AUDITED FINANCIAL STATEMENTS

Business Center Corporation Ltd

December 31, 2021

PRUDENT CHARTERED

Prudent Chartered LLP
Certified Auditor ICAM-FL-NLC
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INDEPENDENT AUDITOR'S REPORT

to the shareholders of Business Center Corporation Ltd

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Business Center Corporation Ltd ("the Corporation") which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Maldives, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Leases
Refer to the summary of significant accounting policies in notes 3.15 of the financial statement.

Risk Description
The Corporation has recognized lease liabilities at the present value of future lease payments, discounted using the incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities was 10%. Right-of-use assets are measured at an amount equivalent to the lease liability, adjusted for any prepaid or accrued lease payments.

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We have identified Lease Measurement as a key audit matter due to the Corporation's substantial portfolio of leased properties. During 2021, the Corporation recognized an additional four leased properties. Furthermore, lease measurements necessitate complex assessments and judgments.

Our Response

Our audit procedures in this area included the following:

- Performed detailed analytical procedures of the lease related accounts in the trial balance for any unusual variances.
- Obtained Corporation's lease computation and checked for arithmetical accuracy
- Obtained lease agreements and cross checked the source data used in lease computation
- Assessed the incremental borrowing rate used in the lease computation
- Re-calculated the lease computation

Based on the tests performed, we found that the Lease liability and Right to Use assets recognized for the year 2021 is in line with the corporation's accounting policies.

Government Grants

Refer to the summary of significant accounting policies in notes 3.21 of the financial statement.

The Corporation has recognized Government grants in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate. In the case of grants related to assets the standards require setting up the grant as deferred income or deducting it from the carrying amount of the asset. Additionally, when the Corporation receives grants of non-monetary assets, both the asset and the grant are recorded at nominal amounts and subsequently recognized in profit or loss over the expected period.

We have identified Government Grants as a key audit matter due to the Corporation's receipt of grants from various sources, including UNDP, the Government of Maldives, and Local Councils, during the year 2021. Moreover, certain grants are tied to specific assets, leading to the Corporation deferring the grant income and resulting in a substantial deferred income liability in the statement of financial position. Notably, deferred grant income includes rent free office space agreements being valued at market value over the leased period. Therefore, the deferred grant income presented in the financial statement involves with judgements and complex computations.

Our Response

Our audit procedures in this area included the following:

- Performed detailed analytical procedures of the Grants related accounts in the trial balance for any unusual variances.
- Verified the receipt of the assets received under grants
- Obtained deferred grant income schedule and re-computed the amortization table
- Obtained the valuation computation for the Regional Business Centers (RBC)
- Obtained the supporting correspondences on the market rent rates of the RBC

Based on the tests performed, we found that the Government Grant recognized for the year 2021 is in line with the corporation's accounting policies.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

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

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Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Corporation’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 Corporation’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 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 Corporation to cease to continue as a going concern.

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.

The engagement partner on the audit resulting in this independent auditor's report is Ibrahim Shabeen.

Ibrahim Shabeen
Prudent Chartered LLP
Certified Auditor: ICAM-FL-NLC

Dated Sunday, 12 November 2023

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BUSINESS CENTER CORPORATION LTD
STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2021

	Note	2021 MVR	Restated 2020 MVR
Revenue	5	22,119,369	6,599,233
Cost of Sales	6	(14,771,206)	(4,569,507)
Gross Profit/(Loss)		**7,348,164**	**2,029,726**
Other Income	7	2,675,486	1,007,025
Selling and Marketing Costs	8	(193,329)	(34,921)
Administrative Expenses	9	(25,383,780)	(11,576,117)
Profit/(Loss) Before Interest & Tax (EBIT)		**(15,553,460)**	**(8,574,287)**
Finance Costs	10	(1,456,766)	(304,097)
Profit/(Loss) Before Tax		**(17,010,226)**	**(8,878,384)**
Income Tax (Expense) / Credit	23	-	-
Net Profit/(Loss) for the Period		**(17,010,226)**	**(8,878,384)**
Profit/(Loss) per share		(170.10)	-

The accounting policies and notes on pages 8 through 24 form an integral part of the financial statements.

