

# ANNUAL REPORT 2022



PREPARED BY:

Maldives Hajj Corporation Limited

# A WORD FROM THE CHAIRMAN



Dear Shareholders,

I am pleased to report that 2022 marked a year of steady progress for MHCL, despite the ongoing challenges posed by the Covid-19 pandemic. Our commitment to building MHCL as a leader in the religious travel industry has remained unwavering, even as we navigated travel restrictions and health protocols worldwide, including in Saudi Arabia. Our top priority throughout these times has been the health and safety of our travelers embarking on both Hajj and Umrah journeys, which has sometimes meant incurring additional costs to maintain high standards of service.

Building on the momentum from 2021, we saw a growth in our revenue in 2022, reflecting an expansion in our service reach. The Board responded to the shifting economic landscape by revising our business plan and internal policies, which has helped us maintain market share and enhance customer experiences.

Looking forward, we recognize the need to adopt more advanced technology to improve our digital offerings. We are committed to developing State-of-the-Art Technology expanding our business to drive shareholder value. Alongside our fiduciary duties, we aim to positively impact our community as a responsible corporate citizen.

We are fortunate to have Mr. Mohamed Shakeel as our Managing Director. His leadership and dedication have set new milestones for MHCL, enhancing our brand recognition and driving value generation. His strategic vision and commitment to excellence have positioned MHCL as a respected and successful brand, poised for future success.

While challenges are inevitable, we are confident that MHCL is on solid foundations, ready to continue delivering value to our shareholders and beyond. We remain committed to becoming a self-sustaining service provider with innovative adaptability and consistently achieving our goals and creating opportunities for all stakeholders.

Thank you for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read 'SH. MOHAMED RASHEED IBRAHIM', written over a teal background.

SH. MOHAMED RASHEED  
IBRAHIM  
CHAIRMAN



# A WORD FROM THE MANAGING DIRECTOR

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Reflecting on the events of 2022 and the endeavors undertaken by Maldives Hajj Corporation Limited, it's important to acknowledge the challenges faced by the company and the resilience displayed by our team in upholding our objectives. Having taken on the role of Managing Director at the end of 2023, appointed by Pcb, I've had the privilege of witnessing firsthand the dedication and resilience of our team in navigating through difficult times.

Looking back at 2022, it's evident that the Covid-19 pandemic brought unprecedented challenges. Our main focus was on navigating its impacts and restrictions, which affected our service capacity and customer satisfaction. These constraints not only reduced our income but also significantly increased operational costs. Travel precautions and rising costs due to the pandemic increased our expenses significantly. Despite these challenges, we remained committed to serving pilgrims for Umrah and Hajj, though with limited capacity and restrictions. However, the financial losses during this period were substantial.

Looking ahead, we must confront the reality of our situation and proceed steadfast in fulfilling our purpose to our stakeholders which include the broader public in facilitating a very worthy cause in opportunities that associate with their religious duties. With a public entrusted Hajj fund in place and over 8,000 Maldivian individuals eagerly awaiting their pilgrimage opportunity, the future sustenance of our company hinges on the ability to effectively build the trust on us to provide meaningful service and simultaneously capture opportunities to drive business growth, increase revenue streams, and minimize losses; paving on a new business strategy.

As Managing Director, the responsibility to execute the strategy into actions being on my leadership, I am fully committed to steering our company towards a path of sustainable growth and prosperity, In Sha Allah. By leveraging our resources wisely and implementing strategic initiatives, I am confident that we can emerge from these challenging times stronger than ever before. The expertise from the Board of Directors and collaboration from the management team, are key factors to this new pursuit and I sincerely believe in our collective capacity to truly deliver new heights for MHCL.

Together with the assistance and guidance from our stakeholders, we are confident that as an entity we have challenging yet exciting times ahead of us which will allow us through collaboration to achieve greater milestones in serving our purpose. With true sincerity let us embrace the opportunities that comes ahead, as we continue to not only uphold our commitment to service but redefine our approach to excellence in serving our customers and stakeholders.

MOHAMED SHAKEEL  
MANAGING DIRECTOR

Mohamed Shakeel

Managing Director

# BOARD OF DIRECTORS

## CHAIRMAN

Sheikh Mohamed Rasheed Ibrahim



Sheikh Mohamed Rasheed Ibrahim Rasheed, currently pursuing a PhD in Fiqh and Usul al Fiqh at Maldives Islamic University is a prominent educator and Islamic scholar. He holds a master's degree in Shariah, Bachelor's Degree in Islam & Arabic Literature from Al Madina Islamic University and has completed Certificate in Aimmah from Al Azhar University .

Sheikh Rasheed's career spans over three decades in education, including roles as an Arabic teacher, principal, and various administrative positions at Arabiyya School and the Ministry of Education. He also served as Deputy Minister of Islamic Affairs and Chairperson of the Maldives Hajj Corporation from 2016 to 2018. Currently, he lectures at The Maldives National University .

Beyond education, Rasheed has contributed significantly to The Islamic Centre, leading prayers and serving as an authorized Islamic preacher. He has held directorial roles at Yalamlam Pvt. Ltd. His career reflects a deep commitment to both educational advancement and Islamic leadership.

## MANAGING DIRECTOR

Mohamed Shakeel



Mr. Mohamed Shakeel is a prominent leader with a distinguished career spanning various management roles. His notable positions include serving as Minister of State, Commissioner and Director General of the Elections Commission of the Maldives and holding various managerial roles at Bank of Maldives PLC. Additionally, Mr. Shakeel has contributed to the Progressive Party of Maldives as the Secretary General.

Mr. Shakeel holds an MBA from Cambridge College of Business Management and a Bachelor of Business Administration from Multimedia University . He is also pursuing further education in Shariah and Law at Avid College. His extensive education has driven strategic initiatives in complex administrative and management roles.

Moreover, Mr. Shakeel's participation in international seminars and election observation missions in countries such as Japan, Turkey, Ecuador, and Georgia highlights his global perspective and proficiency in financial and management disciplines.

# DIRECTOR

Ustaz Ahmed Muaz Mansoor



Uz. Ahmed Muaz Mansoor has over a decade of experience in education and academic leadership. He holds a Post Graduate Diploma in Teaching from the Islamic University of Maldives and a Bachelor of Education in Shariah Islamiyah from Al-Azhar University, Cairo.

Currently, serving as a teacher at Billabong High International School in Male'. Uz. Muaz, he excelled as an Academic Coordinator for more than ten years, where he played a pivotal role in supporting and empowering teachers, managing academic programs, and ensuring the seamless execution of the school's curriculum.

His extensive background in educational leadership and his dedication to excellence have been recognized through multiple accolades, including the Exemplary Teacher Award.

# DIRECTOR

Yousuf Thalaal Hussain



Mr. Yusuf Talal Hussain is a distinguished professional in the field of Hajj and Umrah services, with over 19 years of dedicated experience catering to both government and private Hajj and Umrah groups. His extensive background underscores a deep commitment to enhancing the pilgrimage experience for countless individuals.

Mr. Hussain is a holder of a Diploma in Arabic from the Islamic University of Maldives (IUM),

# BOARD COMPOSITION

In compliance with the Corporate Governance Code for state-owned entities, the Board of Directors represents a mix of Executive (non-independent) and Non-Executive (independent) Directors so that it is capable of providing impartial, competent, and effective guidance to the Management while upholding an environment of good governance. The Board of Directors encompasses a range of skills, qualifications, talents and expertise that are required to provide sound and prudent guidance with respect to the operations and interests of the Company and its shareholders.

