

8th June 2022

Our Ref. MHPA-042-A/2022

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Maldives Post Limited,

Opinion

We have audited the financial statements of Maldives Post Limited (Company), comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

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

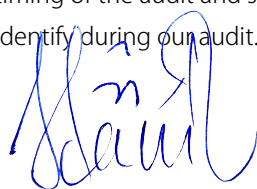
Auditors Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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.



Shamoon Adam, ACCA, FCA

License No: ICAM-IL-SVT

MHPA LLP

Chartered Accountants & CPAs



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MALDIVES POST LIMITED

AUDITORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2021



Maldives Post Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 MVR	2020 MVR
Revenue	6	28,121,329	27,259,710
Cost of sales		(20,377,464)	(19,550,129)
Gross profit		7,743,865	7,709,581
Other income	7	4,017,491	14,567,794
Administrative expenses		(26,857,299)	(22,610,860)
Distribution cost		(1,256,480)	(1,313,230)
(Loss) / profit from operating activities		(16,352,423)	(1,646,715)
Finance income	8	4,371,896	521,636
Finance cost	8.1	(12,726,692)	(266,796)
(Loss) / profit before tax		(24,707,219)	(1,391,875)
Income tax charge / (expense)	10	3,843,842	548,480
(Loss) / profit for the year		(20,863,377)	(843,395)
Other comprehensive income		-	-
Total other comprehensive income		(20,863,377)	(843,395)
(Loss)/earnings per share - Basis	11	(139.24)	(5.62)

The accounting policies and notes on pages 8 to 28 form an integral part of the financial statements.



Maldives Post Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

Asset	Note	2021 MVR	2020 MVR
Non-current assets			
Property plant and equipment	12	41,596,347	34,852,012
Investment property	13	1,630,358	10,943,852
Intangible assets	14	4,778,590	394,994
Right-of-use asset	15	5,331,619	5,684,789
Total non-current assets		53,336,914	51,875,647
Current assets			
Inventories	16	430,777	844,771
Trade and other receivables	17	41,698,892	104,863,318
Financial asset at amortised cost	19	35,456,749	14,185,646
Deferred tax asset	10.2	3,588,825	
Cash and cash equivalents	18	17,054,321	16,166,845
Total current assets		98,229,564	136,060,580
Total assets		151,566,478	187,936,227
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	20	15,000,000	15,000,000
General reserves		8,798,027	8,798,027
Retained earnings		40,075,761	60,939,138
Total shareholders' equity		63,873,788	84,737,165
Non-current liabilities			
Deferred tax liability	10.2	-	255,017
Lease liability	15.4	3,360,023	4,140,071
		3,360,023	4,395,088
Current liabilities			
Trade and other payables	21	82,643,622	97,041,913
Lease liability	15.4	1,689,045	1,762,061
		84,332,667	98,803,974
Total equity and liabilities		151,566,478	187,936,227

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

Name of the Director

Adam Mohamed

Ahmed Adhuham

Signature

The accounting policies and notes on pages 8 to 29 form an integral part of the financial statements.

07-June-2022

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Maldives Post Limited
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

	Share Capital MVR	General Reserve MVR	Retained Earnings MVR	Total MVR
Balance as at 01 January 2020	15,000,000	8,798,027	61,782,532	85,580,559
Profit/ (Loss) for the year	-	-	(843,395)	(843,395)
Balance as at 31 December 2020	15,000,000	8,798,027	60,939,138	84,737,165
Profit/ (Loss) for the year	-	-	(20,863,377)	(20,863,377)
Balance as at 31 December 2021	15,000,000	8,798,027	40,075,761	63,873,788

The accounting policies and notes on pages 8 to 29 form an integral part of the financial statements.