BUSINESS CENTER CORPORATION C-0511/2017

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BUSINESS CENTER CORPORATION LTD
STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	2021 MVR	Restated 2020 MVR
ASSETS			
Non-current assets			
Property, plant and equipment	11	8,298,389	1,453,252
Right-of-use Assets	12	12,750,449	12,031,189
Intangible assets	13	1,803,506	1,170,176
Deferred tax asset	23.3	-	-
		22,852,344	**14,654,617**
Current Assets			
Trade and Other Receivables	14	1,594,238	1,385,037
Cash and Cash Equivalents	15	2,995,608	5,426,082
Inventory Assets	16	238,777	312,133
		4,828,623	**7,123,251**
Total assets		**27,680,967**	**21,777,868**
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	17	1,000,000	-
Advance Share Capital	18	25,020,230	15,020,230
Retained Earnings		(27,697,378)	(10,687,152)
		(1,677,148)	**4,333,078**
Non- current liabilities			
Bank Loans	19	4,043,390	-
Lease Liabilities	20	9,106,000	9,297,294
Deferred Income	21	4,650,810	1,309,953
		17,800,200	**10,607,247**
Current liabilities			
Trade and Other Payables	22	5,621,372	3,569,920
Bank Loans due within 1 year	19	220,707	-
Lease Liabilities due within 1 year	20	4,552,769	2,851,959
Deferred Income due within 1 year	21	1,163,067	415,663
		11,557,915	**6,837,542**
Total Equity and Liabilities		**27,680,967**	**21,777,868**

The accounting policies and notes on pages 8 through 24 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors. Signed for and on behalf of the Board by,

Name of the Director	**Signature**
Fathmath Fazleena Fakir, Managing Director	....
Lamya Ibrahim, Board Director	....

Date: 25 October 2023

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BUSINESS CENTER CORPORATION LTD
STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2021

	Notes	Share capital MVR	Advance share capital MVR	Retained earnings MVR	Total equity MVR
As at 01 January 2020		**-**	**4,020,230**	**(1,808,769)**	**2,211,461**
Issued and Paid up share capital		-	-	-	-
Share capital paid in advance		-	11,000,000	-	11,000,000
Profit/(Loss) for the year		-	-	(8,878,384)	(8,878,384)
As at 31 December 2020		**-**	**15,020,230**	**(10,687,152)**	**4,333,078**
Issued and Paid up share capital		1,000,000	-	-	1,000,000
Share capital paid in advance		-	10,000,000	-	10,000,000
Profit/(Loss) for the year		-		(17,010,226)	(17,010,226)
As at 31 December 2021		**1,000,000**	**25,020,230**	**(27,697,378)**	**(1,677,148)**

The accounting policies and notes on pages 8 through 24 form an integral part of the financial statements.

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

BUSINESS CENTER CORPORATION LTD
STATEMENT OF CASH FLOWS
Year Ended 31 December 2021

	Notes	2021 MVR	Restated 2020 MVR
Operating activities			
Profit/(Loss) Before Tax		(17,010,226)	(8,878,384)
Adjustments for:			
Depreciation of PPE		1,464,713	282,183
Depreciation of Right-of-use asset		3,562,200	928,643
Amortization		291,775	188,786
Gain on termination of lease		-	(37,756)
Interest expense on lease liabilities		1,182,968	304,097
Bank Interest		273,798	-
Deferred tax expense		-	-
Amortization of deferred income		(710,919)	(327,646)
Operating Cash Flow Before Working Capital		**(10,945,691)**	**(7,540,078)**
Working capital adjustment;			
Change in Trade and Other Receivables		(209,201)	(13,723)
Change in Security Deposits		-	-
Change in Trade and Other Payables		2,051,451	2,335,626
Change in Inventory Assets		73,356	(82,183)
Cash Generated from operating activities		**(9,030,085)**	**(5,300,357)**
Interest expense on lease liabilities Paid		(1,182,968)	(304,097)
Bank Interest Paid		(273,798)	-
Net Cash Flow from operating activities		**(10,486,851)**	**(5,604,454)**
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment		(8,309,850)	(1,001,135)
Acquisition of Right-of-Use Asset		-	-
Acquisition of Intangible assets		(48,999)	-
Net cash flows used in investing activities		**(8,358,849)**	**(1,001,135)**
Cash Flow from Financing Activities			
Payments for Lease Liability		(2,771,944)	(796,175)
Proceeds from share capital issued		1,000,000	-
Proceeds from advance share capital contributed		10,000,000	11,000,000
Increase/(Decrease) in Deferred Income		3,923,074	-
Increase/(Decrease) Long-term loan		4,264,098	-
Net cash flows used in financing activities		**16,415,227**	**10,203,826**
Net decrease in cash and cash equivalents		(2,430,473)	3,598,237
Cash and cash equivalents at beginning		5,426,082	1,827,845
Cash and cash equivalents at the end	15	**2,995,608**	**5,426,082**

The accounting policies and notes on pages 8 through 24 form an integral part of the financial statements.

BUSINESS CENTER CORPORATION C-0511/2017

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1. Corporate Information

Business Center Corporation (BCC) is a limited liability Corporation, which is fully owned by the Government of the Maldives. The Corporation is incorporated on May 10, 2017 under the Presidential Decree bearing No: 2017/3 and governed under the Companies' Act No. 10 of 1996. The registered office of the Corporation is H. Ministry of Finance and Treasury, Ameenee Magu 20379, K. Male', Maldives.