The Articles of Association of Maldives Hajj Corporation Limited stipulates that the board should comprise of five directors. The below table shows the name, designation, date of appointment and date of resignation/removal of MHCL board of directors for the year 2022.

NAME	DESIGNATION	APPOINTED	RESIGNED / REMOVED
UZ.ABDULLA NASEER MOHAMED	CHAIRMAN	28/10/2021	09/05/2024
MR. ISMAIL HAMEED	MANAGING DIRECTOR	25/12/2018	28/11/2023
DR. MOHAMED SHAFEEQ	DIRECTOR	26/09/2019	16/11/2023
MS. FATHIMATH LEENA	DIRECTOR	26/09/2019	26/12/2023
MR. AHMED ASIF	DIRECTOR	17/02/2021	26/12/2023

# CORPORATE GOVERNANCE

As an SOE, MHCL is governed in accordance with the principles set forth in the Companies Act of the Republic of Maldives (10/96), and the Corporate Governance Code for State Owned Enterprises, in addition to the Articles of Association of the Company.

The Board of MHCL is committed to high standards of corporate governance as the Company considers it to be critical to business integrity and to maintain stakeholder trust. As such the Company has continued to adopt and maintain compliance to all corporate governance principles, with the aim of increasing transparency and enhancing efficiency.

In compliance with the Corporate Governance Code for State Owned Enterprises:

Audited financial statements were prepared in accordance with International Accounting Standards and were made available to shareholders and relevant stakeholders.

Corporate Governance Code for State Owned Enterprises were adopted across corporate practices, to achieve adherence to outlined governance standards.

Addressing room for conflicts of interest and where such instances occurred, all relevant board members recused themselves from the meeting discussion and related decisions of such issues at Board and subcommittee meetings.

## BOARD CHARTER

The Company's Board Charter was approved and adopted by the Board of Directors in 2021. The Charter specifies the Board's authorities, the Board's general roles and responsibilities.

## CHAIRMAN

The Chairman of MHCL is an independent Non-Executive director with no ties to the Company, ensuring balanced power and accountability. They lead the Board to uphold high Corporate Governance standards, set meeting agendas, facilitate open debate, and provide oversight to the Managing Director while ensuring effective communication between shareholders, the Board, and management.

Sheikh Mohamed Rasheed Ibrahim Rasheed has been appointed Chairman of the Company, effective May 9, 2024. This appointment aligns with the corporate governance code by establishing a clear division of responsibilities between the Chairman and the Managing Director, thereby ensuring a balanced distribution of power within the Company's top management. Uz. Abdulla Naseer Mohamed served as Chairman from October 28, 2021, until May 9, 2024.

## MANAGING DIRECTOR

As the highest-ranking executive at the Company, the Managing Director leads top management and employees to meet annual business targets. Implements the Company's strategies and policies, providing leadership and vision to achieve financial goals. The Managing Director also enhances shareholder value through the development and recommendation of long-term strategies and annual plans, implementing Board-approved policies, managing daily operations, guiding senior management, and proposing business developments. Additionally, reviews business performance, identifies growth opportunities and risks, and act as the chief spokesperson for operational matters.

Mr. Mohamed Shakeel was appointed Managing Director on November 28, 2023, and has been leading the Company since then. Prior to his appointment, Mr. Ismail Hameed held the position from December 25, 2018, until Mr. Shakeel's appointment.

## BOARD OF DIRECTORS

The Board of Directors represents the ultimate governing body of the Company and accordingly are responsible for providing guidance to the management of MHCL. This objective is delivered by setting corporate and business level strategies and policies to ensure smooth functioning of the business operations.

In fulfilling the responsibilities held with the Board of Directors, the following were undertaken:

- Determining Company's purpose, strategy and values.
- Monitoring the effectiveness of the governance practices under which the Company operates and propose changes where needed.
- Overseeing the process of disclosures and communications to shareholder and stakeholders. Setting the Company's values and standards, ensuring that obligations to shareholder and stakeholders are understood and met.
- Adopting internal procedures and regulations for the conduct of Company's affairs.
- Ensuring that appropriate systems of internal controls are in place.
- Overseeing compliance with relevant laws and regulations, Code of Corporate Governance for State Owned Enterprises and the Company's Policies.
- Setting performance objectives and evaluating the performance of the Company and management. Establishing corporate and fiscal policies.
- Monitoring the implementation and overall development of the Company's business strategy and Company performance.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit.
- Identifying, monitoring and reporting regularly on the non-financial aspects relevant to the business of the Company.
- Appointing a Company Secretary.
- Determining the management's powers and responsibilities and monitoring their performance.



## TRAINING AND DEVELOPMENT OF DIRECTORS

Board of Directors are provided with necessary induction related to their specific responsibilities. The Chairman ensures that all Board of Directors continually updates their skills and knowledge to comply with the outlined governance code.

Avenues for the professional development of Board Directors are facilitated. In this regard, all members had duly completed the Directors training provided by the Capital Market Development Authority (CMDA).

## INDEPENDENT & NON-EXECUTIVE DIRECTORS

As a fundamental requirement to good corporate governance Board members engage in open and constructive debates to challenge Company's business directions and Management's performance, which the Board acknowledges as a requirement for Board effectiveness and robustness. Facilitating such engagement requires Board members in particular the Non-Executive Directors being well informed of the strategic undertakings and be knowledgeable about the developments made with regard to the progress of delivering such goals.

Similarly, in facilitating the performance of Non-Executive Directors, the Board has adopted procedures to ensure that Non-Executive Directors have sufficient time and resources to perform their functions effectively.

## BOARD MEETINGS

Procedures outlined in the Article of Association regarding board meetings are adopted, where Board of Directors are given due notice to include any agenda items to the meetings as required. The Chairman of the Board coordinates with the Company Secretary and finalizes the agenda for Board meetings. Once finalized, the subsequent notice together with supplementary documents in advance of respective meetings are shared among the Directors.

In scheduling Board or Committee meetings, Senior Management is notified. Scheduled meetings are undertaken routinely and reports on business activities such as project status, work progress, budgets and financial statements are duly provided in such meetings.

## BOARD MEETINGS

NAME	DESIGNATION	ATTENDANCE
UZ.ABDULLA NASEER MOHAMED	CHAIRMAN	3/3
MR. ISMAIL HAMEED	MANAGING DIRECTOR	17/17
DR. MOHAMED SHAFEEQ	DIRECTOR	17/17
MS. FATHIMATH LEENA	DIRECTOR	17/17
MR. AHMED ASIF	DIRECTOR	14/15

## CODE OF CONDUCT

To be compliant with the Code of Corporate Governance for State-Owned Enterprises, the Company has formulated a Code of Conduct and Ethical Code for the Board of Directors and Senior Management to which they shall affirm compliance and sign on a declaration on an annual basis.

Upon approval of the “Code of Conduct and Ethical Code of Board of Directors and Senior Management of MHCL,” an awareness training session was conducted for the Senior Management of the Company and declarations were signed.

# BOARD ACTIVITIES

DIRECTORS NAME	DESIGNATION	BOARD MEETING	AUDIT COMMITTEE
UZ. ABDULLA NASEER MOHAMED	CHAIRMAN	6/6	0/0
MR. ISMAIL HAMEED	MANAGING DIRECTOR	6/6	0/0
MR. MOHAMED SHAFEEG	NED	6/6	3/3
MS. FATHIMATH LEENA	NED	5/6	3/3
MR. AHMED ASIF	NED	6/6	3/3

## CONFLICT OF INTEREST

To be compliant with the corporate governance practices, the Code of Conduct of the Company specifically addresses conflicts of interest particularly relating to the Board of Directors and Senior Management, to which they shall confirm compliance and sign a declaration on an annual basis.

## DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors declares that to the best of our knowledge and belief, the information presented in this Annual Report is true and accurate and that there are no other facts, the omission of which would make any statements herein misleading or inaccurate.

The Board of Directors declares that Annual Report is prepared in accordance with the Articles of Association of MHCL, Company's Act of Republic of Maldives (10/96) and Code of Corporate Governance for State-Owned Enterprises.

In performing the duties and responsibilities, the Board of Directors has practiced transparency, fairness and diligence by giving utmost devotion to safeguarding the interest of the Shareholder and key Stakeholders.

On behalf of the Board of  
Directors:



MANAGING DIRECTOR



CHAIRMAN



Company secretary

Uz. Ahmed Ismail

## COMPANY SECRETARY

Company Secretary is accessible to all directors, where the services provided through the responsible person provides guidance to Board Members on their due responsibilities and aligning interests to be in the best interest of the Company. To fulfill this responsibility of the Company Secretary, regular engagements to remain updated on applicable laws and developments are achieved through training and development opportunities.

Uz. Ahmed Ismail has been appointed Company Secretary to the Board since April 22, 2024. Prior to his appointment, Uz. Abdulla Nahid held the role.

## COMMITTEES

The Below table shows the members of the Audit Committee & Sharia Advisory Committee as of the end of the year 2022 .

AUDIT COMMITTEE	SHARIA ADVISORY COMMITTEE
DR. MOHAMED SHAFEEQ	SHEIKH ALI ZAHIR
MS. FATHIMATH LEENA	UZ. AZMEEN RASHEED
MR. AHMED ASIF	SHEIKH MOHAMED SHIFAN

## AUDIT COMMITTEE REPORT

The Audit committee was established in accordance with the Corporate Governance Code for state-owned entities issued by the Privatization and Corporatization Board. There were 3 members in the Committee. They included of Dr. Mohamed Shafeeq (Chairman), Ms. Fathimath Leena (Member) and Mr. Ahmed Asif (Member).

The Audit Committee consists of Non-Executive Independent Directors who have relevant financial experience and have a professional qualification from one of the professional accountancy bodies.

NAME	DESIGNATION	ATTENDANCE
DR. MOHAMED SHAFEEQ	CHAIRMAN	5/5
MS. FATHIMATH LEENA	MEMBER	5/5
MR. AHMED ASIF	MEMBER	4/4

The primary duties and the responsibilities of the Committee are as follows:

- Assessment of the integrity of the financial statements and the Company's financial reporting processes.
- The engagement of the external auditors and the evaluation of the external auditors' qualifications, independence, objectivity, and performance.
- Review the Management Letter and follow up on its recommendations.
- Review the adequacy of the internal audit function, including reviewing the plan, scope, required resources, internal audit findings and recommend actions to be taken by the Management of deficiencies in controls, processes and procedures.
- Review the effectiveness of the internal control system.
- Compliance by the Company with legal and regulatory requirements.
- Monitoring the effectiveness of the Company risk management function related to the identification, assessing, controlling and monitoring of risks.

## EXTERNAL AUDIT

The External Audit of the Company was conducted by a private audit firm namely "Farish & Co".

## INTERNAL AUDIT

Following the establishment of the internal audit function under the charter approved by the Board, an internal auditor was appointed. A risk management policy was developed, and the Annual Internal Audit Plan for 2022 was formulated.

## CONCLUSION

The Committee is satisfied with the activities carried out during the year.

## SUSTAINABILITY REPORT

As an organization established to serve the citizens in performing their Hajj and Umrah pilgrimages, our objective is to provide exemplary service throughout our business operations. To achieve this, we assure our customer's security of their savings and commitment on their trip plans.

In the pursuit of sustaining our services, we focus on the following aspects:

## ENVIRONMENT

We conduct programs to reduce the Company's carbon footprint and have implemented practices to ban single-use plastics in the business environment as part of our contribution to environmental protection.

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# MANAGEMENT TEAM



MOHAMED SHAKEEL  
MANAGING DIRECTOR



USTAZ ALI SHAREEF  
DEPUTY MANAGING DIRECTOR



MOHAMED SHIHAB  
DEPUTY MANAGING DIRECTOR



DR. ABDULLAH SHIHAM  
FUND DEVELOPMENT CONSULTANT

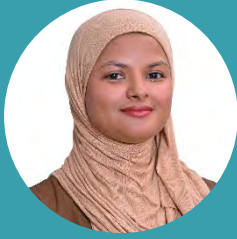


NAJ EEL AHMED  
CHIEF OPERATING OFFICER



IBRAHIM SHAMEEM  
CHIEF FINANCE OFFICER





AISHATH GAHIR  
HEAD OF OFFICE OPERATIONS



MARIYAM NASRA  
HEAD OF BURUEU



IRFAN ANWAR  
HEAD OF HAJJ & UMRAH OPERATIONS



HASSAN SINAN  
HEAD OF MARKETING



USTAZ RIFATH ABDULLAH  
HEAD OF LEGAL



ASAMY RUSHDY  
HEAD OF BUSINESS DEVELOPMENT



DR. ISMAIL YAMIN  
HEAD OF CIVIC AFFAIRS



USTAZ AHMED ISMAIL  
COMPANY SECRETARY



MOHAMED HALEEM  
INTERNAL AUDITOR



USTAZ AHMED HANEEF  
HEAD OF I.C.T

# ETHICS

Provided that the primary purpose of the Company is to ensure a fair opportunity for all citizens to perform their pilgrimages at an affordable rate, we invest to ensure our systems address these aspects and provide information to our customers in a transparent and accountable manner. As an organization established to serve the citizens in performing their Hajj and Umrah pilgrimages, our objective is to provide exemplary service throughout our business operations. To achieve this, we assure our customer's security of their savings and commitment on their trip plans. While undertaking training among staff, we strive to adhere to best practices and standards of corporate ethics and good governance through initiatives such as adopting the code of conduct and ethical code.

# SOCIAL ISSUES

In serving the broader society, we continued to engage volunteers in our organized trips to increase our social contribution and actively look forward to opportunities that would develop our business lines, with the intention to deliver even more valuable services for customers that could in turn facilitate financial sustainability and eventually add value to shareholders.

Company's operations were digitalized and employees were working from home to ensure continued services to our customers during the countrywide lockdown. "Fasvana Rukun," a CSR initiative, was carried out digitally to raise service awareness.

Umrah to the "34th National Quran recitation" Competition was sponsored by the company, which promotes and encourages to practice Islamic values

# HEALTH AND SAFETY

In collaboration with Gage Training institute, a 7 hour first Aid training was conducted for all staff.

As a seasonal business, health and safety professionals accompany every organized Hajj & Umrah trips with customers, ensuring adequate doctors and nurses are present to attend to medical complications.

Customers are given training that covers aspects of health and safety concerns when traveling. moreover, the company follows industry-wide best practices in occupational health and safety, as well as ergonomics.

To reduce the impact of the Covid-19 outbreak and to prevent the transmission, the Company adopted the health and safety standards set by the Health Protection Agency of the Maldives. In order to ensure the wellbeing of both clients and staff, the office premises are disinfected on a regular basis.

# MHCL MEDICAL SERVICE:

- MHCL provides medical services at Hajj and Umrah.
- Hajj, pilgrims will get a medical checkup by IGMH.
- The medical team will travel with the pilgrims to Hajj & Umrah.
- The pilgrim's vaccination costs are included in the price of Umrah.
- A clinic & dispensary is setup at the hotel to give medical consultation and medicine conveniently.
- Covid-19 safety measures were taken to prioritize the health & safety of the Company staff & customers.