Maldives Post Limited
STATEMENT OF CASH FLOWS
Year ended 31 December 2021

		2021 MVR	2020 MVR
Cash Flows from Operating Activities			
(Loss)/profit before taxation		(24,707,219)	(1,391,875)
Adjustments to reconcile profit to net cash flows			
Lease interest	15.4	277,158	266,796
Interest income	8	-	-
Depreciation	12.2	2,056,783	2,382,350
Amortisation	15.3	97,065	2,220,062
Carrying value adjustment		(1,698,632)	
Provision on obsolete inventory		(74,359)	
Provision for impairment loss on trade receivables	17.2	506,349	1,003,525
Reversal of provision for impairment loss on other receivables		246,292	-
Provision write-off		-	-
Operating profit before working capital changes		(23,296,563)	4,480,858
Decrease/(increase) in inventories	16	413,994	216,072
Decrease/(increase) in trade and other receivables	17	62,411,318	8,867,319
Decrease in trade and other payables	21	(13,769,238)	(12,138,329)
Tax paid during the year	10.4	-	(4,803,642)
Lease interest paid during the year	15.4	(277,158)	(266,796)
Net cash flows used in operating activities		(48,778,916)	(3,644,518)
Acquisition of property, plant and equipment	12	(1,699,712)	(2,268,226)
Acquisition of intangible assets	14	(771,000)	(31,400)
Redemptions during the year	19	9,237,065	-
Investment		(30,508,168)	
Interest income received	8	-	-
Net cash (used in) / from investing activities		(23,741,815)	(2,299,626)
Cash flows used in financing activities			
Lease payments	15.4	(853,063)	(1,470,515)
Net cash used in financing activities		(853,063)	(1,470,515)
Net decrease in cash and cash equivalents		(887,475)	(7,414,659)
Cash and cash equivalents at the beginning of the year		16,166,846	23,581,505
Cash and cash equivalents at the end of the year	18	17,054,321	16,166,846

The accounting policies and notes on pages 8 to 29 form an integral part of the financial statements.



1. CORPORATE INFORMATION

1.1 General

Maldives Post Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a limited liability company since 30th July 2008 and governed under the Companies Act No. 10 of 1996, with its registered office of the Company being located at No 26, Boduthakurufaanu Magu, 20026, Male', the Republic of Maldives. The Company is 100% owned by the Government of Maldives and domiciled in the Maldives.

1.2 Principal activities and nature of operation

The principal activity of the Company during the period was to provide postal service and related activities in the Republic of Maldives.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The statements of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity together with accounting policies and notes form the financial statements ("financial statements") of the Company. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

The financial statements are prepared under the historical cost basis in accordance with International Financial Reporting Standards. The financial statements are presented in Maldivian Rufiyaa and all values are rounded to the nearest integer except when otherwise indicated. No adjustment is made for inflationary factors affecting these financial statements.

2.3 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has recourse to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainty.

2.4 Comparative information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Further, comparative information is reclassified wherever necessary to comply with the current year presentation.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.



3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

b) Estimates and assumptions

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful life-time of the Property, Plant and Equipment

The Company reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Management estimates these values, rates, methods and hence they are subject to uncertainty.

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its Fair Value Less Costs to Sell and its Value in Use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its financial statements:

4.1 Foreign currency translation

The financial statements are presented in Maldivian Rufiyaa, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Revenue recognition

Postal Revenue (Terminal Dues, EMS Imbalances, Parcel Post) are recognized when the designated postal operator confirms the weightage of the mails exchanged between the country of origin on a quarterly basis. This is in accordance with the rules and regulations of the Universal Postal Union.

The designated postal operator of each country is assigned by the government to provide postal service in that specific country. Therefore, the payment for the outstanding receivables from these designated postal operators is guaranteed and highly credit-worthy.

Others

Other income is recognised on an accrual basis.

4.3 Expenses

All expenditure incurred in the running of the business has been charged to statement of comprehensive income in arriving at the profit for the year. Repairs and renewals are charged to statement of comprehensive income to in the year in which the expenditure is incurred.