The Business Center Corporation (BCC) was established in 2017 under a presidential decree, which would be the legal vehicle mandated for the operations and management of the Regional Business Centers (RBC), established as per the SME Act (2013) and would be steering the governments' SME support efforts, under the overall direction of the responsible Minister and through the advisory support of the SME Council.

The purpose of the BCC is to provide support in the development of the SME sector under the supervision of Ministry of Economic Development.

2. Basis of preparation

2.1. Statement of compliance

The financial statements of the Corporation have been prepared in accordance with international Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Financial Statements are prepared on a historical cost basis. No adjustment is made for inflationary factors affecting these financial statements. The Financial Statements are presented in Maldivian Rufiyaa and the all the values are rounded to nearest integral, except when otherwise indicated.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value.

2.3. Functional and presentation currency

The 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 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:
- Estimated Useful Life of leasehold buildings - note 3.2
- Estimated useful life of property plant and equipment - note 3.2
- Estimation uncertainties and judgements made in relation to lease accounting - note 3.15

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

3. Summary of significant accounting policies

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

3.1 Foreign currency translation

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

Transactions in foreign currencies are translated into Maldivian Rufiyaa at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Maldivian Rufiyaa at the exchange rates ruling as at that date. Foreign exchange differences arising on translations are recognized in profit or loss.

Non-monetary assets and liabilities, which are stated at historical cost, denominated in foreign currencies are translated into Maldivian Rufiyaa at the exchange rates ruling at the date of transaction. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated into Maldivian Rufiyaa at the foreign exchange rates ruling at the dates that the fair value was determined.

3.2 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 labor, any other costs directly attributable to bringing the assets to a working condition for their intended use.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

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, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

iii) Depreciation

The estimated useful lives for the current and comparative periods are as follows:
Leasehold Buildings - 25 years or lease term, whichever is shorter
Furniture and fittings - 10 years
Office equipment - 05 years
Motor Vehicles - 05 years
Low value asset - 05 years

Depreciation is provided from the month in which the property, plant and equipment is ready for use commencing from the month in which the assets were purchased up to the date of disposal and are recognized in profit or loss as incurred.

Gains and Losses on disposal of property, plant and equipment are determined by comparing the proceeds with carrying amount and are taken into account in determining the operating profit.

3. Summary of significant accounting policies (Continued)

3.3 Intangible assets

i) Recognition and measurement

Intangible assets that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

ii) Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as

iii) Amortization

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

The estimated useful lives for the current and comparative periods are as follows:
Computer Software - 03 years

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate

3.4 Impairments

The carrying amounts of the Corporation's non-financial assets other than inventories 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.

3.5 Provisions

A provision is recognized if as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.6 Trade 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 recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

BUSINESS CENTER CORPORATION C-0511/2017

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BUSINESS CENTER CORPORATION LTD
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2021

3. Summary of significant accounting policies (Continued)

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

3.8 Share Capital

Ordinary shares are classified as equity.

3.9 Trade payable

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

3.10 Current and deferred business profit tax

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

The Corporation is liable to business profit tax at rate of 15%, if the taxable profit of the year exceeds MVR 500,000.

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

Deferred business profit tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

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

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from contracts with customers
Revenue is measured based on the consideration specified in the contract with the customer. The Corporation recognizes revenue when it transfers control over a good or service to a customer.

3.12 Fair value estimation

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

BUSINESS CENTER CORPORATION C-0511/2017

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3. Summary of significant accounting policies (Continued)

3.13 Materiality and aggregation

In 2020, depreciation policy of the Corporation was to charge the depreciation on the non-current assets from the dat

In compliance with IAS I- Presentation of Financial Statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions are also presented separately unless they are considered to be immaterial.

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by accounting standards.

3.14 Going concern

The Board assessed the Corporations' ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may be significant upon the Corporations' ability to continue as a going concern, and it does not intend either to liquidate or to cease operations of the Corporation. Therefore, the financial statements are prepared on the going concern basis.

3.15 Leases

The Corporation adopted IFRS 16 Leases on 1 January 2020. On adoption of IFRS 16, the Corporation recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessees incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 10%. Right-of-use assets are measured at an amount equivalent to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

3.16 Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity as per IAS 37. Contingent liabilities are not recognized by the Corporation in the Statement of Financial Position but are disclosed unless they are remote.

3.17 Contingent assets

As per IAS 37, contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognized, but they are disclosed when it is more likely than not that an inflow of benefits will occur. Contingent assets are not recognized by the Corporation in the Statement of Financial Position as there was no occurrence of any event that fall to the entity.

