



MALDIVE GAS

2018

ANNUAL REPORT

Maldivian Gas Pvt. Ltd.

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVE
GAS

A Subsidiary of



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Chairman's Statement



All of us who are involved in the market should recognize the genuine value Maldivian Gas delivers to the market and the wider Industries. It is no secret that we face challenging times, and Maldivian Gas is united to tackle them. As the board Chairman, I see first-hand the scope and importance of the work of the Company. It is made possible by the commitment and hard work of all the employees, working as a team to get the job done.

From broad issues such as production and modernization to the minutia of pricing and product delivery, Maldivian Gas delivered again in 2018. In critical areas such as our supply and delivery chain we have achieved huge strides. Maldivian Gas has also been effective at articulating the market's unique proposition for our customers across the nation.

We will continue to support market modernization, in particular we are committed to improve our speed of delivery with the help of technological solutions. We thank our committed staff who make this possible. Without the continued support and dedication of our staff in all areas, this would simply not be possible to achieve with such efficacy.

Meanwhile, Maldivian Gas has delivered some tangible market solutions which will benefit all our customers, and has more in store in the year ahead. We have established strategic partnership with Ooredoo for M-Faisaa, its new mobile money service in the Maldives. Under this partnership, customers will be able to make payments to Maldivian Gas using their mobile phones with ease without the need to call customer service. The Hulhumale' Bridge construction project was the largest construction project our country has seen. We are proud to have contributed to the project by supplying 99% purity industrial oxygen to the contractors. Since then we have been able to double our revenues of Industrial gas. Our cylinder exchange promotion and monthly sales promotions have been pivotal in the increase of our sales over the year.

I am extremely pleased to see that our customer base continues to grow. I am proud to mention that our customer base has increased by more than 20% over the year.

Our aim is to ensure the company's future is secure in terms of operations and profitability. In this context we have been focusing on expanding our operations to south region. We would not only be expanding our reach to being closer to the customers in the south region of the country but also would be ensuring the security of gas for the nation by having a backup operation. This would be the biggest project which Maldivian Gas would be executing in its history and this has been something which has been in discussion for years. We should be able to get this Thinadhoo Gas Plant ready by end of 2019.

I would especially like to acknowledge and welcome our new Managing Director Mr. Shazail Shiyam. I am sure, with his vision and guidance, we will be able to carry Maldivian Gas to new heights in the coming years. Finally, I would like to thank my fellow Board members, and the hard working staff who dedicate their precious time to provide a unique breadth and depth of expertise to support the company.



Chairman

17 May 2019

At a Glance

To help our customers

At Maldive Gas, we have thousands of ways to measure success: our customers. It's our goal to have each and every one of our customers see Maldive Gas as a collaborator and trusted partner. We're getting closer every day. Through our more than 19 years in business, we've grown to become the clear leader in the LPG industry by working closely with our customers. In fiscal year 2018, we continued to make improvements and important strides forward for customers in all the markets we serve. This past year, we increased our sales and earnings, expanded our footprint, strengthened our sales channels and supply chains, and became a better and stronger business for the long term. Most importantly, we continued to advance the Maldive Gas culture of serving our customers better.



Our Business Today

Maldivé Gas continues to transform the company to a higher-margin, higher return business, which includes strong, dedicated staff. The company made solid progress towards this goal in 2018, including bridging gaps within the islands, connecting the country through our supply chain, selling a variety of gas and other kitchen appliances. We have demonstrated operational excellence by delivering high-quality results and by generating strong sales for the company.

Maldivé Gas has partnered with global giants (Ooredoo Group) to cater its customers to connect with and go digital while incorporating the values and mission of the company (Greener, Cleaner and Economical) 2018 – was a remarkable year for sales with MRF 240,491,298.00 sales.

Maldivé gas Board of Directors and Management has constantly striven to keep prices down while expanding growth and venturing into new areas of business such as industrial gas stock expansion, new outlets and increasing our product line. This strategy has paid off as 2018 registered a 29% increase in sales from 2014 as a base year.





Our competitive strengths

We believe our competitive strengths include the following:

Flexible, scalable and cost-effective production

Our production operations are a core element of our success, and we have designed our production base to allow us to respond quickly to changes in demand trends in the end-markets we serve. For example, we have structured our production facility to enable us to rapidly and efficiently add capacity and adjust to meet shifts in customer demand and overall market trends. Our production facility located in Thilafushi provide us with access to a workforce at a relatively low overall cost base while enabling us to better serve our customers, many of which are scattered across the islands.

Broad customer base and diverse end-markets

Our customers are comprised of leading direct sales customers as well as major Hospitals in the country. Overall, we serve over sixty thousand direct sales customers across the country. Although our products are used mainly by direct customers in the households, many of our products are used by our industrial customer base, which we believe makes us less susceptible to market fluctuations driven by either specific customers or specific risk factors.

Customer-focused production and delivery

Effective collaboration with our customers and a commitment to customer service are essential elements of our business. We believe focusing on dependable delivery and support tailored to specific challenges has fostered deep customer relationships and created a key competitive advantage for us in the highly competitive marketplace. We believe our close relationships with our customers have provided us with keener insight into our customers' needs. This results in a stronger demand for our products and often provides us with insight into additional opportunities for improvements in our speed of delivery of the cylinders to households which is the primary concern of the customers.

Management experience

The members of our executive team average over 15 or more years of industry experience, and the length of their service has created significant institutional insight into our markets, our customers and our operations.

Our Strategy

Our strategy is to continue to enhance our position as a leading manufacturer and supplier of LPG in the Maldives, utilizing our innovative and cost-effective production and leveraging our expertise in the industry to achieve above-market growth in profitability.

Expand our available market opportunities

We believe we have many paths to increasing our addressable market opportunity. From a product perspective, we intend to continue expanding our product portfolio as we have done before by introducing products such as the 'Lui Fulhi'. We will continue to cultivate new and emerging customers within our targeted markets, further increasing our already broad customer base. As we focus on new customers, we try to expand our product penetration within these new, as well as existing, customers.