## FUTURE OUT LOOK

### INCREASE EFFICIENCY

Continually improve efficiency in all aspects of the operation by focusing on simplicity and clarity in the procedures to maximize the use of resources in a manner to reduce cost.

### INCREASE CAPACITY

Enhance the scale of the operation through diversification to cater a broader customer base. Increase capacity to equilibrate the current surplus in demand.

### DIVERSIFICATION

Gain access to accessible assets to increase stability, growth value, and income. Increasing prospects for expansion and diversification by deepening on the international market.

### PROFITABLE INVESTMENT

Supplement financial performance through high-yielding investment to subsidize the cost associated with hajj. Achieve growth through profitable investments to gain economies of scale.

### TECHNOLOGY & INNOVATION

Adopt technological advancements in the operation to enhance service quality and to improve operational efficiency. Ensure the safety of the pilgrims to improve customer experience.

### REDUCE COST

Strategic planning and adopt best practices, to achieve cost saving.



## EMPLOYEES

Over the past four years, our organization has experienced gradual growth in the total number of staff. In 2019, we started with 17 employees, and this number has increased to 20 in 2022. This steady expansion is indicative of our company's growth and the increasing demand for our services.

Our workforce demographics showcase a gender distribution of 12 men and 8 women, reflecting a commitment to fostering a diverse and inclusive environment. This balanced representation is fundamental to our values, ensuring that our workplace is welcoming and supportive for individuals of all genders.

When examining age distribution, our workforce composition demonstrates a thoughtful balance across various age brackets. In 2020, 10 employees were below the age of 30, while 8 fell within the 31-49 age range. Notably, we did not have any staff members above the age of 50 during this period. These age demographics indicate a dynamic and multigenerational workforce, contributing to a vibrant and collaborative workplace culture.

Similar trends continued in 2021 and 2022, further emphasizing our commitment to fostering a workforce that encompasses a broad spectrum of age groups. As we move forward, we remain dedicated to creating an inclusive environment that values the unique contributions of employees across all demographics.



# 30%

Female working population of the company is of 30%

# 60%

Male working population of the workforce is 60%



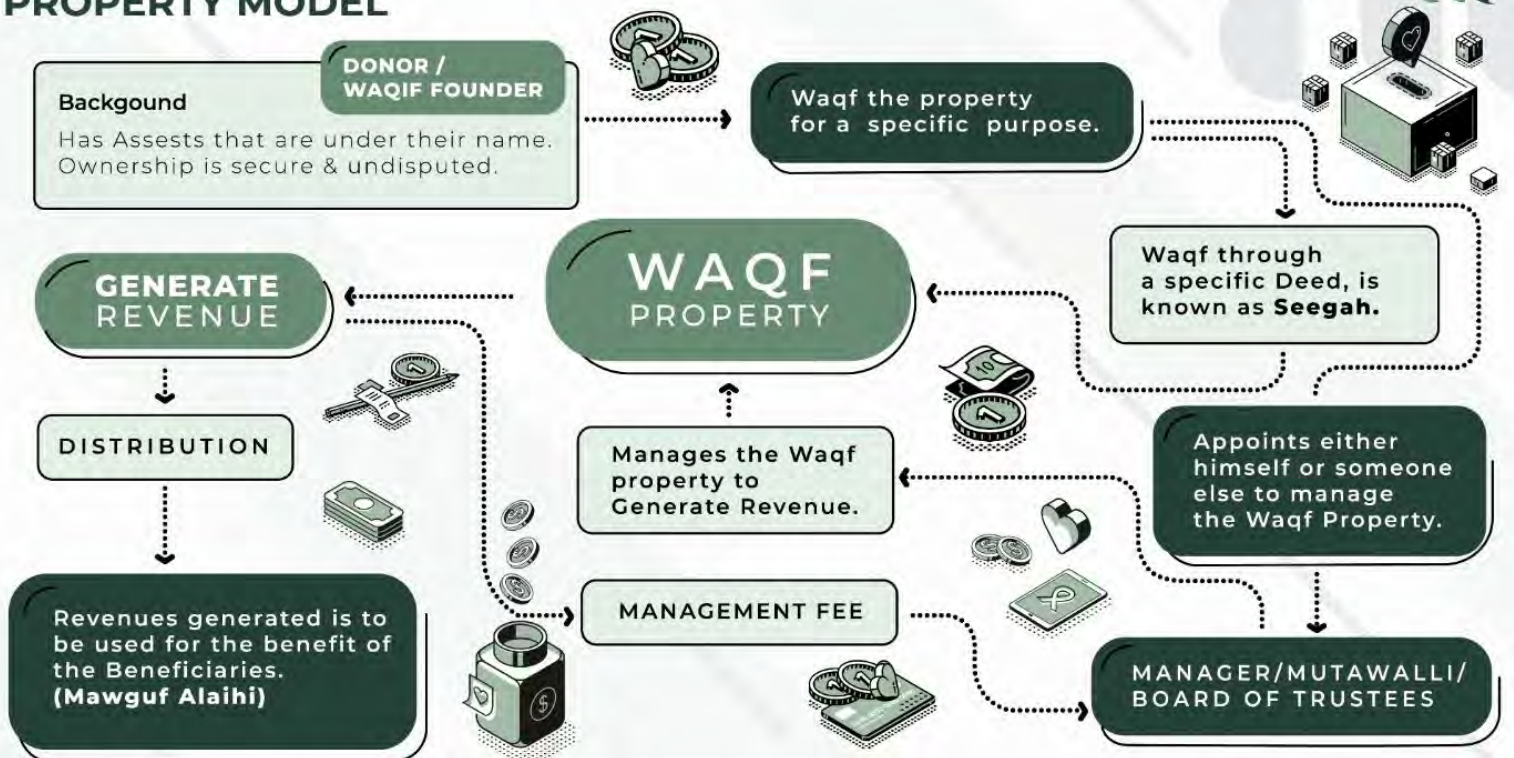
# BUSINESS DEVELOPMENT

In the realm of business development activities for the year 2022, our team has spearheaded several impactful projects, each contributing to the overall growth and success of our organization.

## WAQF MODEL DEVELOPMENT:

Successfully developed a Waqf model, marking a significant stride towards creating a sustainable and socially responsible business framework. Administrative groundwork has commenced, laying the foundation for the implementation of this model.

### GENERAL WAQF PROPERTY MODEL



## WEBSITE REDESIGN AND LAUNCH:

Undertook a comprehensive redesign of our company website, introducing new features to enhance user experience and reflect our evolving brand image. The revamped website aligns with our commitment to staying technologically current.

## MIXED-USE OFFICE COMPLEX AGREEMENT:

Signed a strategic agreement with HDC to develop and operate a mixed-use office complex, expanding our footprint in real estate development and management.



# OPERATIONAL HIGHLIGHTS

In the operational activities of the year 2022, our organization encountered both challenges and successes in delivering pilgrimage services

## COVID-19 IMPACT:

The Umrah trip planned for February was regrettably canceled due to the rapid spread of a new Covid-19 variant in the Maldives, underscoring the ongoing challenges posed by the pandemic.

## RAMADAN UMRAH 1443:

The Ramadan Umrah 1443, held in April, witnessed the participation of 244 pilgrims. The groups were organized based on the order in which the last 15, 10, and Shawwal 06 days of fasting were performed in Saudi Arabia, ensuring a well-structured and meaningful experience for all participants.

The operational activities of the year, while navigating uncertainties, reflect our dedication to providing meaningful and well-organized pilgrimage experiences for our community. The success of the Hajj trip and the additional Umrah opportunities underscore our commitment to facilitating religious journeys with efficiency and excellence.

