,037,978,696	909,069,751	1,942,405,997	(29,028,370)	1,814,228,902	(20,063,972)
		Service obtained	(8,964,397)	(10,688,013)				
		Interest received	-	666,009				
		Other services	6	246,106				
		Payment made	-	-				
		Payment received	(909,801,608)	(116,196,582)				
Maldives Airport Company Limited	Affiliate company	Sale of fuel	2,675,119,104	3,062,634,704	113,804,478	-	83,248,606	-
		Sale of goods	2,540,719	1,384,723				
		Payment received	(2,647,103,951)	(3,096,772,640)				
Addu International Airport Private Limited	Affiliate company	Sale of goods	9,055,735	52,398,395	18,971,463	-	35,562,289	-
		Service obtained	(8,221,216)	(16,053,505)				
		Fines	24,569	-				
		Payment made	646,081	16,460,452				
		Payment received	(18,095,995)	(37,519,575)				
Aasandha Private Limited	Affiliate company	Sale of goods	338,592,844	299,937,555	248,799,074	(3,440,850)	128,295,659	-
		Services provided	-	-				
		Payment received	(221,530,279)	(243,321,056)				
Maldives Shipping Services Lanka Private Limited	Associate	Reimbursements	(1,670,445)	1,323,519	-	-	1,670,445	-
National Social protection Agency	Affiliate company	Sales	204,466,923	125,622,999	83,316,039	-	20,019,437	-
		Payment received	(141,170,320)	(130,043,034)				
United Nations office	Affiliate company	Sales	73,083,954	-	72,586,151	-	-	-
		Payment received	(497,803)	-				
Ministry of Construction	Affiliate company	Sales	18,964	-	83,764,460	-	20,280,307	-
		Claims for fuel expenses	105,774,035	-				
		Payment received	(42,308,847)	(1,705)				



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48 RELATED PARTY TRANSACTIONS (CONTINUED)

48.1.1 Transactions with Key Management Personnel

The Board of Directors and Managing Director of the Group are the members of the key management personnel. Key management personnel compensation comprised the following:

Short term employee benefits

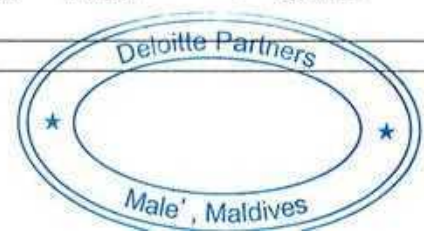
	2023	2022
	MVR	MVR
	5,288,067	6,369,300

48.1.2 Collectively, but not individually, significant transactions.

The Government of Maldives is the major shareholder of the parent Company. The Group has transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. The Group has transactions with other government related entities including but not limited to sales, purchases, rendering of services, lease of assets and use of public utilities.