4.4 Tax expense

a) Current taxes

Income Tax on Business Profit assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Income Tax on Business Profit relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.5 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of comprehensive income is recognised outside statement of comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

a) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.6 Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

b) Owned assets

The cost of property, plant and equipment includes expenditure that are 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 asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as a 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. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of comprehensive income as incurred.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognised in statement of comprehensive income and gains are not classified as revenue.

e) Depreciation

Depreciation is recognised in statement of comprehensive income 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.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized. During the year the company reviewed its useful lives of fixed assets which resulted in a carrying value adjustment of 1,698,632 recognised in other income. Depreciation on property, plant and equipment of the Company is charged on a straight-line basis to write off the cost over the estimated useful life of the assets as follows:

	Prior to adjustment	Post adjustment
Buildings	50 years	50 years
Furniture and fittings	05 years	10 years
Motor vehicles	05 years	10 years
Computer and Peripherals	03 years	5 years
Office equipment	04 years	8 years
Other Equipment	04 years	8 years
Software	03 years	7 years

4.7 Investment properties

Investment property are properties held either to earn rental income or 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 less accumulated depreciation and impairment losses. The Depreciation on investment properties is recognized on a straight-line basis over the 50 years estimated useful lifetime, either subsequent recognitions or derecognitions of investment properties are by using the fair value method. On the disposal on an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

During the year one leased floor was vacated by the tenants and subsequently occupied by the company. Hence, the value of the floor was transferred from investment property to building (Property, plant and equipment).

4.8 Intangible assets

Intangible assets with finite lives are amortised over the useful economic life (3 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

4.9 Leases

The company assesses at the inception of the contract whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) Company

as a lessee

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease

4.10 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost of each category of inventory is determined at actual cost on FIFO basis.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Impairment of non-financial assets

The carrying amounts of the 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.

a) Calculation of recoverable amount

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, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

a) Impairment/ reversal of impairment

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

4.12 Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies a simplified approach in calculating ECLs for local trade receivables and contract assets. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For international trade receivables the company recognizes a loss allowance based on lifetime ECL at each reporting date, the company also takes into account the credit rating of the country to which the designated postal operator belongs to in case of international receivables.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instruments – initial recognition and subsequent measurement.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include interest bearing loans and borrowings, trade and other payables.

b) Subsequent measurement

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

c) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Derecognition

Financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Contract liabilities

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

4.13 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts if any. Investments with short maturities i.e., three months or less from the date of acquisition are also treated as cash equivalents.

4.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

4.15 Retirement Benefit Obligations

a) Maldives Retirement Pension

Defined contribution plans – Maldives Retirement Pension Scheme all local (Maldivian National) employees are eligible for Maldives Retirement Pension Scheme (MRPS) contribution according to the terms of the Maldives pension Act Law No. 8/2009 handled by Maldives Pension Administration Office (MPO) from May 2011.

b) Other employee 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 recognised 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.



5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the financial statements of the Company in the foreseeable future. The Company intends to adopt these amended standards, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.



5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the company's financial statements.

- IFRS 17, 'Insurance contracts'
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16
- Reference to the Conceptual Framework - Amendments to IFRS 3
- Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018 - 2020
- Disclosure Initiative: Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- Definition of Accounting Estimates (Amendments to IAS 8)
- Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)
- Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