## HAJJ 1443:

Despite delays in assigning Hajj quotas and associated consequences, the Hajj trip for the year 1443 was a resounding success, with a total of 458 pilgrims. All pilgrims arrived in Makkah on time, showcasing the resilience and commitment of our team.

## DECEMBER UMRAH AND TRAINING:

The December Umrah, conducted later in the year, provided an additional opportunity for pilgrimage. Furthermore, our commitment to education and preparation was demonstrated through the successful conduct of Hajj Training for the General Public, equipping potential pilgrims with the necessary knowledge and guidance for their spiritual journey.





# OPERATIONAL HIGHLIGHTS

## WEEKEND UMRAH PACKAGES:

In response to the growing demand for short Umrah trips, we successfully introduced weekend Umrah packages, catering to a wider audience seeking flexible pilgrimage options.

These diverse projects underscore our multifaceted approach to business development, positioning our company for continued growth, adaptability, and positive social impact.

## SDS INFORMATION SESSIONS AND AGREEMENTS:

Hosted two information sessions for existing partners regarding our Salary Deduction Scheme (SDS) initiatives. Concurrently, signed agreements with three reputable institutes/organizations, furthering our commitment to sustainable practices.



# MARKETING HIGHLIGHTS

In 2022, our marketing strategy was multifaceted, combining traditional and digital channels for maximum impact

## SOCIAL MEDIA AND BROADCAST ENGAGEMENT:

Continuing successful social media campaigns, we actively participated in TV and radio programs to promote Umrah packages. Flyer distribution events and roadshows in the greater Male' area effectively showcased both February Umrah and Ramadan Umrah offerings.

## AWARENESS CAMPAIGNS:

Continuing successful social media campaigns, we actively participated in TV and radio programs to promote Umrah packages. Flyer distribution events and roadshows in the greater Male' area effectively showcased both February Umrah and Ramadan Umrah offerings.

## PROMOTIONAL CAMPAIGNS:

Robust promotional activities for Ramadan Umrah and October Umrah included flyer distribution, TV appearances, and engaging social media campaigns. Consistent trip updates on social media kept our audience informed and engaged.



# MARKETING HIGHLIGHTS

## DECEMBER UMRAH PROMOTION:

Similar vigor extended to December Umrah, featuring flyer distribution, TV appearances, and impactful social media campaigns. Testimonial videos from Umrah pilgrims served as powerful endorsements, building trust and credibility.

## MARKET STUDIES AND CUSTOMERCENTRIC APPROACH:

Conducting market studies became a cornerstone of our approach, allowing us to tailor customer-oriented packages to meet the unique needs of the Umrah market. This proactive strategy positions us to better meet evolving demands and expectations.

In summary, our 2022 marketing efforts embraced a dynamic mix of traditional and digital strategies, reinforcing our commitment to transparency, awareness, and customer satisfaction in promoting our Hajj and Umrah services.



**MALDIVES HAJJ CORPORATION LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2022**

# ***CONTENTS***

Auditors Report.....	3
----------------------	---

## ***Financial Statements***

Statement of Comprehensive Income.....	5
--	---

Statement of Financial Position.....	6
--------------------------------------	---

Statement of Changes in Equity.....	7
-------------------------------------	---

Statement of Cash Flow.....	8
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Notes to the Financial Statements.....	9
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**Independent Auditors Report to the shareholders of  
Maldives Hajj Corporation Limited**
**Opinion**

We have audited the accompanying financial statements of Maldives Hajj Corporation Limited which comprises the statement of financial position as at 31 December 2022, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view, in all material aspects, of the financial position of the Company, as at 31 December 2022 and of its financial performance and its cashflows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

**Basis for Opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<b>Audit Matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Contract Liabilities</b></p> <p>As at 31 December 2022 the Company's advances received from customers, as disclosed in note 27 to these financial statements, amount to MVR 279,011,920/-</p> <p><b>Contract liabilities were a key audit matter due to:</b> Significance of amounts reported. Advance received from customers represent 93% of the Company's total liabilities</p> <p>Use of judgement by management on Company's ability to satisfy its performance obligation to customers from whom advances have been received.</p> <p>Appropriateness of disclosures, including current and non-current classification of such advances in the financial statements.</p>	<p><b>Audit procedures included the following:</b></p> <p>evaluated the design, implementation and operating effectiveness of relevant key controls over recording of advances received from Customers.</p> <p>Checked recorded amounts to bank statements. Our testing also included checking journal entries posted during the year.</p> <p>Assessed reasonableness of Management's judgement on Company's ability to satisfy its performance obligation to customers from whom advances have been</p> <p>Assessed the appropriateness of current vs non-current classification by reference to the actual number of pilgrims in subsequent year.</p> <p>We also assessed the adequacy of the disclosures in note 6 and 27 to the financial statements.</p>



**Independent Auditors Report to the shareholders of  
Maldives Hajj Corporation Limited (Continued)****Other Matter**

The financial statements of Maldives Hajj Corporation Limited for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 24 January 2023.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Ali Faris Mohamed  
ICAM-IL-7NB  
Faris & Co LLP  
25 December 2023  
Male'



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE PERIOD ENDED 31 DECEMBER	Note	2022 MVR	2021 MVR
<b>Revenue</b>	6	50,057,725	4,262,927
Cost of Sales	7	(89,464,519)	(3,731,041)
<b>Gross Profit (Loss)</b>		(39,406,794)	531,885
Other Income	8	1,136,718	134,318
Administrative Expenses	9	(7,018,160)	(5,898,732)
Marketing Expenses	10	(182,351)	(116,420)
<b>Earnings Before Depreciation, Amortization, Finance Cost and Tax</b>		(45,470,587)	(5,348,949)
Depreciation and Amortization Expenses	11	(1,516,461)	(1,449,298)
Finance Income	12	7,372,202	7,288,453
Finance Costs	13	(1,042,010)	(922,833)
<b>Profit / (Loss) Before Tax From Operating Activities</b>		(40,656,856)	(432,626)
Income Tax (Expense)/ Credit	14	-	-
<b>Profit/ (Loss) For The Year</b>		(40,656,856)	(432,626)
Earning/ (Loss) Per Share	15	(81)	(1)

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





**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER

	Note	2022 MVR	2021 MVR
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	1,445,817	1,190,899
Right-of-Use Asset	17.1	7,935,092	9,110,660
Intangible assets	18	215,652	215,652
Financial assets at amortized cost	19	62,510,879	62,260,919
Land	20	23,249,157	-
<b>Total Non-Current Assets</b>		<b>95,356,597</b>	<b>72,778,130</b>
<b>Current Assets</b>			
Inventory	21	2,099,828	3,492,606
Trade and Other Receivables	22	22,766,088	21,520,530
Financial assets at amortized cost	19	85,000,000	95,226,367
Cash and Cash Equivalents	23	35,030,159	16,505,595
<b>Total Current Assets</b>		<b>144,896,075</b>	<b>136,745,098</b>
<b>TOTAL ASSETS</b>		<b>240,252,672</b>	<b>209,523,228</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	24	44,005,250	41,005,250
Accumulated Profit/ (Loss)		(102,331,277)	(61,674,421)
<b>Total Equity</b>		<b>(58,326,027)</b>	<b>(20,669,171)</b>
<b>Non-Current Liabilities</b>			
Loans and Borrowings	25	7,011,677	-
Lease Liability	17.2	7,780,873	8,816,312
Contract Liabilities		242,560,155	191,799,900
<b>Total non-current liabilities</b>		<b>257,352,705</b>	<b>200,616,212</b>
<b>Current Liabilities</b>			
Trade and Other Payables	26	339,035	631,447
Loans and Borrowings	25	3,399,755	-
Lease Liability	17	1,035,439	958,740
Contract Liabilities	27	36,451,765	27,986,000
<b>Total current liabilities</b>		<b>41,225,994</b>	<b>29,576,187</b>
<b>Total Liabilities</b>		<b>298,578,699</b>	<b>230,192,399</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>240,252,672</b>	<b>209,523,228</b>