48.2 COMPANY

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2023	2022	31/12/2023		31/12/2022	
			MVR	MVR	MVR	MVR	MVR	MVR
				Receivables	Payables	Receivables	Payables	
Maldives Transport and Contracting Company	Affiliate company	Sales	176,567,929	94,823,536				
		Hire Charges	76,950	49,635				
		Purchases	(9,626,162)	(10,265,914)				
		Payments made	8,084,099	10,853,574				
		Payment received	(139,000,001)	(91,408,608)				
Island Aviation Services Limited	Affiliate company	Sales	56,524,396	32,867,887	18,750,284	(4,508,610)	4,676,567	(3,259,585)
		Other services	371,833	-				
		Purchases	(2,550,314)	(3,173,329)				
		Payments made	1,301,289	1,379,492				
		Payment received	(42,822,512)	(31,902,769)				
National Disaster Management Authority	Affiliate company	Payment received	(18,226,374)	(21,556,114)	40,403,232	-	58,629,606	-
		Sales	-	850,218				
Allied Insurance Company of the Maldives Private Limited	Subsidiary	Sale of goods	9,618,678	3,671,580	11,926,716	(82,017,164)	22,703,249	(70,658,302)
		Service obtained	(54,695,388)	(54,879,281)				
		Interest paid	(2,405,986)	(2,405,986)				
		Payment made	44,157,100	50,530,935				
		Claims received	4,068,263	615,003				
		Payment received	(24,846,115)	(18,611,268)				
		Rent received	1,463,568	1,440,535				
		Service Provided	-	4,606				
		Other advances	-	-				
		Expense reimbursement	504,485	-				
		Dividend received	-	20,000,867				
Maldivian National Oil Company Limited	Subsidiary	Expense reimbursement	62,457	29,176	133,644	-	71,187	-
Maldivian Gas Private Limited	Subsidiary	Sale of goods	146,350	484,891	1,104,539	(6,694,349)	1,191,966	(1,895,477)
		Purchase of goods	(13,946,038)	(6,580,179)				
		Dividend received	-	-				
		Rent received	2,082,797	2,093,910				
		Payment made	9,038,231	7,371,795				
		Service provided	182,526	106,282				
		Dollar purchase	-	(771,000)				
		Advances and deposits	-	885,060				
		Expense reimbursement	253,378	-				
		Payment received	(2,643,741)	(2,618,600)				
		Fuel Supplies Maldives Private Limited	Subsidiary	Sale of fuel	7,564,719,613	8,794,300,733	2,636,024,832	(1,033,005)
Purchases of fuel	(607,695,703)			(1,728,618,383)				
Payment made	1,809,863,738			2,870,467,249				
Service obtained	-			-				
Rent Income	10,004,434			9,770,403				
Service provided	9,515,260			878,383				
Rebate paid on fuel sales	(384,794,287)			(115,520,949)				
Payment received	(7,719,484,223)			(7,743,564,968)				
Sale of fixed Assets	-			(14,146,643)				
Advance rent	-			(90,300)				
Government subsidy payable/claim	(780,579,757)			(997,970,088)				
STO Maldives (Singapore) Private Limited	Subsidiary	Transportation charges paid	(36,763,276)	(5,135,070)				
STO Maldives (Singapore) Private Limited	Subsidiary	Payment made	247,635	81,138	27,767,388	-	27,519,753	-
		Interest	-	-				
		Payments received	-	(705,851)				
Maldives Industrial Fisheries Company Limited	Affiliate company	Sale of goods	8,572,454	4,422,287	124,454,068	-	180,102,339	-
		Purchase of goods	(3,645,180)	(1,957,600)				
		Advance given	-	11,090,548				
		Loan given	47,756,881	-				
		Service provided	2,159,771	98,188				
		Payment made	886,031,596	715,928,252				
		Expense Reimbursement	11,639,814	4,642,290				
		Payment received	(61,113,467)	(2,006,064)				
		Purchase of foreign currency	(947,050,140)	(714,189,840)				
STO Hotels & Resorts Private Limited	Subsidiary	Expense Reimbursement	39,596	39,609	81,390,084	-	205,786,033	-
		Payments received	(124,435,545)	-				
		Receivable write off	-	-				



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48 RELATED PARTY TRANSACTIONS (CONTINUED)