	2021 MVR	2020 MVR
6 Revenue		
Terminal dues, EMS & parcel post income	19,872,397	20,950,640
Sales from postage and stamp sales	4,020,817	2,324,701
Revenue stamps sales	1,595,288	2,391,861
E-commerce	1,200,185	917,438
Other post related income (Note 6.1)	123,189	245,307
Post shop	428,416	249,561
Commission income	51,972	180,202
Consignment Income	829,065	-
	28,121,329	27,259,710
Less: discounts allowed	-	-
	28,121,329	27,259,710
6.1 Other post related income		
Fax income	158	196
Handling charges	64,645	107,103
Service charge	58,386	138,008
Postage of return Items	-	-
	123,189	245,307
7 Other income		
Money exchange income	6,165	6,027
Profit from sale of phone cards (Note 7.1)	23,797	35,364
Rent income	1,309,518	1,663,142
Royalty income	231,300	555,120
Passport service charges	715	6,435
Custom duty processing charges	141,526	125,456
Miscellaneous income	196,590	716,005
Discount received	21,891	12,182
Compensation received	280,544	18,396
QSF donation	-	1,045,255
Foreign exchange gain	-	10,346,139
Gain on lease modification	-	1,271
Provision reversal	74,360	37,002
Carrying value adjustment	1,698,632	-
Late fine	32,453	-
	4,017,491	14,567,794
7.1 Profit from sale of phone cards		
Phone cards sales	265,596	191,124
Less: cost associated with phone cards	(241,799)	(155,760)
	23,797	35,364



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

	2021 MVR	2020 MVR
8 Finance income		
Interest income	880	923
Interest on overdue bills	12,270	3,426
Interest on treasury bills	441,578	517,287
Investment income	3,917,168	-
	4,371,896	521,636
8.1 Finance cost		
Interest expense on lease liability	277,158	266,796
Foreign Exchange loss	12,449,534	-
	12,726,692	266,796
9 Profit before tax		
Profit before tax is stated after charging all the expenses including the following;		
	2021 MVR	2020 MVR
Directors' remuneration	425,100	522,192
Rent expenses	-	-
Depreciation on property, plant and equipment	2,056,783	2,382,350
Amortization of intangible assets	97,065	218,259
Personnel costs (Note 9.1)	11,004,678	9,552,215
9.1 Personnel costs		
Staff salaries and wages	6,005,127	5,125,427
Allowances	3,763,004	3,248,036
Overtime	191,257	51,311
Staff training	85,652	132,928
Staff uniforms	-	74,156
Provident fund contribution	959,638	920,357
	11,004,678	9,552,215
10 Income tax expense	2021 MVR	2020 MVR
Current tax expense	-	-
(Over) / under provision in respect of prior years	-	-
Deferred tax on temporary differences (Note 10.2)	(3,843,842)	(548,480)
	(3,843,842)	(548,480)



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

10.1 Reconciliation between accounting profit and taxable income:

	2021	2020
	MVR	MVR
(Loss)/profit before tax	(24,707,219)	(1,391,875)
Aggregate disallowable items	4,468,349	6,368,849
Aggregate allowable items	(6,018,785)	(7,727,508)
Loss carried forward	(26,257,655)	(2,750,534)
Tax free allowance	-	-
Taxable Income for the Year	-	-
Income tax expense on taxable profit @ 15%	-	-

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

10.2 Movement in deferred tax

	2021	2020
	MVR	MVR
At 1 January	255,017	803,497
Recognized during the Year	(3,843,842)	(548,480)
As at 31 December	(3,588,825)	255,017

10.3 Deferred tax

	2021	2020
	MVR	MVR
Temporary difference on property, plant and equipment	2,280,101	841,534
Temporary difference on investment property	-	146,479
On accumulated losses	(4,351,228)	(412,580)
On voluntary retirement provision	(11,978)	(11,597)
On debtors' provision	(1,473,884)	(265,830)
On stock provision	(31,836)	(42,989)
Deferred tax liability as at 31 December	3,588,825	255,017

10.4 Income tax payable

	2021	2020
	MVR	MVR
At 1 January	1,650,743	6,454,385
(Over) / under provision in respect of prior years	-	-
Income tax provision for the year	-	-
Payment made during the year	(698,698)	(4,803,642)
Balance as at 31 December	952,045	1,650,743