The Board of Directors are responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board by:

Name of the Director

Abdulla Naseer Mohamed  
Mohamed Shakeel

Signature

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

25-Dec-23  
Male'



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Accumulated Profit/(Loss)	Total MVR
<b>Balance as at 01 January 2021</b>	<b>38,005,250</b>	<b>(61,241,795)</b>	<b>(23,236,545)</b>
Issued and paid up capital	3,000,000		3,000,000
Profit/(Loss) for the Period		(432,626)	(432,626)
Dividends		-	-
<b>Balance as at 31 December 2021</b>	<b>41,005,250</b>	<b>(61,674,421)</b>	<b>(20,669,171)</b>
Issued and paid up capital	3,000,000		3,000,000
Profit/(Loss) for the Period		(40,656,856)	(40,656,856)
Dividends		-	-
<b>Balance as at 31 December 2022</b>	<b>44,005,250</b>	<b>(102,331,277)</b>	<b>(58,326,027)</b>

*Figures in brackets indicate deductions*

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



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CASH FLOW**

AS AT 31 DECEMBER	2022 MVR	2021 MVR
<b>Cash Flow from Operating Activities</b>		
Profit/ (Loss) For The Year	(40,656,856)	(432,626)
Depreciation	340,892	273,730
Right of Use Asset Amortisation	1,175,568	1,175,568
Interest on Right of Use Assets	721,260	792,278
(Increase)/Decrease in Inventories	1,392,778	(2,831,830)
(Increase)/Decrease in Trade and Other Receivables	(1,245,558)	1,093,294
(Increase)/Decrease in Amount due from Related Parties	-	35,000,000
Increase/(Decrease) in Trade and Other Payables	(292,412)	(26,698)
Change in advance received from customers	50,760,255	37,291,245
Net Cash Flow from opening Activities	<u>20,661,692</u>	<u>72,334,961</u>
<b>Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	(595,810)	(407,188)
Purchase of Intangible Asset	-	(215,652)
(Purchase) / Sale of Financial Instruments	9,976,407	(75,241,525)
(Purchase) / Sale of Land	(23,249,157)	-
Net Cash Flow before Financing Activities	<u>(13,868,560)</u>	<u>(75,864,365)</u>
<b>Cash Flow from Financing Activities</b>		
Increase/ (Decrease) in Loans and borrowings	10,411,432	-
Increase/(Decrease) in Capital	3,000,000	3,000,000
Lease instalment paid during the year	(1,680,000)	(1,680,000)
Net Cash provided by/ (used in) Financing Activities	<u>11,731,432</u>	<u>1,320,000</u>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<u>18,524,564</u>	<u>(2,209,404)</u>
<b>Cash and Cash Equivalents at beginning of the Period</b>	<u>16,505,595</u>	<u>18,714,999</u>
<b>Cash and Cash Equivalents at end of the Period</b>	<u>35,030,159</u>	<u>16,505,595</u>
<b>Supplemental Disclosures</b>		
Interest paid	-	-
Income Tax paid	-	-
	-	-

Figures in brackets indicate deductions

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



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

(In the notes all amounts are shown in Maldivian Rufiyaa unless otherwise stated)

**1 General information**

These financial statements, for the period 01 January 2022 to 31 December 2022 relate to Maldives Hajj Corporation Limited

The principal objective of the Company is to engage in facilitating travel to Saudi Arabia for pilgrims to perform Hajj and Umrah services. The registered office of the company is located at Ma. Ministry of

**2 Basis of preparation**

These financial statements presented in Maldivian Rufiyaa and have been prepared on a historical cost basis.

The statement of financial position, statements of income, cash flows and changes in equity together with accounting policies and notes, ("financial statements") of the Company as at 31 December 2022 and for the year then ended; comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

**2.1 Date of authorization of issue**

The financial statements of Maldives Hajj Corporation Limited for the year ended 31 December 2022 were authorized for issue dated 24th December 2023 in accordance with a resolution of the Board of Directors.

**2.2 Comparative information**

Comparative figures of the financial statements have been reclassified to confirm with current year's classifications.

**2.3 Statement of compliance**

The financial statements of Maldives Hajj Corporation Limited have been prepared in accordance with international Financial Reporting Standards.

**3 Summary of significant accounting policies**

**3.1 Functional and presentation currency**

*Functional and presentation currency*

Items included in the financial statements of the Company 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 Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are converted to functional currency using the exchange rates prevailing at the time the transactions were effected. Foreign exchange gain and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

**3.2 Current versus non-current classification**

The Corporation presents assets and liabilities in statement of financial position based on current / non current classification. An asset as current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Corporation classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**3.3 Revenue recognition**

The Company is in the business of carrying out services to facilitate travel to Saudi Arabia for pilgrims to perform Hajj and Umrah services and selling pilgrim items such as Aqeega and Ihram. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific criteria described below must also be met before revenue is recognised

***Rendering of services***

Revenue on rendering of services principally includes revenue from Hajj and Umrah services. The following specific criteria are used for the purpose of recognition of revenue.

- Hajj revenue is recognised at a point in time when pilgrims complete Hajj pilgrimages.
- Umrah revenue is recognised at a point in time when pilgrims complete Umrah pilgrimages.

Revenue from the sale of Aqeega and Ihram is recognised at the point in time when control of the asset is transferred to the customer.

***Other income***

Other income is recognised on an accrual basis.

***Contract balances***

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 the Accounting policies of Financial instruments - initial recognition and subsequent measurement.

***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.



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**3.4 Expenditure recognition**

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income.

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been recognised in income statement.

**3.5 Property, plant and equipment**

***Recognition and measurement***

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing then proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss

***Subsequent costs***

The cost of replacing a part 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. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as Incurred.

***Depreciation***

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern expected pattern of consumption of the future economic benef its embodied in the asset.

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

Office equipment	05 years
Kitchen equipment's & items	03 years
Computers & peripherals	05 years
Furniture and fixtures	10 years

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

**3.6 Intangible assets**

Intangible assets with finite lives are amortised over the useful economic life 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 usef ul life is reviewed at least at each finaical year end. Changes in the expected useful life or the expected pattern of consumption ol future econonric benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriale, and treated as changes in accounting estimates.



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

**3.7 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise of cash at banks and cash in hand.

Statement of cash flows is prepared in "indirect method". For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances with banks as defined above, net of outstanding bank overdrafts, if any.

**3.8 Inventories**

Inventories are valued at the lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be used in operations or sold in the ordinary course of business less the estimated processing cost to make them usable for operations. The value of each category of inventory is determined on weighted average cost basis.

**3.9 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***

Financial assets include cash and bank and receivables. The accounting policies for each financial asset are stated separately.

***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 Corporation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Corporation has applied the practical expedient, the Corporation 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 Corporation 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 instrument level.

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



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

***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 Corporation. The Corporation 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 Corporation's financial assets at amortised cost includes trade and other receivables, inventory, financial investments under other non-Current financial assets.

***Financial assets at fair value through OCI (debt instruments)***

The Corporation measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

***Financial assets designated at fair value through OCI (equity instruments)***

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.