Maintain intense customer focus

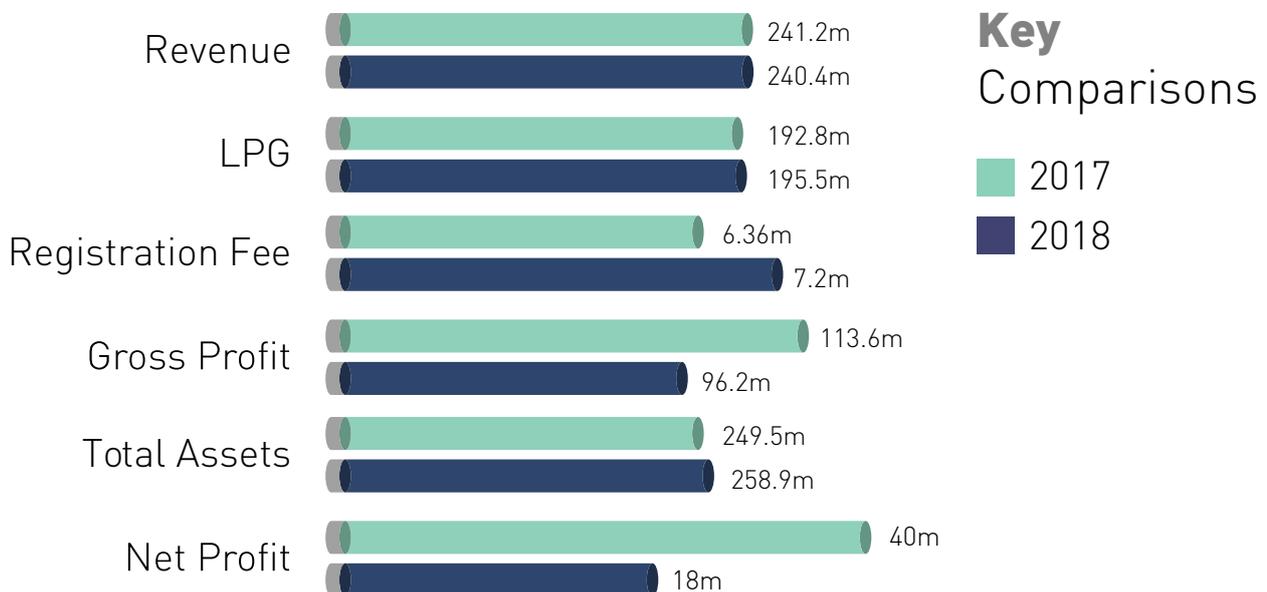
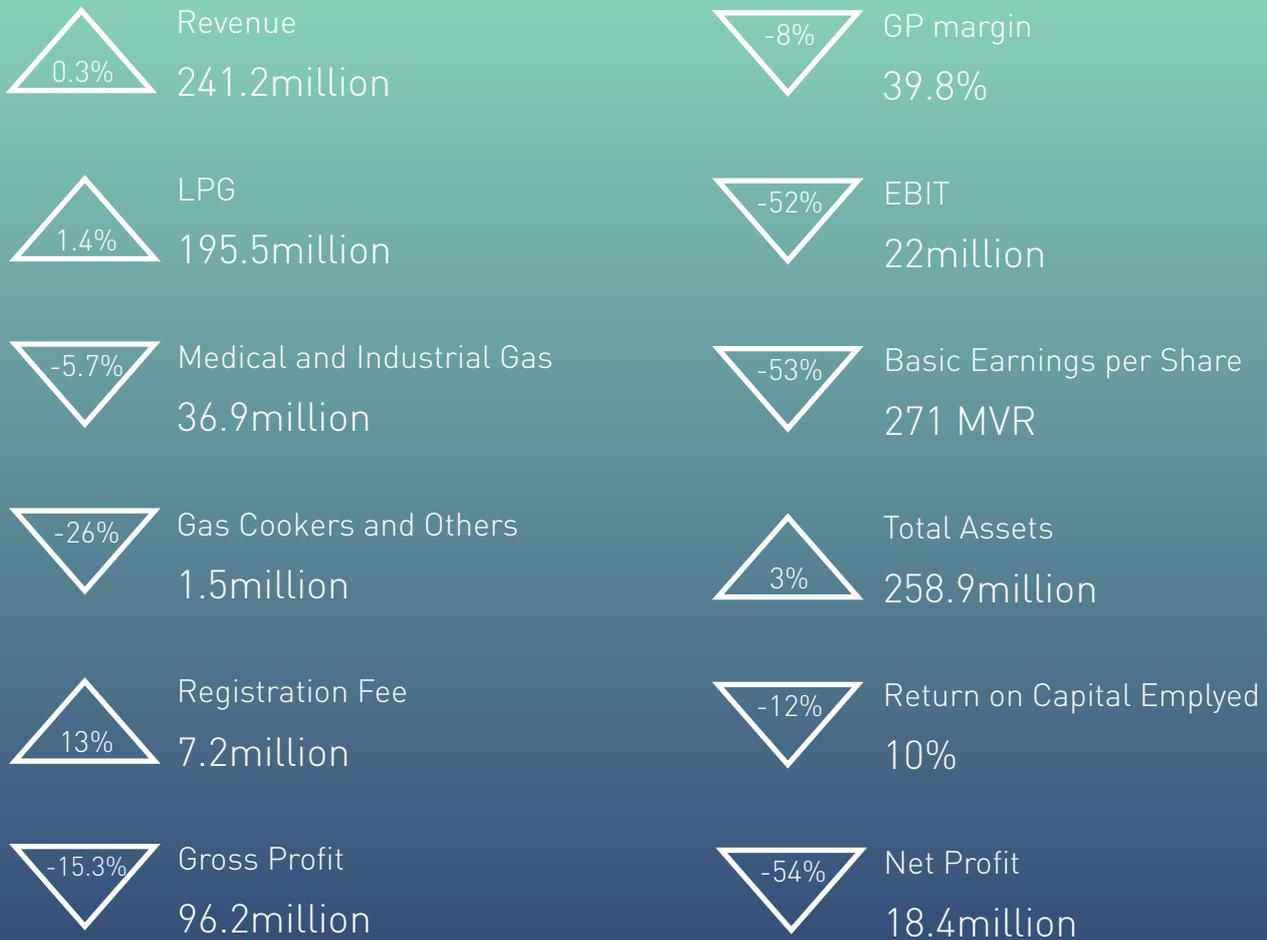
We intend to continue to strengthen and deepen our customer relationships. We believe that continued focus on customer service is important and will help to increase our net sales, operating performance and market share. To accomplish this, we intend to continue to closely collaborate with our customers to understand their specific needs. A critical element of this strategy is to further reduce our delivery time in order to quickly provide our customers with the products. Additionally, to support our customer-focused strategy, we continue to expand our presence across the country.

Enhance cost competitiveness

A key element of our success is our overall low-cost manufacturing base. While we believe our manufacturing facility is the most efficient in the industry, we will continue to refine our proprietary manufacturing processes and technology to achieve additional cost efficiencies. We have continued to make capital expenditures to enhance our existing manufacturing capabilities.

Highlights

Financial Highlights







Summary Of Milestones

Ooredoo - MFAISA

Ooredoo Maldives has established strategic partnership with Maldivian gas for M-Faisaa, its new mobile money service in the Maldives. Under this partnership, customers will be able to make payments to Maldivian gas using their mobile phones with ease without the need to call customer service, hence enables Maldivian Gas to collect payments and provide updates of the cylinder delivery to customers in real time. Maldivian Gas is determined to implement technology in the production and delivery stages of our products. We believe Ooredoo can become an important partner towards achieving that goal.

Industrial Gas Sales and 99% Purity Oxygen Plant

During the bridge construction period, Maldivian gas had to supply 99% purity industrial oxygen from abroad and sell to the (CCCC second harbor engineering company) bridge construction company with minimal profit margin, Since then we have been able to double our revenues of Industrial gas and have been the market leader in the construction industry boom period of Maldives and have established our own 99% purity Oxygen in the Maldives.

Cylinder Exchange Promotion

Maldive Gas management recently decided to incorporate more Luifulhi cylinders into the existing customer base, hence decided to give a chance to the existing customers to exchange the metal cylinders to Luifulhi cylinders. With a weight of 5kg, Luifulhi cylinders are considerably lighter than the metal cylinders used in Maldives until now. The Luifulhi cylinder, a quality product of Norway, is also transparent and non-corrosive.

Monthly Sales Promotion

Maldive Gas kitchen appliances and accessories including brands such as Flamingo, Sanford and Philips have acquired a place in the Maldivian market quite well, hence we have had nonstop monthly promotional events for such appliances with a 20% discount throughout the year each month.

Brief Description Of All Outlets

Male' Sales

Located in Boduthakurufaanu Magu, Male' Distribution Center handles all gas orders received from domestic households, Hotels and Business in Male' as well as orders from Resorts. Approximately 700 cylinders are delivered on a daily basis. Male' unit also caters to the local islands and male' city with its medial oxygen and industrial gas requirement. Apart from processing orders and coordinating deliveries, the center operates as a showroom which provides customers with products such as Gas Stoves, Regulators and Kitchen Hoods.

Hulhumale' Sales

With the fast growing population of Hulhumale', Maldive Gas established a distribution center in Hulhumale' to cater for customers' LPG requirements. With ever-growing demand, the distribution center delivers approximately 200 cylinders per day. Gas Stoves, Regulators and Kitchen Hoods are available in Hulhumale' Distribution Center.

Villimale Sales

First ever gas shop opened in villimale' to cater residents of villimale' gas cylinders without shortage or delivery issues. With more than 100 cylinders being sold per day, villimale' sales outlet incorporates with a showroom which includes kitchen accessories of Sanford, Phillips and Flamingo.

Thilafushi Sales

Located on the island of Thilafushi, this is the main focal point of our operations. All the supplies to the islands and resorts are carried out from Thilafushi sales. This facility is in operation throughout the day 7 days a week. Thilafushi is also our main production and filling facility.

Information Technology

1. Getting ready for the next Digital Frontier – Artificial Intelligence

Artificial Intelligence is predicted to be the next core Technologies that most of the businesses will adopt. Many trusted sources have reported that AI is expected to eliminate 6% of jobs by 2021. MGPL has been following this newest trends and tendencies to be in this loop. Company has already developed the core concept of AI and has been testing internally with the help of a BOT which eventually will be available to the public in a near future. These use artificial intelligence in order to understand natural language, like our everyday conversations with customers, to interpret, remember, personalize information, understand current situation and provide best possible combination of answers to our customers. Some examples of what this BOT can do is place gas orders, let you have digital receipts, tracks orders and answer many more customer queries that is related to the core business function. Initially, this AI Bot will be deployed to the most commonly used social platform by Maldivians known as Viber as a start, and basically will do almost everything that our call center Agent can do in a daily routine, within seconds.

1.1 Give Customer what they want

Most companies do not have the resources or manpower to provide customized attention to every customer. Personalized attention is given to only a few that are likely to contribute significantly to the bottom line, primarily because of the huge back-end cost. Having this BOT released will let the company interact with consumers at a more personal level with one-on-one experience which will deliver personalized messages leading to customer satisfaction as well as several other benefits to the company such as allowing to optimize the supply chain and design better offerings.

1.2 Call Center - Call traffic vs BOT

Like any other Call center, MGPL also experiences high call volumes, especially during morning and evening time, which sometimes are more than the Agents capacity, as a result company loses potential customers. With the release of MGPL AI BOT and with proper public awareness it was expected that at least 20% of the Customer queries or Order queries will be full filled by the BOT with no call waiting or spending customers' valuable time on placing an order. Customers will be placing orders and get answered by the Bot in a similar fashion that a human being can do it.