3.18 Employee benefits

Salaries, wages, overtime, bonuses, government pension contributions, paid annual leaves, sick leaves and any non-monetary benefits are accrued in the year the services were provided by employees to the Corporation. All employee benefits are paid in accordance with the Employment Act, Maldives Pension Act and other relevant laws and regulations. The Corporation has no legal or constructive obligation to make benefit payments beyond what is stipulated in the laws.

BUSINESS CENTER CORPORATION C-0511/2017

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3. Summary of significant accounting policies (Continued)

3.19 Financial instruments

(a) Financial assets (non-derivatives)

Classification

When the Corporation recognizes a financial asset for the first time, it classifies it based on the Corporation's business model for managing the asset and the asset's contractual cash flow characteristics, as follows and as per IFRS 9 — Financial Instruments:

- Amortized cost - a financial asset is measured at amortized cost if two conditions are met (given under Amortized Cost).
- Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

The exception is for trade receivables that do not contain a significant financing component, as defined by IFRS 15, Revenue from Contracts with Customers. The Corporation presumes that a trade receivable does not have a significant financing component if the expected term is less than one year.

Initial Measurement

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Amortized Cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount.

Business Model Test
The business model reflects how the Corporation manages the assets in order to generate cash flows. The Corporation's objective is solely to collect the contractual cash flows from the assets. Factors considered by the Corporation in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed.

Cash Flow Characteristics Test

For the purposes of this test, '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.

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

3. Summary of significant accounting policies (Continued)

Subsequent measurement

The Corporation divides all financial assets that are currently in the scope of IAS 39 into two classifications according to IFRS 9 — those measured at amortized cost and those measured at fair value.

Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (fair value through profit or loss, FVTPL), or recognized in other comprehensive income (fair value through other comprehensive income, FVTOCI).

For debt instruments the FVTOCI classification is mandatory for certain assets unless the fair value option is elected. Whilst for equity investments, the FVTOCI classification is an election. Furthermore, the requirements for reclassifying gains or losses recognized in other comprehensive income are different for debt instruments and equity investments.

The classification of a financial asset is made at the time it is initially recognized, namely when the Corporation becomes a party to the contractual provisions of the instrument.

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 de-recognition is recognized in profit or loss. Financial assets at amortized cost comprise trade and other receivables, bank deposits and investment in fixed deposits.

De-recognition of financial assets

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation I recognized as a separate asset or liability.

(b) Financial liabilities (non-derivative)

Classification, subsequent measurement and gain and losses

The Corporation 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 Corporation becomes a party to the contractual provisions of the instrument. The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for-trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The Corporation has the non-derivative financial liabilities such as trade and other payables and amounts due to related party. Such financial liabilities are recognized initially at fair value plus any directly attributable to transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

3. Summary of significant accounting policies (Continued)

De-recognition

Financial liability is derecognized when its contractual obligations are discharged or cancelled or expire. The Corporation 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.

3.20 Inventories

The Corporation adopts IAS 2 — Inventories for the recognition and valuation of inventories. Therefore, the Corporation measures inventories at the lower of cost and Net Realizable Value (NRV). The cost of the inventories includes costs of purchase, costs of conversion (direct labor and production overhead) and other costs incurred in bringing the inventories to their present location and condition. The carrying amount of those inventories is to be recognized as an expense in the period in which the related revenue is recognized when inventories are sold as per IAS 2. Moreover, any write- down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

The primary revenue generating activity of the Corporation does not maintain a stock as sales are made on a consignment basis. Hence this is not recognized under inventories.

3.21 Government grants and assistance

The Corporation adopts IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance to account for all government grants and any other assistance. Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset. When the Corporation receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected.

3.22 New and amended standards and interpretations
A number of new standards are effective for annual period beginning after 1st January 2021 and earlier application is permitted; however, the Corporation has not early adopted the new or amended standards in preparing these financial statements.
The following amended standards and interpretation are not expected to have a significant impact on the Corporation's financial statements.

- Annual Improvements to IFRS standards 2018-2020
- Cost of Fulfilling a Contract – Onerous Contracts (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statement 2)
- Definition of Accounting Estimates (IAS 8)
- Deferred tax related to assets and Liabilities arising from a single Transaction. (Amendments to IAS 12)
- IFRS 17 Insurance Contracts

4. Comparatives

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

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

		2021 MVR	2020 MVR
5	**Revenue**		
	Consignment Sales	20,292,401	6,124,274
	Inspection Fee	179,150	474,959
	Sponsorship for MBN	1,254,629	-
	Seed Sales	142,398	-
	Rental Income	250,792	-
		22,119,369	**6,599,233**

6	**Cost of Sales**		
	Authentic Maldives supplies	14,588,219	4,377,437
	Authentic Maldives Shopping Bags	123,801	16,000
	Inspections Charge	-	176,070
	MBN Content Development	29,530	-
	Rent by Revenue Share	29,656	-
		14,771,206	**4,569,507**