**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if : the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

***Derecognition***

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

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

When the Corporation 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 Corporation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Corporation 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 Corporation has retained.

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



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

***Impairment of financial assets***

The Corporation applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Corporation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

The Company's financial liabilities include other payables and advances received from customers

***De-recognition***

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

***Provisions***

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, 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 Corporation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

**4.0 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.

***(a) Right-of-use assets***

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. 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

***(b) 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.



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**4.1 Employee benefits**

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 (MPAO) from May 2011.

**4.2 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

**4.3 New and Amended Standards and Interpretations**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these 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 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

***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 from 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 recognizes 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.

***Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37***

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

***IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities***

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 (with earlier adoption permitted). The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

***Definition of Accounting Estimates - Amendments to IAS B***

In February 2021, the IASB issued amendments to IAS B, in which it introduces a definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

**4 Summary of significant accounting judgments, estimates and assumptions**

The preparation of the Corporation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**4.1 Going concern**

The Company has suffered a loss of MVR 40,656,856/- (2021: MVR 432,626/-) for the year ended 31 December 2022 and recorded an accumulated loss of MVR 102,331,278/- (2021: MVR 61,674,422/-) as at 31 December 2022.

Despite the above facts, the Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations. The Directors have made such assessment considering the continuous financial support have been provided and will be provided by the shareholders of the Company.



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**4.2 Financial risk management**

*(a) Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures.

*(b) Credit risk*

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

*(c) Liquidity risk*

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.

*(d) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**5.0 Auditing and Taxation**

**5.1 Taxation**

The new Income Tax Act (25/2019) was published on December 17, 2019 and is effective from January 01, 2020 which repeals the previous Business Profit Tax regime. Hence, the company is subject to Income Tax with effect from January 01, 2020 and is liable to pay 15% Income tax on profits earned above the tax-free threshold.

**Deferred Tax**

The provision on deferred tax is made on temporary differences between the carrying value and tax base of Property, plant and equipment and carried forward tax losses. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

**5.2 Auditing**

Majority of the businesses registered in the Maldives are required to submit their audited financial statements to the Ministry of Economic Development and Maldives Inland Revenue Authority.

**5.3 Estimates**

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could

<b>6 Revenue</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Hajj revenue	30,406,525	-
Umra revenue	17,517,661	4,168,485
Room sales	1,568,142	-
Ageega sales	540,647	90,042
Ihram sales	24,750	4,400
<b>Total</b>	<b>50,057,725</b>	<b>4,262,927</b>



**MALDIVES HAJJ CORPORATION LIMITED**  
**(INCORPORATED IN THE REPUBLIC OF MALDIVES)**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>7</b>	<b>Cost of Sales</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Slaughtering expense	1,066,871	61,812
	Airline tickets and visas	19,378,961	2,251,615
	Allowances to helpers and staff	297,992	40,478
	Miscellaneous	127,005	135,821
	Food expenses	2,106,261	171,120
	Hotel and other accommodations	45,672,370	725,425
	Luggage and clothes	1,395,055	97,364
	Books and other documents	87,967	8,043
	Medical expenses	524,774	108,874
	Transportation costs	8,162,930	130,491
	Muthawwif Charges	10,644,333	-
		<u>89,464,519</u>	<u>3,731,041</u>
<b>8</b>	<b>Other Income</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Miscellaneous income	1,054,736	131,924
	Sponsorships	50,000	-
		<u>1,136,718</u>	<u>134,318</u>
<b>9</b>	<b>Administrative Expenses</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Consumables and cleaning	71,473	66,676
	Electricity	200,765	143,133
	Entertainment	46,767	31,317
	Internet	146,896	31,382
	License and permits	4,000	3,236
	Miscellaneous expenses	102,776	-
	Office expenses	12,840	5,875
	Printing and stationery	141,532	54,367
	Professional and consulting fees	141,005	234,650
	Rent	-	4,920
	Repairs and Maintenance	69,276	72,959
	Software maintenance	52,879	-
	Telephone and communication	13,438	47,108
	Training	53,600	16,794
	Travelling	1,515	234,801
	Water charges	7,655	16,811
	Other Expenses	46,826	104,156
	Personnel costs	5,904,914	4,830,547
		<u>7,018,160</u>	<u>5,898,732</u>
<b>9.1</b>	<b>Personnel Costs</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Pension expense	177,653	147,691
	Salaries and wages to employees	5,246,641	4,171,206
	Remuneration - Directors	480,620	511,650
		<u>5,904,914</u>	<u>4,830,547</u>
<b>10</b>	<b>Marketing Expenses</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Advertisement expenses	182,351	116,420
		<u>182,351</u>	<u>116,420</u>
<b>11</b>	<b>Depreciation and Amortization Expenses</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Depreciation	340,892	273,730
	Right of Use Asset Amortization	1,175,569	1,175,568
		<u>1,516,461</u>	<u>1,449,298</u>

[9.1]



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<b>12 Finance Income</b>		
HDFC Wakala investment income	4,491,685	4,479,164
HDFC Mudaraba Sukuk	1,713,567	1,733,880
Return from GIA	1,166,950	1,075,409
	<u>7,372,202</u>	<u>7,288,453</u>
<b>13 Finance Costs</b>		
Bank Charges	320,750	130,555
Finance Cost-ROU	721,260	792,278
	<u>1,042,010</u>	<u>922,833</u>
<b>14 Income Tax</b>		
Income Tax - Current	-	-
Deferred tax provided/(reversed) during the year	-	-
	<u>-</u>	<u>-</u>
<b>14.1 Income tax- Current</b>		
Accounting profit	(48,029,058)	(6,928,801)
Add: Disallowed expenses	2,237,721	2,241,575
Less: Allowed expenses	2,169,048	2,046,051
Other Adjustments	47,960,385	6,733,277
Taxable profit	-	-
Tax free threshold	500,000	500,000
Profit subject to tax for the year	-	-
Income Tax @ 15% - current	<u>-</u>	<u>-</u>
<b>14.2 Deferred tax</b>		
<i>Accumulated tax losses</i>		
Carry forward loss at the end of year	113,474,079	65,513,695
Deferred Tax (asset)/liability of loss for the year	<u>17,021,112</u>	<u>9,827,054</u>
<i>Temporary difference of PPE</i>		
Difference in PPE for the year	(1,442,910)	(1,190,898)
Deferred Tax (asset)/liability of PPE for the year	<u>(216,437)</u>	<u>(178,635)</u>
<i>Total Deferred Tax</i>		
Deferred Tax (asset)/liability of Loss for the year	17,021,112	9,827,054
Deferred Tax (asset)/liability of PPE for the year	(216,437)	(178,635)
Total Deferred tax (asset)/liability for the year	<u>16,804,675</u>	<u>9,648,420</u>
<i>Movement of deferred tax</i>		
Balance as at year beginning	9,648,420	8,691,643
Provision made/ (reversed) during the year	-	-
Balance as at year end	<u>16,804,675</u>	<u>9,648,420</u>
<b>14.3 Unrecognized Deferred tax</b>		
Deferred tax asset on accumulated tax losses	17,021,112	9,827,054
Temporary difference on PPE	(216,437)	(178,635)
Total Deferred tax (asset)/liability as at year end	<u>16,804,675</u>	<u>9,648,420</u>

Deferred tax asset has not been recognized in respect of the above because it is not probable that future taxable profit will be available against which the company can utilize the benefits there from.