1.3 SMS Ordering

SMS ordering is extremely useful and popular as a means of communication. SMS ordering facilitates faster and more convenient customer orders to further enhance customer engagement and satisfaction. To stay ahead of the competition, MGPL has employed SMS ordering to simplify the ordering process and help customers skip the queue. Hence, ordering time will cut down from minutes to a few seconds. Customers now can simply txt to a designated number with very minimal information (known as key words) to get the products delivered without calling to our call center.

HR

Number of staff at the beginning and end of year

	2017	2018
Local	127	126
Expat	84	84
Total	211	210

No additional expats were recruited during the year as we focused more on retaining the current number.

Staff development

Target Group	Training Program	No. of Trained Staff
Company Secretary	• Advanced Skills Of Office Management And E-Secretariat	1
	• Excellence in the Work of Modern Secretariat and Advanced Office Management	1
	• Company secretaries training programme 2018	2
HR & Admin	• HR Summit	1
	• Lean Agile HR	2
	• Effective People Skills : Achieving Superior Interpersonal Effectiveness	1
Legal	Corporate Governance For Lawyers	1
Production & Engineering	Training with regards to Oxygen & Nitrogen generation system	1
Marketing & Business Development	Advance Managerial & Leadership Skills for Executives	1

Trainings given both in-house and abroad has been decreased to 13% compared to last year. In 2017 we have focused more on seminars and trainings, however in 2018 we offered more opportunities for the staffs' career development.

Operations

Our operations department is responsible for delivery and supply of Gas in Greater Male', Vilimale' and Hulhumale. Even with, difficulties of transport legislations, port area difficulties and road congestions, we never failed to delivery any customer. With all these challenges we attended each and every customer of us. To speed up the process we operated seven pickup's daily throughout the year, and in Ramazan time we operated 09 delivery pickups for the first time in company's history. With the raising demand for industrial gases and from other project, we delivered without any failure to the major projects by maintaining a stock in relation with sales, clearing 5 containers per month from customs.



Business

Review

Report

Financial Planning and Achievements

2018 MGPL has recorded sales revenue amount to MVR 241.2 million, an increase of 0.3% compared to 2017. The company closed its Financial Year 2018 with Total Assets of MVR258.9 million, an increased 4% compared to the previous year. The overall liabilities compared to 2017 had declined 5% while total assets increased by 4%. The future of the company seems promising with the increase in customer base and strengthening existing customer relationship.

	FY 2018	+/- (%)	FY 2017	FY 2016	FY 2015
Revenue	241.2	0.3%	240.4	206.1	193.9
Gross Profit	96.2	-15%	113.6	112.7	104.1
Gross Profit Margin	40%	-8%	47%	55%	54%
Operating Profit	22.4	-53%	47.3	53.2	60.4
Profit before tax	22.4	-53%	47.3	50.8	58.8
Net Profit	18.4	-54%	40.1	43.1	49.4
Basic EPS	271	-54%	589	634.07	727.75
Net cash from operating activities	33.4	-22%	43.04	54.4	59.6
Total Assets	258.9	4%	249.5	237.2	210.1
ROCE	10%	-14%	24%	30%	36%

Revenue

In 2018, the company recorded MVR241.2 million in revenue, a 0.32% increase compared to the MVR240.4 million earned in 2017. LPG had a slight sales growth of 1% amounting to MVR195.5 million. LPG sales accounted for 81% of total revenue.

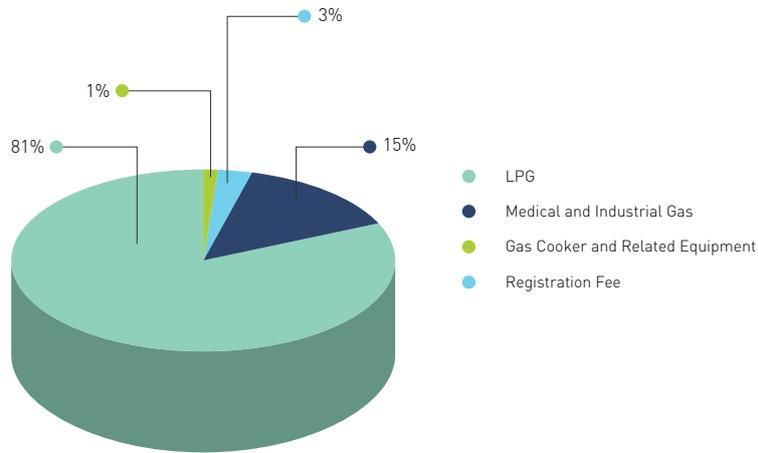
Medical and industrial gases contributed 15% to total revenue in year 2018. The sales of industrial gases had a notable growth of 5% amounting to MVR25.2 million compared to the MVR24 million earned by that segment in the prior year. This increase is due to the distribution of industrial gases to the main industrial projects conducted in the Maldives. However, the sales of medical oxygen has a significant decrease of 23% amounting to MVR11.6 million compared to the MVR15.1 million earned in 2017.

Gas cookers and related equipment total revenue for the year was MVR1.5 million. Compared to 2017 this is a 26% decline in. Gas cookers and related equipment contributes 1% of the total revenue of the company.

The company continues to maintain and grow the current customer base, thus year 2018 had a noticeable growth in registration fees. The outstanding 13% increase in registration fees brought MVR7.2 million comparing to 2017 that had a total of MVR6.3 million.

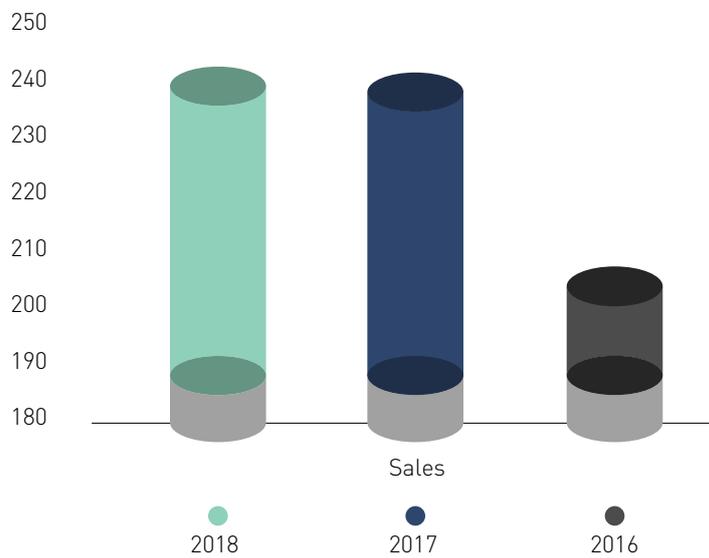
Revenue By Products

In Percentage (%)



Turnover

In Millions

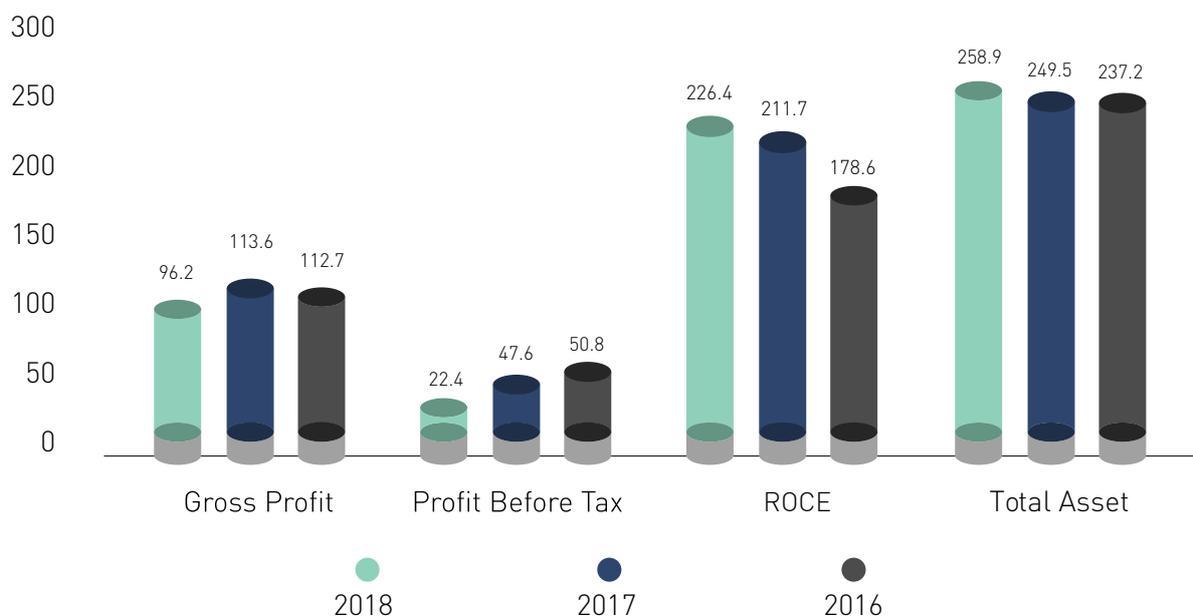




Profit Analysis

In 2018, MGPL recorded an operating profit of MVR22.4 million, a significant decline compared to the previous years' profit of MVR47.3 million. The net profit at the year ended 2018 recorded MVR18.4 million, a significant 54% decrease compared to the previous year. The impairment loss on trade receivables and sales and distribution expenses resulted in the fall in operating profit throughout the year. Sales and distribution expenses increased to MVR27.9 million in 2018 from MVR23.8 million in 2017. Increased cylinder transportation expense and advertising & promotion expenses contributed to the significant increase in marketing and distribution expenses during the year. Gross profit had a significant decline of 15% to MVR96.2 million compared to the previous year which had a MVR113.6 million.