7	**Other Income**		
	Grant Income	1,377,773	892,493
	Exchange Gain	-	40,799
	Other Income	1,297,713	17,500
	Gain on termination of lease	-	37,756
	Retention Fee	-	18,476
		2,675,486	**1,007,025**

7.1	**Grant Income**		
	UNDP SEEDS	771,120	170,914
	MEERY Project	190,990	-
	Ministry of Economic Development	138,860	524,804
	Rent free spaces - Regional Business Center (RBS)	276,803	188,786
		1,377,773	**884,504**

8	**Selling and Marketing costs**		
	Marketing Expenses	174,873	16,671
	Social Media	18,456	4,025
	New Shop Opening	-	14,225
		193,329	34,921

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

		2021	2020
9	**Administrative Expenses**	**MVR**	**MVR**
	Meals and Entertainment	14,328	5,107
	Office Supplies	142,215	197,269
	Legal and Professional Fees	175,964	55,510
	Training and Seminars	2,000	4,300
	Repairs and Maintenance	86,914	146,154
	Bank Service Charges	401,198	113,272
	Fines and penalties	5,789	5,893
	Uniform	-	29,346
	Miscellaneous Expenses	333,752	178,265
	Catering	-	24,067
	Subscriptions	252,177	111,520
	Interior Design	-	105,980
	Office Expenses	7,981	-
	Duty Free License Fee	1,911,914	607,120
	License and Registration	5,972	13,594
	Motor Vehicle Running Expenses	27,739	-
	Printing & Stationery	76,996	21,114
	Annual Fees	5,672	-
	Freight and Postage	11,422	-
	Equipment Rental	385,006	-
	Minor Office Equipment	136,350	-
	Minor Office Furniture	14,969	-
	Website Development Cost	12,000	-
	Employee Welfare Expenses	10,385	-
	UNDP SEED Expense	836,248	-
	Insurance Expense	7,271	1,000
	Donations and Sponsorships	3,770	-
	Survey and Data Collection	-	8,972
	Cleaning expense	96,525	69,111
	Utilities	708,469	243,268
	Internet & Lease line	212,081	288,091
	Depreciation Expense	1,464,713	282,183
	Depreciation (leased spaces)	3,562,200	928,643
	Amortisation (Free Office Spaces)	276,803	188,786
	Amortisation Expense	14,972	-
	Transportation	27,684	-
	Local Travel Expense	84,055	94,694
	Exchange Gain or Loss	32,011	5,249
	Events Expenditures	3,180	10,065
		11,350,725	**3,738,572**

9.1	**Personnel Costs**	**2021**	**2020**
	Director Remuneration	768,439	725,020
	Pension	576,518	295,093
	Salaries and wages	12,688,098	6,817,432
		14,033,055	**7,837,545**

10	**Finance Cost**	**2021**	**2020**
	Loan Interest	273,798	-
	Lease Interest	1,182,968	304,097
		1,456,766	**304,097**

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

11 Property, Plant and Equipment

11.1 At cost	As at Beginning of 2021	Addition	Disposals	As at the End of 2021
Leasehold Building	728,059	1,961,868	-	2,689,927
Office Equipment	143,401	4,536,841	-	4,680,242
Furniture and Fitting	169,675	1,811,141	-	1,980,816
Motor Vehicle	694,300	-	-	694,300
	1,735,435	**8,309,850**	**-**	**10,045,285**
11.2 Accumulated Deprecation				
Leasehold Building	120,317	732,449	-	852,766
Office Equipment	13,015	456,701	-	469,717
Furniture and Fitting	9,990	136,702	-	146,693
Motor Vehicle	138,860	138,860	-	277,720
	282,183	**1,464,713**	**-**	**1,746,896**
11.3 Net Book Value	**1,453,252**			**8,298,389**

12 Right-of-use Assets

12.1 At cost	As at Beginning of 2021	Addition	Disposals/ Adjustments	As at the End of 2021
Office premises	12,888,644	4,281,460	(39,302)	17,130,803
	12,888,644	**4,281,460**	**(39,302)**	**17,130,803**
12.2 Accumulated Deprecation				
Office premises	857,456	3,520,210	(2,688)	4,380,353
	857,456	**3,520,210**	**(2,688)**	**4,380,353**
12.3 Net Book Value	**12,031,189**			**12,750,449**

The office premises that fall to the scope of IFRS 16 — Leases as of 31 December 2021, were M. Kaneeru Villa (1st & 2nd floor) - Male' City, Ma. Maadheli (6th floor) - Male' City, Unit 11 of Centro Mini Mall - Hulhumale', Dh. Kudahuvadhoo Council – rented space, Aseyna - S.Hithadhoo, GDh.Thinadhoo Council - rented space, STO Allied Building - Ground Floor & 1st floor and Unit ISC-1-01, indoor sports Complex in Hulhumale'.