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**15 Earnings Per Share**

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

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Profit/Loss for the year	(40,656,856)	(432,626)
Number of Shares	500,000	500,000
Earnings Per Share	<u>(81)</u>	<u>(1)</u>

**16 Property, plant and equipment**

<b>Cost</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
Kitchen equipment and items	223,347	134,350	-	357,697
Furniture and fittings	1,390,270	140,787	-	1,531,057
Computer and Peripherals	1,089,680	290,143	-	1,379,823
Office equipment	739,056	30,530	-	769,586
	<u>3,442,352</u>	<u>595,810</u>	<u>-</u>	<u>4,038,162</u>

<b>Depreciation</b>	<b>Opening Balance</b>	<b>Charge for the Period</b>	<b>Disposals Accmu. Dep</b>	<b>Closing Balance</b>
Kitchen equipment and items	212,720	24,791	-	237,512
Furniture and fittings	679,805	146,967	-	826,772
Computer and Peripherals	710,446	131,541	-	841,987
Office equipment	648,482	37,593	-	686,075
	<u>2,251,453</u>	<u>340,892</u>	<u>-</u>	<u>2,592,346</u>

<b>Net Carrying Value</b>	<b>Opening Balance</b>	<b>Additions NCV</b>	<b>Disposals NCV</b>	<b>Closing Balance</b>
Kitchen equipment and items	10,627	109,559	-	120,185
Furniture and fittings	710,465	(6,180)	-	704,285
Computer and Peripherals	379,234	158,602	-	537,836
Office equipment	90,573	(7,063)	-	83,510
	<u>1,190,899</u>	<u>254,917</u>	<u>-</u>	<u>1,445,817</u>

<b>Net Book Values</b>	<u>1,190,899</u>			<u>1,445,817</u>
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**17 Lease**

**17.1 Right-of-Use Assets**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<b>Cost</b>		
Balance as at 1 January	11,755,688	11,755,688
Adjustment due to rent concession on lease	-	-
Additions during the year	-	-
<b>Balance as at 31 December</b>	<u>11,755,688</u>	<u>11,755,688</u>
<b>Accumulated amortization</b>		
Balance as at 1 January	(2,645,028)	(1,469,460)
Adjustment due rent concession on lease	-	-
Depreciation charge during the year	(1,175,568)	(1,175,568)
<b>Balance as at 31 December</b>	<u>(3,820,596)</u>	<u>(2,645,028)</u>
<b>Net Carrying Value</b>	<u>7,935,092</u>	<u>9,110,660</u>





**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

<b>17.2 Lease Liability</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	
<b>Balance as at 1st January</b>	9,775,052	10,662,774	
Additions during the year	-	-	
Interest in Lease Liability	721,260	792,278	
Payment of lease Liability	(1,680,000)	(1,680,000)	
Adjustment due to rent concession on lease	-	-	
<b>Balance as at 31 December</b>	<u>8,816,312</u>	<u>9,775,052</u>	
Non-Current Liability	<u>7,780,873</u>	<u>8,816,312</u>	
Current Liability	<u>1,035,439</u>	<u>958,740</u>	
<b>17.3 Amounts recorded in Profit and Loss</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	
Depreciation expense of right-of-use assets	(1,175,568)	(1,175,568)	
Interest expense on lease liabilities	721,260	792,278	
Total recognized in Statement of Comprehensive Income	<u>(454,308)</u>	<u>(383,290)</u>	
<b>18 Intangible assets</b>	<b>Software</b>	<b>Work in Progress</b>	<b>Total</b>
<b>For the year ended 31 December 2022</b>			
Balance at 1st January 2022	220,718	215,652	436,370
incurred cost/Capital advance	-	-	-
<b>Balance as at 31 December</b>	<u>220,718</u>	<u>215,652</u>	<u>436,370</u>
<b>Amortization</b>			
Balance at 1st January 2022	220,718	-	220,718
Amortization for the period	-	-	-
Balance as at 31 December	<u>220,718</u>	<u>-</u>	<u>220,718</u>
Net book value	<u>-</u>	<u>215,652</u>	<u>215,652</u>
<b>For the year ended 31 December 2021</b>			
Balance at 1st January 2021	220,718	-	220,718
Incurred Cost/Capital advance	-	215,652	215,652
<b>Balance as at 31 December</b>	<u>220,718</u>	<u>215,652</u>	<u>436,370</u>
<b>Amortization</b>			
Balance at 1st January 2021	220,718	-	220,718
Amortization for the period	-	-	-
Balance as at 31 December	<u>220,718</u>	<u>-</u>	<u>220,718</u>
Net book value	<u>-</u>	<u>215,652</u>	<u>215,652</u>
<b>19 Financial assets at amortized cost</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	
HDFC Mudaraba Sukuk	21,000,000	21,000,000	
HDFC Wakalah	40,000,000	40,000,000	
Profit receivable from investment	1,510,879	1,260,919	
<b>Balance as at year end</b>	<u>62,510,879</u>	<u>62,260,919</u>	
<b>Current assets</b>			
HDFC Wakalah (Note 12.1)	20,000,000	20,000,000	
MIB General Investment	65,000,000	75,226,367	
	<u>85,000,000</u>	<u>95,226,367</u>	



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

<b>20</b>	<b>Land</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Hulhumale Lot 11701		23,249,157	-
	<b>Total</b>		<u>23,249,157</u>	<u>-</u>
<b>21</b>	<b>Inventory</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Stock in hand		2,099,828	3,492,606
	<b>Total</b>		<u>2,099,828</u>	<u>3,492,606</u>
<b>22</b>	<b>Trade and Other Receivables</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Trade receivables		628,186	76,133
	Other receivables		378,708	378,708
	Prepayments		20,869,843	20,176,338
	Refundable Deposits		889,351	889,351
	<b>Total</b>		<u>22,766,088</u>	<u>21,520,530</u>
<b>23</b>	<b>Cash and Cash Equivalents</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Cash in hand		450,088	414,555
	Cash at bank		34,580,071	16,091,040
	<b>Total</b>		<u>35,030,159</u>	<u>16,505,595</u>
<b>24</b>	<b>Share Capital</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<i>Authorized Share Capital</i>			
	100,000,000 Ordinary shares of MVR 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
	<i>Issued Share Capital</i>			
	4,400,525 (2022: ) Ordinary shares of MVR 10 each		<u>44,005,250</u>	<u>44,005,250</u>
<b>25</b>	<b>Loan and Borrowings</b>			
	(a) Current/ non-current classification			
		<b>Repayable in one year</b>	<b>Repayable after one year</b>	
				<b>31 Dec 2022</b>
				<b>31 Dec 2021</b>
	Non-Bank Loan	3,399,755	7,011,677	10,411,432
	<b>Total</b>	<u>3,399,755</u>	<u>7,011,677</u>	<u>10,411,432</u>
	(b) Movement in loans and borrowings			
		<b>Opening Balance</b>	<b>Loan Obtained</b>	<b>Loan Repaid</b>
				<b>Closing Balance</b>
	Non-Bank Loan	-	10,411,432	-
	<b>Total</b>	<u>-</u>	<u>10,411,432</u>	<u>-</u>
<b>26</b>	<b>Trade and Other Payables</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Other payables		238,530	631,447
	Professional fees payable		100,505	-
	<b>Total</b>		<u>339,035</u>	<u>631,447</u>
<b>27</b>	<b>Contract Liabilities</b>		<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	Advance received from customers		279,011,920	219,785,900
	<b>Total</b>		<u>279,011,920</u>	<u>219,785,900</u>
	Non current		242,560,155	191,799,900
	Current		36,451,765	27,986,000



**MALDIVES HAJJ CORPORATION LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**28 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**29 Capital commitments and contingencies**

The Company had no significant capital commitments, contingent assets or contingent liabilities as at the statement of financial position date.

**30 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.