The interest on overdraft had decreased significantly during the year to MVR673 Thousand compared to 2017 which had MVR2.4 Million. The increase in cost of sales contributed to the decline in profit before tax for the year.



Financial Cost

The company incurred a net finance cost of MVR674 Thousand throughout the year. This is a 73% favorable decrease as opposed to 2017, which likewise recorded MVR 2.4 million. The Company had obtained an overdraft facility from HSBC at an interest rate of LIBOR +8.5% , for the purpose of working capital requirements and international acquisitions.

Taxation

In accordance with the provisions of the Business Profit Tax Act No. 5 of 2011, relevant regulation and subsequent amendments thereto, the Company is liable for Income Tax at the rate of 15% on its taxable profits. Total taxable income declined significantly 43% to MVR29.02 million in 2018. This change in taxable income led to a reduced tax expense for the year 2018 totaling to MVR4.38 million. Tax expense for the year 2017 amounted to MVR7.8 million.

Cash Flow

Net cash provided by operating activities recorded MVR33.7 million in 2018, a 22% decrease compared with the previous fiscal year. The vast decline in cash flow from operating activities were due to reduced operating profit.

Net cash used in investing activities amounted to MVR27.9 million in 2018, an 18% decrease than that used in previous fiscal year. Refundable deposits received during the year recorded MVR3.9 Million and refundable deposits paid recorded MVR1.6 Million in 2018.

Net cash used in financial activities amounted to MVR1 million in 2018 which was paid as dividend. Compared to 2017 net cash used in financial activities remained constant. No loan repayments were recorded during the year. The board of directors has declared dividend MVR 5,555,556/- (2017: MVR 10,000,000/-) for the year ended 31st December 2018.

These changes resulted in cash and cash equivalents as of December 31, 2018 amounted to MVR42 million.

Balance Sheet

At the end of fiscal 2018, total assets amounted to MVR 258 million, up MVR 9.4 million from the end of the prior year as a result of investing in acquisition and construction of property, plant and machinery as well as increased trade and other receivables. Current assets amounted to MVR 95 million, a fall of 4% from the end of the previous fiscal year, mainly owing to cash and cash equivalents and related parties receivables. Although inventories increased to MVR 13.1 Million and trade and other receivables decreased considerably to MVR 20.5 million compared to the previous year of MVR 24.1 million.

Non-current assets totaled MVR 163.9 million, 9% higher than at the end of the previous fiscal year, at MVR150 Million, due to investments in acquisition of property, plant and equipment.

Total liabilities favorably declined 5% to MVR61.8 million, from the end of the prior year which recorded MVR65 million. The encouraging change in total liabilities were results of huge decline in bank overdraft and tax payables. The debt to total assets ratio at the end of the previous fiscal year is 0.24 to 1.

Strategic planning and achievements

Strategic Growth and Developments

To ensure strategic growth and sustainable development, the essential area the company has focused in 2018 was to create effective growth strategies for the business. These growth strategies involved more than simply envisioning long-term success of the company. A tangible five-year business plan has been prepared by the management team with effective business strategies to determine the way the company plans to progress from its current situation to its desired future goals.

While, the company has been in a strong market position, it was felt that relying solely on market position and responding to the market in a routine manner (where the company just keeps supplying gas to a readily-available market demand for LPG and other gases) may not bode well for the future growth of the company.

The main strategic challenges of the company highlighted are the concerns of aging infrastructure, lack of direct presence in the atolls, inadequate penetration of the resort market and an acute need for building storage capacity. At present MPGL owns one storage facility in the country. This has meant that in the event of an emergency there are no strategic reserves. Another challenge for MGPL is the high costs of conveying LPG and other gases to the atolls. The company has finite storage capacity at its main filling and distribution Centre at K. Thilafushi. As a result, supply shortages during high demand months are inevitable. Lack of a direct presence in the atolls has meant that LPG as well as medical oxygen has to be transported to the outer islands by external third parties. Such parties usually transport LPG and oxygen along with other goods.

In terms of customer retention and growth main challenges faced by the company includes inter-atoll delivery bottlenecks. At present the company has physical presence only in the greater Malé region, due to this the company has had to rely on third-party agents for the supply of LPG to the outer atolls which means the company has very little control over price points.

With the increasing numbers of resorts and increasing numbers of guesthouses being constructed on inhabited islands, Maldivian Gas exclusively caters to 47% of the Market, and 30% of the resort market by its agents so far, the company has made great headway in this market. However, the main challenges faced by the company in the resort segment is, the competitor Villa gas being one of the largest resort operators approach the market with lower prices.

LPG as well as industrial gases are imported from abroad. Suppliers have great leeway on the price. Moreover, the whole market is vulnerable to global natural gas prices, which could have drastic effects on the company's balance of payments.

In 2018 MGPL used different strategies and tactics to grow its business and increase sales and profits. There are certain methods the company used to implement the growth strategy. The method MGPL used to expand its business is largely contingent upon its financial situation, the competition and even government regulation. The growth strategies MGPL has laid includes market penetration, market expansion, and product expansion.

Market Development

A market expansion growth strategy entails selling current products in new markets, in 2018 MGPL has carried out various surveys to explore different market segments. To lower the negative impact of price competition from its competitor, market expansion strategy was an important growth strategy implemented by the company in 2018.

LPG market is nearing the saturation. Household market is finite, and potential for growth is limited. MGPL always find ways to adopt new strategies that could employ to develop niches and ensure that the market do not become stagnant.

Tourism is the largest industry in the Maldives, and all resorts rely on LPG for their cooking energy needs, different strategies were employed by the company to ensure greater dominance of the resort market. One way the company increased the market share of the resorts was by offering competitive prices for those resorts groups who have large numbers of resorts under single management. Since resort market is with little differentiation for LPG supply than that of competitor offering competitive price helped the company to increase its share of resort market.

Although the company supplies gas to the outer atolls. This supply is erratic and ad hoc given the difficulties involved in transportation. The question has long been posed as how to ensure sustained supply to the atolls and consolidate the domestic market in the atolls. The company has established great network of agents throughout the country to distribute LPG and other gases in the atoll. The company had been relying on third-party agents for the supply of LPG to the outer atolls. Towards the end of 2018 MGPL had 260 registered agents nationwide.

Lowering operating costs and improving overall profitability has been achieved by streamlining the current operations, and identifying new revenue streams.

Market Penetration Strategy

One growth strategy implemented by the company in 2018 is market penetration. The company has put additional effort to market and sell existing products within the same market it has been using. The industrial market was one area the company has focused to enhance revenue growth.

As a result, Maldivian gas was able to generate record breaking revenue from those focused segments, by ensuring continuous supply and through efficient service that has increased its market share in 2018.

Product Expansion Strategy

MGPL has looked in to ways to establish its product as a wholly and superior product to that of its competitors. It has gained greater efficiency through more effective and low-cost distribution strategies while ensuring greater value and incentives for clients.

Such differentiation was attained by improving the overall quality of the product supplied, ensuring continuous supply, reducing delivery bottlenecks and improving overall customer service.

In 2018 a new product, 99% purity oxygen was launched by the company. MGPL has installed a production plant in K. Thilafushi to produce 99% oxygen.

The company have adopted diversification of the company from regular energy supplier to green energy company.

Sales and marketing activities

At present the company has physical presence in the greater Malé region, and the company dominates approximately 80 percent of the household market in the greater Malé region. In addition to that the company has its presence in all the atolls to distribute cooking gas through its registered agents.

To increase the market share and profitability, MGPL has been continuously focusing on the overall improvement of customer satisfaction, target new customers and diversify the usage of LPG to acquire and retain the most satisfied customers through value creation.

Such an approach includes capture new markets while strengthening the relationship with existing customers, retail agents as well as suppliers, by offering stable product that is backed by strong marketing and customer services

The next rung up the ladder for the team in 2018 was to devise a way to sell more of the existing products to existing and adjacent markets

In 2018 Sales and Marketing strategies were designed and implemented to reach, engage and convert the target market into profitable customers. In 2018 the company has participated in trade exhibitions, road shows and many other promotional activities to effectively deliver the marketing objectives. The marketing effort that has been advanced through different advertising campaigns. Major areas covered under the promotion's strategy were direct marketing, sales promotions, advertising and public relations.