13 Intangible assets

13.1 At cost	As at Beginning of 2021	Addition	Disposals	As at the End of 2021
Website	-	48,999	-	48,999
Rent free office spaces (RBC)	1,363,776	876,106		2,239,882
	1,363,776	**925,105**	**-**	**2,288,881**
13.2 Accumulated Amortization				
Website	-	14,972	-	14,972
Rent free office spaces (RBC)	193,600	276,803		470,403
	193,600	**291,775**	**-**	**485,375**
13.3 Net Book Value	**1,170,176**			**1,803,506**

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

		2021	2020
14	**Trade and Other Receivables**	**2021**	**2020**
	Trade Receivables	376,467	887,469
	Other Receivables	323,281	-
	Security Deposits	894,490	497,568
		1,594,238	**1,385,037**

15	**Cash and Cash Equivalents**	**2021**	**2020**
	Balances at bank	1,669,832	5,259,570
	Cash on hand	1,325,776	166,512
		2,995,608	**5,426,082**

16	**Inventory Assets**	**2021**	**2020**
	As at 1 January	312,133	229,950
	Additions	-	113,183
	Deductions	(73,356)	(31,000)
	As at 31 December	**238,777**	**312,133**

17	**Issued Share Capital**	**2021**	**2020**
	As at 1 January	-	-
	Additions	1,000,000	-
	As at 31 December	**1,000,000**	**-**

Authorized Share capital comprises of MVR 50,000,000 (5 million shares @ MVR 10 each).
The total paid up number of ordinary shares as at 31 December 2021 is 100,000 with par value of MVR 10 per share.
The corporation is owned by the Government of Maldives with a 100% shareholding.

18 Advance Share Capital

As at the year ended 31st December 2021, the Corporation has received MVR 25,020,230/- (2020:MVR 15,020,231/-) as contribution for share capital from the Government of Maldives for which the share have not been allotted as at reporting date.

19	**Bank Loans**	**2021**	**2020**
	Bank Loan Due After 1 year	4,043,390	-
	Bank Loan Due within 1 year	220,707	-
		4,264,098	**-**

The loan of MVR 4,264,098/- is an secured loan taken from SME Development Finance Corporation. The loan was raised on 19th April, 2021. Repayable over 10 years after 12 months grace period. The loan carries an interest of 8% per annum.

20	**Lease Liabilities**	**2021**	**2020**
	Lease Liabilities Due After 1 year	9,106,000	9,297,294
	Lease Liabilities Due Within 1 year	4,552,769	2,851,959
		13,658,769	**12,149,253**

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

20.1	**As at 1 January**	12,149,253	2,052,164
	Additions during the year	4,281,460	12,888,645
	Interest on lease liability	1,182,968	304,097
	Payments during the year	(3,954,912)	(1,100,272)
	Derecognition of lease liabilities	-	(1,995,382)
	As at 31 December	**13,658,769**	**12,149,253**

20.2 Maturity analysis of lease liability - undiscounted cash flows

Classification	2021	2020
Less than one year	5,773,059	3,954,912
More than one year	9,680,380	15,291,439
More than five years	445,500	607,500
Total Undiscounted Lease liabilities	**15,898,939**	**19,853,851**

20.3 The following are the amounts recognized in profit or loss:

	2021	2020
Depreciation (ROU assets)	3,562,200	928,643
Interest expense on lease liability	1,182,968	304,097
	4,745,168	**1,232,739**

21	Deferred Income	2021	2020
	Deferred Income Due After 1 year	4,650,810	1,309,953
	Deferred Income Due Within 1 year	1,163,067	415,663
		5,813,876	**1,725,616**

21.1 Deferred Income details

a) UNDP SEEDS	2021	2020
As at 1 January	-	-
Additions	925,981	-
Amortization	(104,266)	-
As at 31 December	821,715	-

b) MEERY Project	2021	2020
As at 1 January	-	-
Additions	2,997,093	-
Amortization	(190,990)	-
As at 31 December	**2,806,104**	**-**

c) Ministry of Economic Development	2021	2020
As at 1 January	555,440	694,300
Additions	-	-
Amortization	(138,860)	(138,860)
As at 31 December	**416,580**	**555,440**

d) Rent free spaces - Regional Business Centers (RBC)	2021	2020
As at 1 January	1,170,176	119,556
Additions	876,106	1,239,407
Amortization	(276,803)	(188,786)
As at 31 December	**1,769,479**	**1,170,176**
Total	**5,813,877**	**1,725,616**

(a) UNDP SEEDS (Sustainable Economic Empowerment and Development for SMEs) Project

The Overall goal of the project is to provide economic rehabilitation to mitigate the negative impacts of the Covid-19 Crisis in the Maldives.