48.2 COMPANY (CONTINUED)

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2023 MVR	2022 MVR	31/12/2023		31/12/2022	
					MVR Receivables	MVR Payables	MVR Receivables	MVR Payables
Maldives Structural Product Private Limited	Joint venture	Purchase of goods	(82,133,603)	(72,603,885)	-	(16,569,025)	-	(10,548,947)
		Dividend received	8,000,000	8,000,000				
		Payment received	-	(12,000,000)				
		Other income	2,356,549					
		Payment made	65,756,977	76,326,551				
Raysut Maldives Cement Private Limited	Associate	Purchase of goods	(100,887,514)	(169,254,743)	1,919,533	(35,179,397)	400,725	(29,286,192)
		Payment made	97,999,653	182,516,032				
		Transportation charges paid	(1,486,535)	(17,890,648)				
		Expense reimbursement	-	398,551				
		Payment received	-	-				
		Rent received	-	-				
Maldives State Shipping Company Private Limited	Subsidiary	Investment	-	-	249,421,597	(8,507,893)	259,100,759	(62,278,720)
		Loans given	110,314,969	240,306,666				
		Sales of goods	(147,710,310)	(197,275,827)				
		Rent Income	677,798	3,772,966				
		Expense reimbursement	-	-				
		Services provided	119,545	1,695,136				
		Interest	17,482,045	1,192,464				
		Loans received	(136,987,280)	-				
		Payments received	(27,015,325)	(97,441,683)				
		Lease receivable	27,245,691	14,408,128				
		Fixed deposit interest	2,096,259					
		Claims received	461,561					
		Rent advance	(279,626)					
		Dollar sales	-	-				
		Service obtained	-	-				
Payments made	197,686,341	176,047,727						
Ministry of Finance and Treasury	Majority Shareholder	Food subsidy income	335,401,269	317,621,132	598,267,301	(71,903,277)	463,485,248	(60,779,802)
		Fuel subsidy	1,886,244,318	2,641,551,526				
		Interest receivable	125,020,595	16,540,418				
		Interest payable	(11,123,475)	(4,642,290)				
		Sale of goods	7,200	-				
		Other Services	23,376					
		Loans repaid	(192,750,000)	(144,562,500)				
		Payment received	(2,019,164,706)	(2,899,317,792)				
Ministry of Health	Affiliate company	Sale of goods	170,310,069	259,604,291	227,879,330	-	232,079,647	-
		Payment received	(174,510,385)	(244,521,448)				
State Electric Company (STELCO)	Affiliate company	Service obtained	(20,798,339)	(17,420,301)	150,555,229	(3,583,376)	106,145,186	-
		Payment made	17,214,903	17,618,079				
		Payment received	(1,428,176,555)	(1,245,348,509)				
		Sale of goods and fuel	1,472,586,598	1,254,546,141				
Indira Gandhi Memorial Hospital	Affiliate company	Sale of goods	346,333,743	392,875,856	130,555,312	(232,674)	120,774,586	-
		Payment received	(336,553,016)	(460,163,990)				
		Service obtained	(232,674)					
Rainbow Enterprises Private Limited	Affiliate company	Purchase of goods	(719,809)	-	8,371,788	(79,380)	14,983,633	-
		Sale of goods	9,127,432	28,012,612				
		Payment made	640,429	-				
		Interest	423,495	99,252				
		Payment received	(16,162,772)	(24,728,515)				
Hulhumale Hospital	Affiliate company	Sale of goods	39,811,565	54,254,508	14,666,608	-	22,323,637	-
		Payment received	(47,468,594)	(48,097,218)				
Fenaka Corporation Limited	Affiliate company	Sale of goods	351,823	1,305,002	40,369,759	(28,176,408)	40,130,350	(19,448,426)
		Service obtained	(8,727,982)	(10,323,764)				
		Interest received	-	666,009				
		Other services	-	-				
		Payment received	(112,414)	(647,126)				



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48 RELATED PARTY TRANSACTIONS (CONTINUED)