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Director's

Report

The directors present their annual report and audited financial statements for the year ended 31 December 2018 for Maldive Gas Pvt. Ltd. (registered number C-226/99).

Principal activity

Maldive Gas Pvt. Ltd. is a company registered in the Maldives under the company's act of Maldives. We supply Liquefied Petroleum Gas (LPG) in cylinders of various sizes and household appliances of well-known selected brands. We also provide medical gas to more than 95% of hospitals and medical centers in Maldives. Apart from these, the company sells Industrial Oxygen, Acetylene, Argon and Nitrous Oxide.

Business review

In 2018, the company made a profit after taxation of 18,448,061.

The company's net current assets at 31 December 2018 of 62,527,400 represent 89% of budgeted outgoings in 2019.

The Board's Key Performance Indicators are that Maldive Gas must operate within budget and retain sufficient liquidity so as to ensure continuous solvency and the ability to respond to an unexpected or urgent event.

Directors

The company's articles provide for a maximum of 7 directors, all of whom are appointed by the government. All directors who held office during the year are listed on this report.

The Board reviews the services, activities, and costs of Maldive Gas regularly to ensure that its services and activities meet the needs of the customers and are delivered in a cost effective manner.

Going concern

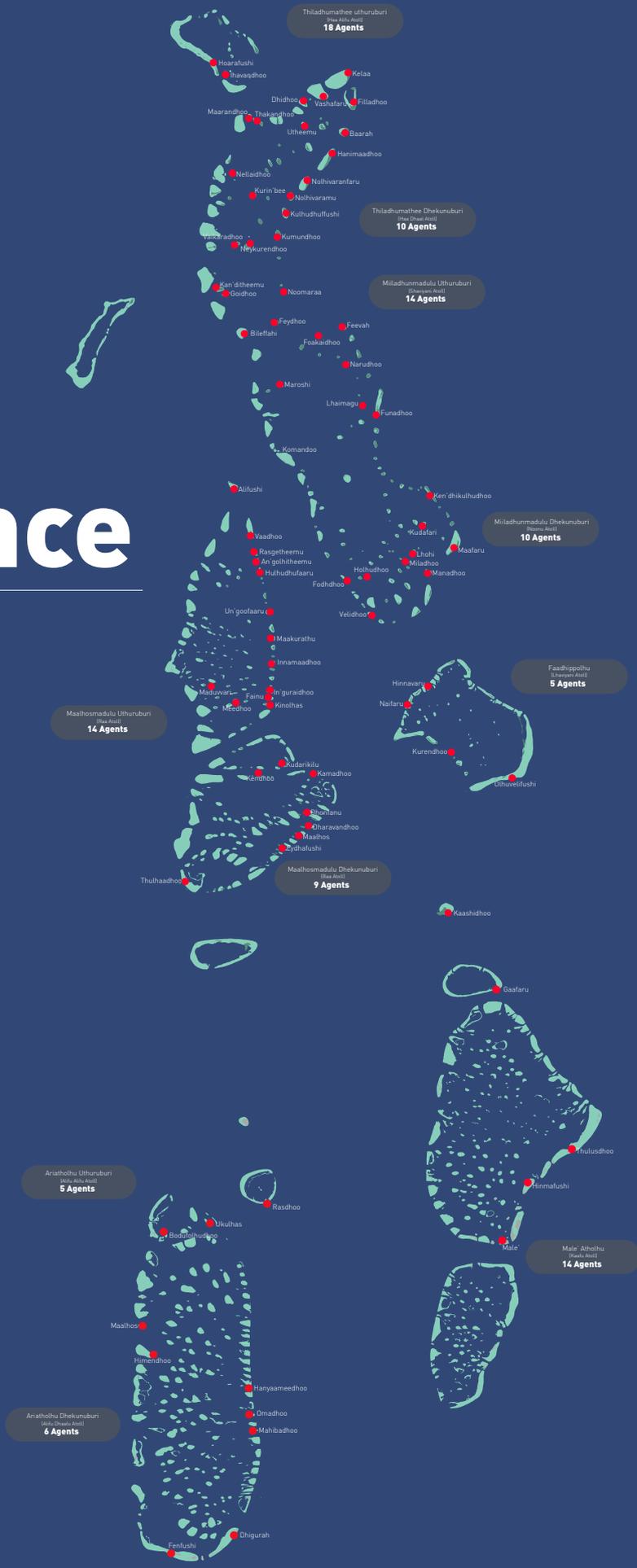
No material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors. The financial statements have therefore been prepared on a going concern basis.

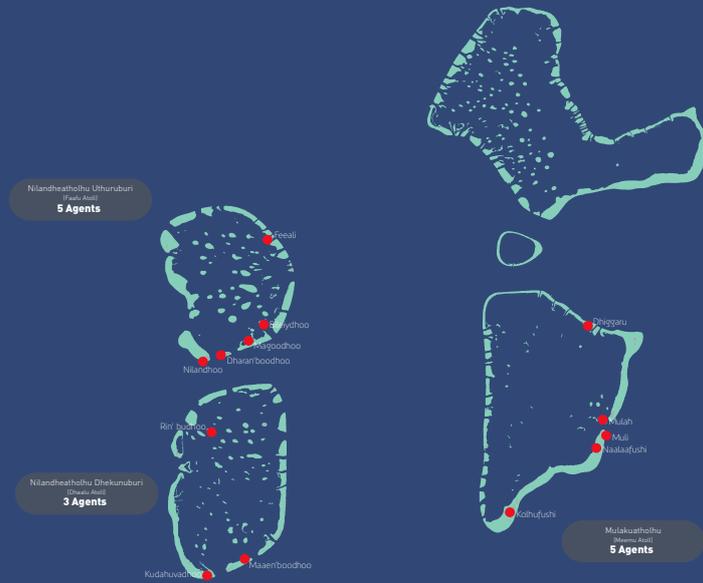
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Director
17 may 2019

Our Presence





Report on
Sustainability,
Ethics, Values &
Corporate &
Social
Responsibility

Sustainability

We want to create sustainable value through our business activities for our customers and employees. Sustainability is one of our corporate values that motivate and inspire each of our employees.

In 2018, we made clear progress in implementing our sustainability strategy and reaching our sustainability targets. We have taken a major step in this direction by further enhancing our production and supply chain with the use of technology. Our streamlined tracking application can now track the delivery of our cylinders. We have trained our staff to focus on customer satisfaction at all times. This means that we have anchored our commitment to sustainable action even more firmly in our corporate culture and into the day-to-day activities of every single employee.

We can look back on continued progress and success in the area of sustainability for 2018. We are particularly proud of the fact that our customers recognize our achievements and progress with excellent ratings and have acknowledged Maldives gas as the most reliable amongst the competition. Our 80% market share in the cooking gas category in the Greater Male' region drives us towards success. Building on this foundation, we will continue to work with our customers to promote sustainability along the entire value chain.

Ethics and Values

We at Maldive Gas support sustainable and safe methods of production that reduce environmental degradation, maintain the productivity. We strive to minimize our negative impact on the environment. We strive to show a deep respect for human beings inside and outside our company and treat our employees' equally regardless of their nationality.

CSR Activities:

In 2018 CSR activities carried out by MGPL helped forge a stronger bond between its stakeholders and the company and through such CSR effort MGPL has benefited to boost its brand image. As important as CSR is for the community, it is equally valuable for the company and the industry it operates.

It also helped to boost morale and helped both employees and employers to be more connected within the industry.

Last year MGPL has contributed to K. Guraidhoo home for special needs center where the company has supplied medical gas and cooking gas as CSR component. The company has contributed several schools, hospitals and universities in Male' and in Atolls to facilities some of their services and support various educational and sports activities carried by these institutions.

Some of these institutors are the contributions made for the Maldives National University, MAPS College, Mianz International College, Jamaaludheen School, Hafiz Ahmed School" for sponsoring Inter-School Athletics Meeting 2018 in Male', Football Association of Maldives" for Futsal Pitch Extension "Swimming Association of Maldives" for sponsoring National 13th Swimming Competition held at K.Dhiffushi "Students Union of IUM" for aiding the 3rd IUMSU Futsal Tournament 2018 Maldive gas also contributed a considerable amount to Victory sports club under SOE agreement made between FAM and Maldive Gas.

Mr. Ahmed Shifan
Chairman



Mr. Abdulla Maumoon
Managing Director



Profiles of Directors and Executives

Mr. Mohamed Shujau
Director



Mr. Abdulla Saleem A. Sattar
Director



Mr. Mohamed Murad
Director



Mr. Ahmed Shifan **(Chairperson)**

Appointed on 19th February 2014

Mr. Ahmed Shifan was appointed to the board as the chairman by the majority of the Shareholders, (STO) on the 19th of February 2014.