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

11 (Loss)/earnings per share

Basic (loss)/earnings per share

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

	2021 MVR	2020 MVR
(Loss)/profit for the year	(20,863,377)	(843,395)
Weighted average number of ordinary shares	150,000	150,000
Basic (loss)/earnings per share	(139.24)	(5.62)

12 Property, plant and equipment

12.1 Gross carrying amounts at cost

	Balance as at 01.01.2021 MVR	Additions during the year MVR	Transfer during the year MVR	Balance As at 31.12.2021 MVR
Building	39,334,539	-	7,015,290	46,349,829
Computer equipment	5,464,348	296,198	-	5,760,546
Furniture & fittings	7,991,175	658,604	-	8,649,779
Motor vehicle	2,938,301	1	-	2,938,302
Office equipment	8,275,817	713,801	-	8,989,617
Other equipment	1,461,356	31,109	-	1,492,465
	65,465,536	1,699,712	7,015,290	74,180,538

12.2 Accumulated depreciation

	Balance As at 01.01.2020 MVR	Charge for the Year MVR	Transfer during the year MVR	Balance As at 31.12.2020 MVR
Building	8,653,599	786,691	1,683,670	11,123,959
Computer equipment	5,146,537	170,066	144,447	5,172,157
Furniture & fittings	7,722,640	103,009	163,149	7,662,500
Motor vehicle	1,229,517	195,100	231,751	1,192,866
Office equipment	6,696,622	421,505	817,192	6,300,935
Other equipment	945,606	99,801	132,638	912,769
	30,613,525	1,776,171	3,172,846	32,584,189
Net book value	34,852,011			41,596,349

12.3 The building included under Property, plant and equipment are constructed on a land given to the Company by the Government on a nominal fee.



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

13	Investment property	2021 MVR	2020 MVR
13.1	Cost		
	As at 1st January	14,030,580	21,045,869
	Transferred to property plant and equipment	(7,015,289)	(7,015,289)
	As at 31st December	7,015,289	14,030,580
13.2	Accumulated depreciation		
	As at 1st January	3,086,728	4,209,174
	Charge for the Year	280,612	420,918
	Transferred to property plant and equipment	(1,683,670)	(1,543,364)
	As at 31st December	1,683,670	3,086,728
	Net book value	5,331,619	10,943,852

14 INTANGIBLE ASSETS

14.1	COST	Balance As at 01.01.2021 MVR	Additions / Transfers MVR	Disposals MVR	Balance As at 31.12.2021 MVR
	Lease Hold Investment Cost	-	351,974		351,974
	Software Costs	1,469,590	771,000		2,240,590
		1,469,590	1,122,974		2,592,564

14.2	Amortisation	Balance As at 01.01.2021 MVR	Charge for the Year MVR	Transfer during the year MVR	Balance As at 31.12.2021 MVR
	Acc Dep'n - Lease Hold Investment	-	6,851	-	6,851
	Acc Dep'n - Software	1,263,275	90,215	209,456	1,144,034
		1,263,275	97,066	209,456	1,150,885

Net Book Value	206,315	1,441,679
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13.3	Work in progress	Balance as at 01.01.2021 MVR	Additions/ Transfers MVR	Balance As at 31.12.2021 MVR
	Mail carriage and delivery system	188,679	-	188,679
	Net book value	394,994		1,630,358

14 Lease

14.1 Lease rent

The Company had ongoing 18 lease agreements at the start of the financial year and entered in to two new lease agreements during the year, having the lease periods from 2 to 5 years. The Company has several contracts for the use of buildings. The Company's obligations under its leases are secured by the lessors' title to the leased assets.



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

The amortisation of Right of Use asset (ROU) and the lease creditors are as follows;

15.2	Right of use asset	2021 MVR	2020 MVR
	As at 01 January	8,515,690	5,341,479
	Additions	978,866	3,174,211
	As at 31 December	9,494,556	8,515,690
15.3	Accumulated depreciation		
	As at 01 January	2,830,901	1,250,016
	Depreciation for the year	1,885,063	1,580,885
	As at 31 December	4,715,964	2,830,901
	Carrying value	4,778,590	5,684,789

Set out below are the carrying amounts of rent liabilities and the movements during the year.