48.2 COMPANY (CONTINUED)

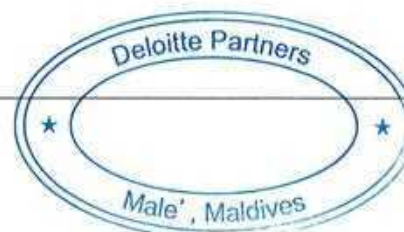
Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2023 MVR	2022 MVR	31/12/2023 MVR	31/12/2022 MVR	Receivables	Payables
Maldives Airport Company Limited	Affiliate company	Sale of fuel	2,675,119,104	3,062,492,019	113,791,073	(339,023)	83,132,141	-
		Sale of goods	2,322,522	1,149,563	-	-	-	-
		Payment received	(2,646,782,694)	(3,096,609,765)	-	-	-	-
		Services obtained	(339,023)	-	-	-	-	-
Addu International Airport Private Limited	Affiliate company	Sale of goods	9,055,735	52,398,395	18,971,463	-	35,562,289	-
		Service obtained	(8,221,216)	(16,053,505)	-	-	-	-
		Fines	24,569	-	-	-	-	-
		Payment made	646,081	16,460,452	-	-	-	-
		Payment received	(18,095,995)	(37,519,575)	-	-	-	-
Ministry of Housing and Infrastructure	Affiliate company	Service obtained	(2,808,000)	(2,808,000)	98,145,303	(15,830,882)	92,044,904	(13,022,882)
		Sale of goods	6,100,399	-	-	-	-	-
		Payment received	-	-	-	-	-	-
Aasandha Private Limited	Affiliate company	Sale of goods	338,592,844	299,937,555	248,799,074	(3,440,850)	128,295,659	-
		Payment received	(221,530,279)	(243,321,056)	-	-	-	-
Housing Development Corporation Limited	Affiliate company	Rent Expense	(14,416,564)	(13,217,934)	-	(13,080,539)	-	(12,994,719)
		Other fees	(716,128)	-	-	-	-	-
		Payment made	15,046,870	13,223,478	-	-	-	-
Maldives Pension Administrative Office	Affiliate company	Pension Expense	(16,355,206)	(18,397,349)	-	(1,665,931)	-	(1,632,439)
		Other services	(150,000)	-	-	-	-	-
		Payment made	16,471,714	18,207,684	-	-	-	-
Champa Gas & Oil Company Private Limited	Affiliate company	Fines	-	(22,194)	11,082,277	-	23,433,234	-
		Sale of fuel	92,413,277	83,370,774	-	-	-	-
		Payment received	(104,764,234)	(67,547,939)	-	-	-	-
National Social protection Agency	Affiliate company	Sales	204,466,923	125,622,999	83,316,039	-	20,019,437	-
		Payment received	(141,170,320)	(130,043,034)	-	-	-	-
United Nations office	Affiliate company	Sales	73,083,954	-	72,586,151	-	-	-
		Payment received	(497,803)	-	-	-	-	-
Ministry of Construction	Affiliate company	Sales	18,964	-	83,764,460	-	20,280,307	-
		Claims for fuel expense	105,774,035	-	-	-	-	-
		Payment received	(42,308,847)	(1,705)	-	-	-	-
Maldives Transport and Contracting Company	Affiliate company	Sales	176,567,979	94,823,536	59,964,131	(1,637,188)	22,319,253	(95,125)
		Hire Charges	76,950	49,635	-	-	-	-
		Purchases	(9,626,162)	(10,265,914)	-	-	-	-
		Payments made	8,084,099	10,853,574	-	-	-	-
		Payment received	(139,000,001)	(91,408,608)	-	-	-	-
Island Aviation Services Limited	Affiliate company	Sales	56,524,396	32,867,887	18,750,284	(4,508,610)	4,676,567	(3,259,585)
		Other services	371,833	-	-	-	-	-
		Purchases	(2,550,314)	(3,173,329)	-	-	-	-
		Payments made	1,301,289	1,379,492	-	-	-	-
National Disaster Management Authority	Affiliate company	Payment received	(18,226,374)	(21,556,114)	40,403,232	-	58,629,606	-
		Sales	-	850,218	-	-	-	-

48.2.1 Trade receivable and payable from related parties are unsecured, at no fixed interest rate and repayable on demand. Therefore, the full amount shown as current receivables and payables.