The main aim of the project includes.

1. Increase agricultural production and promote food security.
2. Institutional capacity development of the newly established state-owned enterprise that has been set up in response to the crisis to increase yield and mitigate food shortages.
3. Technical support and capacity development of the Business Centre Corporation to conduct support services for MSMEs to adapt to the new normal.

With the help of the project necessary equipment and accessory for the development of BCC were granted.

(b) MEERY PROJECT

MEERY, the "Maldives: Enhancing Employability and Resilience of Youth" project is a collaboration between the Ministry of Higher Education, the Ministry of Economic Development, and the World Bank. Funded by the World Bank, the objective of the MEERY project is to empower youth with skill sets and entrepreneurship training relevant to address the job market amid the COVID-19 pandemic to foster livelihoods.

(c) Ministry of Economic Development - IDB project

Authentic Maldives (Duty Free) outlet was fully funded by Under the IDB Project through the Ministry of Economic Development.

To mitigate the issues with transporting the consignments to Velana International Airport a VAN was financed and granted under the same project through the Ministry of Economic Development on 23 Jan 2020.

(d) Rent Free Office Spaces

Business Center Corporation's services span the entire Maldivian archipelago with our Business Centers located strategically at various locations across the atolls.

Our aim is to decentralize services and initiate financial & business literacy in every corner of the country.

Business centers operate to work in providing various services and implementation of organized programs to achieve strategic objectives.

To achieve the economic feasibility in operating the business centers, several office spaces were obtained for free under a contract.

Those Free office spaces are provided by the Atoll or Island Councils which are bodies of government, with the objective of providing benefits to the island community through the Business Center's operation, hence this satisfies criteria to recognize the free leases as grants under IAS20 (Accounting for Government Grants and Disclosure of Government Assistance)

22	**Trade and Other Payables**	**2021**	**2020**
	Trade payables	4,929,442	2,723,539
	Other Payables	325,831	577,821
	Salaries and Wages Payable	185,400	185,400
	Pension Payable	83,160	83,160
	Tax Payable	97,539	-
		5,621,372	**3,569,920**

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

23 Income tax	**2021**	**2020**
Current tax expense (23.1)	-	-
Deferred tax on temporary differences (23.3)	-	-
Income tax expense reported in the income statement	**-**	**-**

23.1 Current tax expense

In accordance with the provisions of the Income Tax Act (Number 25/2019), the Corporationis liable for income tax on its taxable profits earned above the tax free threshold at the rate of 15%. A reconciliation between the accounting profit and taxable profit are as follows.

23.2 Reconciliation between accounting profit and taxable profit:

	2021	**2020**
Profit before tax	(17,010,226)	(8,878,384)
Add: Depreciation and amortisation charge for the year	1,479,685	1,168,661
Other Disallowable expenses	2,811,282	10,699,911
Less: Capital allowances	(1,177,725)	(1,168,661)
Other allowable expenses	(2,801,723)	(10,699,911)
Taxable Income / (Loss) for the Year	**(16,698,706)**	**(8,878,384)**
Less: Business loss brought forward	(10,594,700)	(1,781,222)
Taxable Income / (Loss) for the Year after Loss relief	**(27,293,407)**	**(10,659,606)**
Less: Tax free allowance	(500,000)	(500,000)
Taxable Income / (Loss) for the Year after tax free allowance	(27,293,407)	(10,659,606)
Income tax on taxable profit @ 15%	**-**	**-**

23.3 Deferred tax	**2021**	**2020**
a) Deferred tax on temporary differences		
Depreciation and Capital allowance	45,294	-
Accumulated Tax losses	2,504,806	1,331,758
Provision on doubtful debts	-	-
Deferred tax expense /(credit) for the year	**2,550,100**	**1,331,758**

Deferred tax Assets and (Liabilities) are calculated on all taxable and deductible temporary differences arising from the differences between accounting bases and tax bases of assets and liabilities. Deferred tax is provided at the rate of 15%. However, the deferred tax asset is not recognized in the books as the corporation has being making loss since its incorporation and it is expected that there will not be sufficient future taxable profit against which the loss or credit carryforward can be utilised

b) Unrecognized deferred tax asset	**2021**	**2020**
As at 01 January	1,461,492	129,734
Increase/decrease during the year	2,550,100	1,331,758
As at 31 December	**4,011,591**	**1,461,492**

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

24	**Related party transactions**	**2021**	**2020**
24.1	**Transactions with key management personnel**		
	Remuneration		
	Director Remuneration	768,439	725,020
		768,439	**725,020**
	Balance outsanding		
	Managing Director Salary	185,400	185,400
		185,400	**185,400**

IAS 24 defines key management personnel as those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. The Corporation's Board of Directors and Managing Director have been identified as "Key Management Personnel". The details of the remuneration paid to Board of Directors in the year 2021 are provided in note 9.1.