After completing 5 years of national service in the National Security Service (current Maldives National Defense Force), Mr. Shifan joined the State Trading Organization (STO) in 2003, where he has served in various senior positions. At present, his responsibilities at STO include heading the Medical Department in the position of Senior General Manager.

Mr. Shifan also serves as a Board of Director of Fuel Supply Maldives Pvt. Ltd and as the Managing Director of Hotel & Resorts Pvt. Ltd. His past corporate governance credentials include serving as a Board of Advisor for the SAP Asia Pacific Japan Regional Services Board, Board of Directors of Maldives Structural Products Pvt. Ltd and Fuel Supplies Maldives Pvt Ltd respectively.

Mr. Shifan's educational qualifications include an MBA (with Honors) from Auckland University of Technology, New Zealand and a BSc (First Class-Joint honors) in Business Information Systems and Business Studies from Middlesex University, United Kingdom.

Mr. Abdulla Maumoon **(Managing Director)**

Appointed on 10th December 2013

Mr. Maumoon was appointed to the board as the Managing director of the company on 10th December 2013.

He is a highly professional individual with excellent communication and people skills whose business acumen, insight and work ethic has contributed to an approximate 20 percent increase in profitability, since he took over the day to day management of the company.

Mr. Maumoon's past corporate governance credentials include his leadership role in setting up the retail operations and his role in product diversification at Maldives Industrial Fisheries Company. He has served in various posts in Maldives Industrial Fisheries Company.

Mr. Maumoon is a result-oriented manager who inspires his team to excel at their particular tasks, and has a keen eye for new business ventures to ensure the long term sustainability of the company.

In addition to his responsibilities to the company, Mr. Maumoon is also undergoing postgraduate studies (MBA) Programmed at the British School of Commerce Colombo (BSC).

Mr. Abdulla Saleem Abdul Sattar

(Director)

Joined on 3rd October 1999

Mr. Saleem has served for the company since its foundation as the representative of the minority shareholder Champa Oil and Gas Pvt Ltd.

Given his vast leadership experiences both in the public and private sectors, Mr. Saleem is a leading voice on the Board of Directors. His management acumen, business insights and encyclopedic knowledge of the industry has been instrumental in the company's ability to identify profitable and sustainable growth opportunities for the company. He is an excellent communicator with a particular penchant for problem solving.

His corporate governance experience includes his current roles as a Director at Kasa Holdings Pvt Ltd and as the Company Secretary of Champa Brothers.

Mr. Mohamed Murad

(Director)

Appointed on 17th July 2017

Mr. Murad was appointed as a non-executive director by the majority shareholder (STO) in 17th July 2017. Mr. Murad joined STO in the year of 1999 and has hence acquired substantial knowledge and experience in strategic leadership and operational knowledge with over 15 years of experience in the Company. He currently serves as the General Manager for Home Improvement & Service Centre.

Mr. Murad also serves as a Board Director for the Allied Insurance Company of the Maldives Pvt. Ltd. He holds a BTEC Higher National Diploma in Spatial Design from the Academy of Design, North Umbria University, UK.

Mr. Mohamed Shujau

(Director)

Appointed on 2nd April 2015.

Following a one year period on the Board of Directors of Maldivian Gas Pvt Ltd, as a non-executive director from June 2012 to October 2013. Mr. Shujau was re-appointed to the Board of Directors on 2nd April 2015' by the majority shareholder (STO).

Mr. Shujau is known for his exceptional creativity, innovative thinking and high methodical approach to problem solving. With over 20 years of experience in the Information and Communications Technology (ICT) industry, he is widely experienced in the areas of ERP, Voice Communications, ICT infrastructure and Management.

Mr. Shujau is currently the head of Procurement Department (Essential Goods) and serves as Assistant General Manager of State Trading Organization Plc (STO).

Mr. Shujau's educational qualifications include an MSC in Technology Management from Staffordshire University, UK and BSC (Hons) in Computer Systems Engineering from Nottingham Trent University, UK.

Corporate

Governance

Report

MGPL complies with the Companies Act (Law no. 10/96) of the Republic of Maldives and follows the code of conduct for the Board of directors of STO group companies.

Maldive Gas's 2018 Corporate Governance Report describes how our governance works, and the roles, compositions and activities of Maldive Gas's Board of Directors and its various committees. The report also includes the remuneration of the Board and the Executive Management team.

Board Composition

The company's Article of Association specifies the board composition and in 2018 the board is comprised of 05 Directors, 4 Non-Executive Directors and 1 Executive director (The Managing director)

Board composition as at (31st December 2017 – 31st December 2018)

Mr. Ahmed Shifan	Chairman
Mr. Abdulla Maumoon	Managing Director
Mr. Abdulla Saleem Abdul Sattar	Non-executive Director
Mr. Mohamed Shujau	Non-executive Director
Mr. Mohamed Murad	Non-executive Director

Changes to the board during the year

No changes were made as at 31st December 2017 to 31st December 2018.

Roles and responsibilities of the Board

- Recruit, supervise, retain, evaluate and compensate the Managing Director.
- Provide direction for the organization.
- Establish a policy based governance system.
- Govern the organization and the relationship with the Managing Director.
- Fiduciary duty to protect the organization's assets and member's investment.
- Ensuring that the company complies with all relevant laws and regulations.
- Ensuring that technology and information systems used are sufficient.
- Form committees per requirement.
- Adopt disclosure policy.
- Monitor and control function.
- Upgrading the level of Proficiency and skill.
- Adopt the Annual and interim financial statements.
- Ensure that the Annual Report is submitted.
- Evaluation of performance and work.
- Providing sufficient time for the Company.
- Each director should add value to the Board.

Board Meetings

During the year, the Board held 10 Board meetings. The Board addressed strategic issues. The executive management of all business areas presented their goals and strategies. The Board also addressed matters related to human resources, such as sales incentive programs, environment, health and safety, and issues concerning investments and the review of previously made investments, as well as acquisitions and divestments. Executive members are invited to the board discussions, on the occasions where additional materials or explanatory information are required by the directors, such as risks, financial reports, strategies etc.

The illustration below indicates the attendance of Directors to Board meeting.

Name	Board	RN Committee	Audit Committee	NED Meeting
Ahmed Shifan (Chairman)	10/10			1/1
Abdulla Maumoon (Managing Director)	10/10			1/1
Abdulla Saleem A. Sattar (Director)	8/10	0/0	3/3	1/1
Mohamed Shujau (Director)	8/10	0/0	3/3	1/1
Mohamed Murad (Director)	7/10	0/0	2/3	1/1

Note: Members were unable to attend few meetings as they were out of Male on official trips and annual leaves.

Major board Decisions taken during the year:

- Endorsed the proposed Thinadhoo project tender evaluation report and technical evaluation report.
- Decision was made to implement a signatory policy for the company.
- Decision was made to Purchase Tablets to board of directors to digitalize the board meetings.
- The decision was made to implement a delegation policy.
- Resolved to reduce price of 10kg LPG cylinder, from MVR 200.00 to MVR 150.00 for the occasion of Ramadan only. (Reduction of MVR 50.00)
- Resolved that 3% (an amount equal to MVR 1,099,411.44) from the adjusted profit to be declared and paid as the Annual bonus for the company employees for the year 2017.
- The decision was made to commence the physical works, during the year 2018 to install a sphere tank in Kulhudhufushi.
- The decision was made to adopt a sales Incentive policy.
- Approved Budget for the year 2019.
- Approved changes made to company's Article Of Association.
- Approved company's Revised Structure.

Board Evaluation

To ensure the quality of the work of the Board and to identify possible need for further expertise and experience, the board of directors ensures to arrange evaluation of the performance and the work of the board and its committees. This evaluation includes Company performance, Board performance, Chairman Performance, MD Performance, individual Director Performance, Committees Performance and Company Secretary Performance. The results of this evaluation are sent for review to STO Board, upon completion.

In 2018, the evaluations were carried out by way of each Board member responding to an online questionnaire. The compiled results were presented to the STO Board and the Board deliberates on the results, develops an action plan and periodically reviews the progress of implementation as well.

Board Committees

Audit Committee

The main responsibility of the Audit Committee is to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews the system of internal control, management and reporting of financial risks. It makes recommendations

The Committee receives information and relevant documentation for decision-making from the Managing Director, the CFO and the external auditors of the company among others. The Audit Committee is tasked to ensure that accurate information is provided to the board instantly.

The Committee comprises three Board members, who are independent and not affiliated with the Company.

The Audit committee is comprised of the following members;

Mr. Abdulla Saleem Abdul Sattar (Chairperson)

Mr. Mohamed Shujau

Mr. Mohamed Murad

During the year 2018, three Audit committees were held and the Committee carried out various works. Major discussions held in the committee during the year includes;

- Discussed the audited financials of the year 2017.
- Discussed to propose to the board that the amount 10,000,00 declared as interim Dividend is the interim dividend for the year 2017.
- Discussed to propose to the board to give three percent from the adjusted profit as bonus for the year 2017.
- Discussed the Status report of Management letter and Internal Audit report also asked to instruct corporate departments to find solutions for the issues pointed out in the internal audit report and update to the committee.
- Discussed the budget for the year 2019.