48.2.2 Transactions with key management personnel

The Managing Director and a board of directors of the Company are the members of the key management personnel. Key management personnel compensation comprised the following:

	2023 MVR	2022 MVR
Short term employee benefits	3,570,573	4,203,200



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2023

49 First time adoption of new accounting standards

Impact on the statement of financial position as at 1 January 2022.

	1 January 2022	First-time adoption of IFRS 17	Reclassification	1 January 2022 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	2,224,799,114	-	2,224,799,114	2,224,799,114
Investment property	364,321,624	-	-	364,321,624
Intangible assets	21,477,248	-	-	21,477,248
Right-of-use assets	483,883,816	-	-	483,883,816
Equity accounted investees	35,557,370	-	-	35,557,370
Equity securities at FVOCI	48,761,800	-	-	48,761,800
Amounts due from related parties	240,937,500	-	(240,937,500)	-
Loans receivable	-	-	240,937,500	240,937,500
Other financial investments	285,663,091	-	-	285,663,091
Deferred tax assets	133,519,144	-	-	133,519,144
Total non-current assets	3,838,920,707	-	-	3,838,920,707
Current asset				
Inventories	1,555,693,560	-	-	1,555,693,560
Trade and other receivables	807,385,853	(53,825,838)	-	753,560,015
Amounts due from related parties	2,359,247,453	(190,676,828)	-	2,168,570,625
Loans receivable	-	177,895,833	-	177,895,833
Insurance contract assets	-	5,418,545	-	5,418,545
Reinsurance contracts	626,303,546	(87,265,778)	-	539,037,768
Other financial investments	246,106,517	(17,828)	-	246,088,689
Cash and cash equivalents	1,216,722,825	(952,520)	-	1,215,770,305
Total current assets	6,811,489,754	(149,424,414)	-	6,662,035,340
Total assets	10,650,380,460	(149,424,413)	-	10,500,956,047
EQUITY AND LIABILITIES				
Equity				
Share capital	56,345,500	-	-	56,345,500
Share premium	27,814,500	-	-	27,814,500
Claim equalization reserve	66,566,984	-	-	66,566,984
Currency translation reserve	334,411	-	-	334,411
General reserve	921,271,128	-	-	921,271,128
Fair value reserve	(2,346,648)	-	-	(2,346,648)
Retained earnings	1,429,488,047	42,453,584	-	1,471,941,631
Equity attributable to owners of the Company	2,499,473,922	42,453,585	-	2,541,927,507
Non-controlling interests	24,228,269	-	-	24,228,269
Total equity	2,523,702,191	42,453,585	-	2,566,155,776
LIABILITIES				
Non-current liabilities				
Loans and borrowings	525,254,461	-	-	525,254,461
Deferred income	35,938,536	-	-	35,938,536
Deferred tax liability	1,102,967	-	-	1,102,967
Lease liabilities	398,071,220	-	-	398,071,220
Defined benefit obligation	128,975,526	-	-	128,975,526
Total non-current liabilities	1,089,342,709	-	-	1,089,342,709
Current liabilities				
Loans and borrowings	2,472,362,241	-	-	2,472,362,241
Trade and other payables	2,942,743,473	(71,987,276)	-	2,870,756,197
Lease liabilities	88,494,528	-	-	88,494,528
Deferred income	8,913,713	-	-	8,913,713
Insurance contracts	724,822,415	(146,798,754)	-	578,023,661
Reinsurance contracts	-	26,909,382	-	26,909,382
Current tax liabilities	54,934,394	-	-	54,934,394
Amounts due to related parties	145,166,036	(1,350)	-	145,164,686
Bank overdrafts	599,898,760	-	-	599,898,760
Total current liabilities	7,037,335,560	(191,877,998)	-	6,845,457,562
Total liabilities	8,126,678,269	(191,877,998)	-	7,934,800,271
Total equity and liabilities	10,650,380,460	(149,424,413)	-	10,500,956,047