24.2	**Transactions with related parties**		**2021**	**2020**
	Receivables & Payables	**Relationship**		
	Ministry of Economic Development	Gov of Maldives	100,150	348,110
	Maldives Airports Company Limited	Common Shareholders	(181,400)	-
	SME Development Finance Corporation (SDFC)	Common Shareholders	868,439	-
			787,189	**348,110**

25 Details of the restatement

(i) Certain prior period errors which have been identified during the year has been corrected as per IAS 8 (Accounting Policies, Changes in Accounting Estimates & Errors) retrospectively in the comparative figures.
Corrections of errors as follows:

(a) Corporation has recorded funds received from the Government of Maldives (Shareholder) as share capital since its incorporation. However, during the audit it was identified that Corporation has issued only 100,000 shares as at 31 December 2021. The first issuance of share was made on 4th March 2021. Therefore, the Corporation has reclassified the previously classified Share Capital to Advance share capital.

(b) Corporation has signed rent free office space agreements with local councils to operate the Regional Business Centers. In 2021, Corporation has valued the non-monetary grant income on the rent free office spaces of Regional Buisness Centers and recognized the deferred income and intangible assets. Since there are spaces received prior to 2021, prior year adjustments have been made accordingly .

(c) Corporation has conducted a review of its non-current asset register and discovered that certain expenses related to building improvements for leasehold buildings were incorrectly recorded under furniture and fittings in the 2020 financial statements. Consequently, the corporation has reclassified these assets appropriately.

(d) In 2020, depreciation policy of the Corporation was to charge the depreciation on the non-current assets from the date of purchase on straight line basis over the estimated useful life. However, Corporation has now revised its depreciation policy to charge the depreciation from the month of purchase and no depreciation is charged at the month of disposal on straight line basis over the estimated useful life. Therefore, Corporation has recalculated the depreciation and has adjusted the depreciation expense of 2020 to reflect the new policy.

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

(ii) Details of the restatement	As previously stated ss at 31.12.2020	Increase / (Decrease)	As Restated As at 31.12.2020
Statement of profit and loss and other comprehensive income			
Grant Income	695,718	196,775	892,493
Amortisation (Free Office Spaces)	-	188,786	188,786
Depreciation Expense	240,018	42,165	282,183
Cleaning expense	69,011	100	69,111
Statement of financial position			
Non-current assets			
At Cost			
Leasehold Building	570,600	157,459	728,059
Furniture and Fitting	327,234	(157,559)	169,675
Accumulated Depreciation			
Leasehold Building	77,392	42,925	120,317
Office Equipment	11,900	1,115	13,015
Furniture and Fitting	19,855	(9,865)	9,990
Motor Vehicle	130,871	7,989	138,860
Intangible assets	-	1,170,176	1,170,176
Equity and Liabilities			
Share Capital	15,020,230	(15,020,230)	-
Advance Share Capital	-	15,020,230	15,020,230
Deferred Income	563,429	1,162,187	1,725,616

26 Capital commitment and contingent liabilities

26.1 Capital commitment

The Corporation had no significant capital commitments or contingent liabilities as at 31 December 2021.

26.2 Contingent liabilities

There are no contingent liabilities outstanding as at the reporting date, which require disclosure in the financial statement.

27 Financial risk management objectives and policies

The Corporation's principle financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for Corporation's operations and to provide guarantees to support its operations. The Corporation has financial assets such as trade and other receivables and cash and balances with banks, which are arise directly from its operations. The Corporation is exposed to market risk, credit risk and foreign currency risk. The Corporation's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

27.1 Foreign currency risk

The Corporation incurs currency risk on services, purchases that are denominated in foreign currency. Foreign exchange risk arises from future commercial transactions and is recognised assets and liabilities.

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR

27.2 Liquidity risk

The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated funds and government budget every year. As part of its overall liquidity management, the Corporation maintains sufficient level of cash or cash convertible investments to meet its working capital requirement.

27.3 Credit risk

The Corporation has no significant concentrations of credit risk. It has policies in place to ensure that services are provided to customers with an appropriate credit history.

28 Fair value of financial assets and financial liabilities

The fair value of short-term financial assets and liabilities approximate their carrying value because of their immediate or short-term maturity. Directors believe that the fair value of long-term financial assets would not differ significantly from their carrying amount recorded in the statement of financial position.

29 Events occurring after the reporting date

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

BUSINESS CENTER CORPORATION C-0511/2017

PRUDENT CHARTERED LLP ICAM-FL-NLC REGISTERED AUDITOR