15.4	Lease liabilities	2021 MVR	2020 MVR
	As at 01 January	5,902,132	4,199,708
	Additions	978,866	3,172,939
	Interest expense	277,159	266,796
	Payments	(2,109,088)	(1,737,311)
	As at 31 December	5,049,069	5,902,132

	Interest rate	2021 MVR	2020 MVR
Current	5%	1,689,045	1,762,061
Non - current	5%	3,360,023	4,140,071
		5,049,069	5,902,132

16	Inventories	2021 MVR	2020 MVR
	Revenue stamps	-	454,009
	Phone cards	211,511	248,629
	Post shop	367,099	356,929
	Transit account	-	4,843
	Others	64,404	66,957
		643,014	1,131,367
	Provision for obsolete inventory	(212,237)	(286,596)
		430,777	844,771



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

17	Trade and other receivables	2021 MVR	2020 MVR
	Trade receivables	44,156,278	106,567,596
	Provision for impairment loss on trade receivables (Note 17.2)	(4,027,603)	(3,521,254)
		40,128,675	103,046,342
	Other Receivables	7,368,506	7,368,973
	Provision for impairment loss on other receivables (Note 17.2)	(5,798,289)	(5,551,997)
		1,570,217	1,816,976
		41,698,892	104,863,318

17.1 As at 31 December, the ageing analysis of trade receivables is as follows:

	<30 days MVR	31 - 60 days MVR	61 - 90 days MVR	91 - 365 days MVR	> 365 days MVR	Total MVR
2021	4,259,114	2,338,947	2,102,597	24,391,153	11,064,468	44,156,278
2020	2,033,850	2,214,818	1,421,753	29,508,239	71,388,936	106,567,596

17.2 Provision for impairment of trade receivables

	Other receivables		Trade receivables	
	2021 MVR	2020 MVR	2021 MVR	2020 MVR
Balance as at 1st January	5,551,997	6,592,525	3,521,253	2,517,728
Provision for the year	246,292	-	506,350	1,003,525
Write off during the year	-	(1,040,528)	-	-
Balance as at 31 December	5,798,289	5,551,997	4,027,603	3,521,253

18	Cash and cash equivalents	2021 MVR	2020 MVR
	Cash in hand	348,775	442,801
	Cash at bank	16,705,546	15,724,044
		17,054,321	16,166,845

19 Financial assets at amortised cost

MMA treasury bills	4,948,581	14,185,646
Investment	30,508,168	
	35,456,749	14,185,646

The effective interest rate of short-term treasury bills is 7.80% for MMA per annum with the maturity period. During the year the company entered into three investment agreements recognized at amortised cost, two of which were not mature at the reporting date.

20	Share capital	2021 MVR	2020 MVR
	Authorised share capital		
	250,000 ordinary shares of Rf. 100/- each	25,000,000	25,000,000
	Issued and fully paid		
	150,000 ordinary shares of Rf. 100/- each	15,000,000	15,000,000



Maldives Post Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

	2021 MVR	2020 MVR
21 Trade and other payables		
Trade payables	7,675,963	22,509,273
Accruals and other payables (Note 21.1)	8,940,917	7,807,200
Amount due to other post offices (Note 21.2)	65,074,697	65,074,697
Current tax payables (Note 10.4)	952,045	1,650,743
	82,643,622	97,041,913
21.1 Accruals and other payables		
Other payables	1,531,728	955,715
Accrued expenses	74,093	84,138
Dividend payable	6,321,966	6,321,966
Other current liabilities	962,500	357,505
Xpress money payables	-	-
Xpress provision	-	7,077
E-tukuri payable	50,630	76,100
Bill collection payables	-	4,699
	8,940,917	7,807,200
21.2 Amount due to other post office		
As at 1st January	65,074,697	65,074,697
Repayments during the year	-	-
As at 31st December	65,074,697	65,074,697