Nomination and Remuneration Committee

The nomination committee is responsible for leading the board appointment process, considering the requirements of the company and making recommendations to the board.

The Nomination and Remuneration Committee comprises of three Non-Executive Directors. The committee, as of January 2018 was as follows.

Mr. Mohamed Murad (Chairperson)
 Mr. Mohamed Shujau
 Mr. Abdulla Saleem Abdul Sattar

No Nomination and Remuneration Committees were held in the year 2018

Board Development

Participants	Training	Date (2018)
Ahmed Shifan (Chairman)	Corporate governance and business management.	23rd April-28th April
Abdulla Maumoon	Corporate governance and business management.	23rd April-28th April
Abdulla Saleem Abdul Sattar	SMU-SID Directorship program graduation	11th July-15th July
Abdulla Saleem Abdul Sattar	Board training	2nd October-7th October
Mohamed Shujau	Corporate responsibility and governance	1st October-6th October
Mohamed Murad	Corporate responsibility and governance	1st October-6th October

Board Remuneration

	2018	2017
Board Fees	MVR 343,500.00	MVR 367,700.00

1. Shareholding Structure

	No. of shares	@RF 1000/-	Percentage of shares
State Trading Organization PLC	61,200.00	6,12100,000.00	90
Champa Oil and Gas Company	6,800.00	6,800,000.00	10
Total	68,000.00	68,000,000.00	100
Authorized Capital (MRF)		80,000,000.00	
Paid Up Capital (MRF)		68,000,000.00	
Premium		12,000,000.00	

Dividend Declaration

Board declared and paid an interim dividend during the year 2018, at a rate of MVR 81.69 per share (Total Dividend MVR 5,555,555.55)

In accordance the board proposed not to declare any additional dividend for the year and proposes to treat MVR 81.69 per share (Total Dividend MVR 5,555,555.55), as final dividend for 2018.

Senior Management Members

Executive Team as of 1st January 2018-31st December 2018

MGPL Executive Team supports the managing director in the day-to-day operations and management of the company, within their specific areas of expertise. The Executive Team meets on a weekly basis in a management meeting to update the managing director on tasks. MGPLs' Executive Team is as follows:

Mr. Abdulla Maumoon	Managing Director
Mr. Ahmed Rameez	Manager - Finance
Ms. Aminath Mohamed Saeed	Manager – Marketing & Business Development
Mr. Mohamed Didi	Chief Engineer
Mr. Ahmed Munaz	Manager - Procurement
Mr. Abdulla Ashraf	Manager - ICT
Mr. Moosa Latheef	Manager – HR & Administration
Ms. Khadija Janifa	Legal Counsel
Ms. Shiuna Abdulla	Company Secretary/PA to MD
Mr. Ibrahim Shareef	Assistant Manager- Hulhumale sales
Ms. Aishath Sherian	Assistant Manager- Male' sales
Mr. Abdul Waaris Mauroos	Assistant Operations Manager

Mr. Ahmed Rameez
Manager Finance



Ms. Shiuna Abdulla
Company Secretary



Mr. Moosa Latheef
Manager HR & Admin



Ms. Aminath Mohamed Saeed
Manager Marketing &
Business Development



Mr. Abdulla Ashraf
Manager ICT



Mr. Ibrahim Shareef
Assistant Manager - Sales
(Hulhumale')



Mr. Abdul Waris Mauroos
Assistant Operations Manager



Ms. Aishath Sherian
Assistant Manager - Sales



Risk Factors

Our business and financial results are subject to a number of risks and uncertainties, many of which are not within our control, which could adversely affect our business, financial condition, and results of operations. We continue to come up with means to mitigate the impact on our business from strategic, financial and operational risks. Additional risks and uncertainties that are not currently known to the Company or that are not currently believed by the Company to be material may also harm the Company's business, financial condition, and results of operations.



Independent Auditors' Report

To the Shareholders of Maldivo Gas Private Limited

Opinion

We have audited the accompanying financial statements of Maldivo Gas Private Limited (the "Company"), which comprise the statement of financial position as at 31st December 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 3 to 34. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw our attention to Note 30 to the consolidated and separate financial statements, which indicate that the comparative information presented as at and for the year ended 31st December 2017 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of directors for the Financial Statements

The Board of directors (the "Board") is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 auditors' 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 auditors' 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.

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

Chartered Accountants

1st April 2019

Male'

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2018**

MALDIVE GAS PRIVATE LIMITED (INCORPORATED IN THE REPUBLIC OF MALDIVES) FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

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Financial Statements

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



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(Chartered Accountants)		: +960 3310 421
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Sosun Magu,		: +960 3323 393
Male',	Fax	: +960 3323 175
Republic of Malives.	E-mail	: kpmgmv@kpmg.com

Independent Auditors' Report To the Shareholders of Maldivian Gas Private Limited

Opinion

We have audited the accompanying financial statements of Maldivian Gas Private Limited (the "Company"), which comprise the statement of financial position as at 31st December 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 3 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw our attention to Note 30 to the consolidated and separate financial statements, which indicate that the comparative information presented as at and for the year ended 31st December 2017 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of directors for the Financial Statements

The Board of directors (the "Board") is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

KPMG in the Maldives is a partnership registered in the Republic of Maldives, a foreign branch of KPMG, The Sri Lankan member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
S.R.I Perera FCMA (UK)
M.N.M. Shaneel ACA
P.Y.S Perera FCA
W.W.J.C. Abeyrathne FCA
W.K.D.C Abeyrathne FCA
G.A.U. Karunaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA

C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L Perera FCA
R.M.D.B. Rajapakse FCA
J.M.P.S Jayaweera FCA

R.W.M.O.W.D.B. Rathnadiwakara.ACA

Auditors' 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 auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 auditors' 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 auditors' 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.

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



Chartered Accountants

23rd April 2019
Male'

MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2018	Note	2018 MVR	2017 MVR (Restated)
Revenue	4	241,267,581	240,491,298
Cost of Sales		(145,058,909)	(126,808,263)
Gross Profit		96,208,672	113,683,035
Other Income	5	1,314,127	5,319,411
Administrative Expenses		(45,308,478)	(45,461,156)
Impairment Loss on Trade Receivable		(1,077,879)	176,303
Sales and Distribution Expenses		(27,963,210)	(23,881,635)
Results from Operating Activities		23,173,232	49,835,958
Finance Income	6	-	34,509
Finance Costs	6	(674,447)	(2,494,161)
Net Finance Cost		(674,447)	(2,459,652)
Profit before Tax	7	22,498,785	47,376,306
Tax Expense	8	(4,050,724)	(7,295,474)
Profit for the Year		18,448,061	40,080,832
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability		44,344	136,574
Income tax on other comprehensive income		(6,652)	(20,486)
Total other comprehensive income - net of tax		37,692	116,088
Total comprehensive income for the year		18,485,753	40,196,920
Basic Earnings Per Share	9	271	589

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 7 to 34. The Report of the Independent Auditors is given on pages 1 and 2.

MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018	Note	12/31/2018 MVR	12/31/2017 MVR (Restated)	01/01/2017 MVR (Restated)
ASSETS				
Non-current Assets				
Property, Plant and Equipment	10	163,924,772	150,904,398	128,144,303
Investment In Equity Shares	11	100	100	100
Total Non-current Assets		163,924,872	150,904,498	128,144,403
Current Assets				
Inventories	12	13,146,087	11,701,230	8,351,551
Trade and Other Receivables	13	20,557,029	24,127,060	15,258,151
Amounts due from Related Parties	14	15,258,481	13,679,467	15,347,667
Cash and Cash Equivalents	15	46,104,576	49,118,538	70,175,285
Total Current Assets		95,066,173	98,626,295	109,132,654
Total Assets		258,991,045	249,530,793	237,277,057
EQUITY AND LIABILITIES				
Equity				
Share Capital	16	68,000,000	68,000,000	68,000,000
General Reserve	16.4	10,313,122	10,313,122	10,313,122
Retained Earnings		118,818,338	106,215,585	76,018,665
Total Equity		197,131,460	184,528,707	154,331,787
Non-current Liabilities				
Refundable Deposits	17	14,770,550	12,503,994	9,030,549
Deferred Revenue	18	11,954,448	11,797,905	12,143,344
Deferred Tax Liability	8.2	1,046,121	1,372,323	1,731,813
Defined Benefit Obligation	19	1,549,693	1,481,174	1,353,931
Total Non-current Liabilities		29,320,812	27,155,396	24,259,637
Current Liabilities				
Deferred Revenue	18	7,023,670	6,387,707	5,648,000
Trade and Other Payables	20	5,811,775	6,274,450	8,058,646
Amounts due to Related Parties	21	15,380,090	10,223,322	9,984,802
Tax Payable		275,810	3,475,088	3,497,419
Bank Overdraft	22	4,047,428	11,486,123	31,496,766
Total Current Liabilities		32,538,773	37,846,690	58,685,633
Total Liabilities		61,859,585	65,002,086	82,945,270
Total Equity and Liabilities		258,991,045	249,530,793	237,277,057

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 7 to 34. The Report of the Independent Auditors is given on pages 1 and 2.