23 Financial risk management objectives and policies

The Company's principle financial liabilities are trade and other payables. The main purpose of these financial liabilities is to raise finance for Company's operations. The Company has financial assets such as trade receivables, cash and balances with banks, which arise directly from its operations. The main risks arising from the Company's financial instruments are foreign currency risk, liquidity risk and credit risk. The policies for managing each of these risks are summarised below,

23.1 Foreign currency risk

The Company 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.

23.2 Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans and bank overdrafts. As a part of its overall prudent liquidity management, the Company maintains sufficient level of cash and cash equivalents to meet its working capital requirement.

23.3 Credit risk

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

23.4 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.



24 Capital management

Capital includes the equity share capital and accumulated reserves. The Company's objective is to maintain a healthy capital ratio in order to support the business and maximise the shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in the Company's operations. The Company manages its capital structure and makes adjustments to it in light of changes in the Company's operations.

25 Events occurring after the reporting date

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

26 Capital commitment and contingent liabilities

The Company had no significant capital commitments or contingent liabilities as at 31 December 2020.



Maldives Post Limited
 DETAILED STATEMENT OF EXPENSES
 Year ended 31 December 2021

	2021 MVR	2020 MVR
i Cost of sales		
Operational staff costs	15,381,759	14,940,799
Cost associated with stamps	1,553,740	2,308,339
International air and Internal conveyance	1,070,078	283,180
Local mail carriage	535,142	514,635
Adecouvert expenses	-	-
EMS imbalance expenses	309,902	76,316
Letter post expenses	85,455	171,517
Parcel post expenses	151,094	46,787
Mail delivery and sorting allowance	-	6,277
Stamp costs	-	120,276
Supplementary remuneration expense	893	979
E-tukuri expenses	919,126	897,946
Closed transit	15,975	-
Cost of sales - post shop products	138,441	68,826
Operating expenses	215,859	114,252
	20,377,464	19,550,129
ii Distribution cost		
Marketing and advertising expenses	1,256,446	926,656
Bad and doubtful expenses	-	-
Bad debt write-off	34	386,574
	1,256,480	1,313,230



Maldives Post Limited
DETAILED STATEMENT OF EXPENSES
Year ended 31 December 2021

	2021 MVR	2020 MVR
iii Administrative expenses		
Staff costs	11,743,040	10,008,360
Repair and maintenance	1,237,753	690,088
License and professional fees	564,029	315,901
Utility expenses	2,568,823	2,249,461
Traveling expenses	151,812	13,951
UPU and APPU Contribution expenses	1,275,678	1,056,972
Stationaries	312,496	131,409
Fuel Expenses	-	-
Carriage & Rent	6,749	16,312
Land & Building Rent	158,666	160,814
Miscellaneous expenses	366	9,696
Monitoring Alarms and Security	313,609	270,215
Stamp Committee allow	1,500	3,000
Insurance	67,118	62,687
Waste, Deposal & Cleaning	430,258	448,764
Directors Fees & Expenses	425,100	524,180
Agency Post Office Allowance	1,288,283	1,226,686
EMS Corporative Contribution	-	17,001
Compensation	-	3,838
Internet Charges	139,163	157,548
CSR - Corporate Social Responsibility	35,925	-
Post Anniversary	-	12,367
Depreciation and amortisation	4,038,913	4,602,412
Bank Charges	138,109	104,528
GST Expense	408,016	268,762
Flag Expenses	165	-
Research cost	-	-
Fine	7,216	5,107
Land Fee	250,800	250,800
Employees health insurance	540,278	-
Bad and doubtful expense	752,642	-
Post shop gain/loss	714	-
Round up error	78	-
	26,857,299	22,610,860