These financial statements were approved by the Board of Directors and signed on its behalf by;

Name of the Director
 Abdulla Saleem Abdul Sattar

Shazail Siyam
 23rd April 2019



Signature

MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018	Share Capital MVR	General Reserve MVR	Retained Earnings MVR	Total Equity MVR
Balance as at 1st January 2017, as previously reported	68,000,000	10,313,122	77,169,506	155,482,628
Impact due to the restatement (Refer Note 30)	-	-	(1,150,841)	(1,150,841)
Restated Balances as at 1st January 2017	68,000,000	10,313,122	76,018,665	154,331,787
Restated profit for the year	-	-	40,080,832	40,080,832
Other comprehensive income				
Remeasurement of defined benefit liability - net of tax	-	-	116,088	116,088
Total comprehensive income for the year	-	-	40,196,920	40,196,920
Transactions with Owners of the Company				
Dividend Declared for the Year (Note 16.3)	-	-	(10,000,000)	(10,000,000)
Balance as at 31st December 2017	68,000,000	10,313,122	106,215,585	184,528,707
Adjustment on initial application of IFRS 9 (Refer 3.1.1)	-	-	(327,445)	(327,445)
Adjusted Balance as at 1st January 2018	68,000,000	10,313,122	105,888,140	184,201,262
Profit For the Year	-	-	18,448,061	18,448,061
Other comprehensive income				
Remeasurement of defined benefit liability - net of tax	-	-	37,692	37,692
Total comprehensive income for the year	-	-	18,485,753	18,485,753
Transactions with Owners of the Company				
Dividend Declared for the Year (Note 16.3)	-	-	(5,555,556)	(5,555,556)
Balance as at 31st December 2018	68,000,000	10,313,122	118,818,338	197,131,460

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 7 to 34. The Report of the Independent Auditors is given on pages 1 and 2.

MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2018	Note	2018 MVR	2017 MVR
Cash Flows from Operating Activities			
Profit before Tax		22,498,785	47,376,306
Adjustments For:			
Interest on Overdraft	6	673,842	2,494,161
Depreciation	10	17,225,405	14,802,638
Provision made/(reversed) for Impairment Loss on Trade Receivable	13.1	1,077,879	(176,303)
Provision made for Impairment Loss on Other Receivables	13.2	2,247,252	1,436,939
Income Recognized from Deferred Revenue	4/18	(7,224,607)	(6,369,343)
Provision for Defined Benefit Obligation	19	217,030	263,817
Operating Profit before Working Capital Changes		<u>36,715,586</u>	<u>59,828,215</u>
Changes In:			
Inventories		(1,444,857)	(3,349,679)
Trade and Other Receivables		(82,545)	(10,129,545)
Amounts due from Related Parties		(1,579,014)	1,668,200
Trade and Other Payables		(462,675)	(1,802,196)
Amounts due to Related Parties		601,212	238,520
Cash Flows from Operating Activities		<u>33,747,707</u>	<u>46,453,515</u>
Tax Paid		(7,582,855)	(7,679,781)
Interest Paid		(673,842)	(2,494,161)
Registration Fees Received (LPG Cylinders)	18	8,017,113	6,763,611
Gratuity Paid	19	(104,167)	-
Net Cash from Operating Activities		<u>33,403,955</u>	<u>43,043,184</u>
Cash Flows from Investing Activities			
Purchase and Construction of Property, Plant and Equipment	10	(30,245,778)	(37,562,733)
Refundable deposits Paid	17	(1,639,450)	(1,270,325)
Refundable deposits Received	17	3,906,006	4,743,770
Net Cash used in Investing Activities		<u>(27,979,222)</u>	<u>(34,089,288)</u>
Cash Flows from Financing Activities			
Dividends Paid during the Year	16.3	(1,000,000)	(10,000,000)
Net Cash used in Financing Activities		<u>(1,000,000)</u>	<u>(10,000,000)</u>
Increase (Decrease) in Cash and Cash Equivalents		4,424,733	(1,046,104)
Cash and Cash Equivalents at the Beginning of the Year		<u>37,632,415</u>	<u>38,678,519</u>
Cash and Cash Equivalents at the End of the Year	15	<u>42,057,148</u>	<u>37,632,415</u>

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 7 to 34. The Report of the Independent Auditors is given on pages 1 and 2.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS**

1. REPORTING ENTITY

Maldivian Gas Private Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company under the Companies Act No. 10 of 1996, with its registered office H.Maizan,Sosun Magu, Male', Republic of Maldives.

The Company is engaged in a business of import, sale and distribution of Liquid gas (L.P.G), industrial gas, medical gases and related equipment.

2 BASIS OF PREPARATION

(a) Statement of Compliance

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

This is first set of financial statements in which IFRS 15 "Revenue from contract with customers" and IFRS 9 "Financial Instrument" have been applied. Changes to significant accounting policies are described in the in Note 3.1.

(b) Responsibility of Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements.

(c) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

(d) Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

(e) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates DRAFT and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented these financial statements, and have been applied consistently by the Company expect for the changes highlighted below due to the adoption of IFRS 9 – "Financial instruments" and IFRS 15 – Revenue from contract with customers.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Changes in significant accounting policies

The Company has initially applied IFRS 15 and IFRS 9 from 1st January 2018. A number of other new standards are also effective from 1st January 2018 but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except for separately presenting impairment loss on trade receivables and contract assets.

i.) IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The Company has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (i.e. 1st January 2018). Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

IFRS 15 did not have a significant impact on the Company's accounting policies with respect to the revenue streams.

ii.) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 "Financial Instruments: Recognition and Measurement".

As result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 "Presentation of Financial Statements", which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss. Previously, the Company's approach was to include the impairment of trade receivables in other Sales and Distribution. Consequently, the Company reclassified impairment losses amounting to MVR 176,303/-, recognized under IAS 39, from other Sales and Distribution to impairment loss on trade receivables in the statement of profit or loss for the year ended 31st December 2017.

Additionally, the Company has adopted consequential amendments to IFRS 7 "Financial Instruments: Disclosures" that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following table summarizes the impact, net of tax, of transition to IFRS 9 on the opening balance of retained earnings.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Changes in significant accounting policies (Continued)

ii.) IFRS 9 Financial Instruments (Continued)

	Impact of adopting IFRS 9 as at 1st January 2018 MVR
Retained earnings	
Recognition of expected credit losses under IFRS 9	(327,445)
Related tax	-
Impact as at 1st January 2018	(327,445)

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, Fair Value through the statement of Other Comprehensive Income (FVOCI) and Fair Value Through the statement of Profit and Loss (VTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1st January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1st January 2018 relates solely to the new impairment requirements.

	Original Classification under IAS 39	New Classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Investment in Equity Securities	Available For Sale	FVOCI	100	100
Trade and other receivables	Loans and Receivables	Amortised costs	24,127,060	23,799,615
Amounts due from related parties	Loans and Receivables	Amortised costs	13,679,467	13,679,467

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Changes in significant accounting policies

ii.) IFRS 9 Financial Instruments (Continued)

Cash and cash equivalent	Loans and Receivables	Amortised costs	49,118,538	49,118,538
Total financial assets			86,925,065	86,597,620

Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	6,274,450	6,274,450
Amounts due to related parties	Other financial liabilities	Other financial liabilities	10,223,322	10,223,322
Bank overdraft	Other financial liabilities	Other financial liabilities	11,486,123	11,486,123
Total financial liabilities			27,983,895	27,983,895

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. An increase of MVR 327,445/- in the allowance of impairment over these receivable were recognized in opening retained earnings as at 1st January 2018 on transition to the IFRS 9.

The following table reconciles the carrying amounts of the of the financials assets under IAS 39 to the carrying amounts under IF S 9 on 1st January 2018.

	IAS 39 carrying amount as at 31st December 2017 MVR	Remeasurement MVR	IFRS 9 carrying amount as at 1st January 2018 MVR
Financial assets			
Amortized cost			
Trade and other receivables:	24,127,060		
Brought forward loans and receivables			
Remeasurement		327,445	
Carried forward amortized cost			23,799,615

Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.” Under IFRS 9, credit losses are recognized earlier than under IAS 39.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Changes in significant accounting policies (Continued)

ii.) IFRS 9 Financial Instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1st January 2018 results in an additional allowance for impairment as follows.

	Amount MVR
Loss allowance as at 31st December 2017 under IAS 39	3,617,520
Additional impairment recognized as at 1st January 2018 on;	
- Trade and other receivables as at 31st December 2017	327,445
Loss allowance as at 1st January 2018	3,944,965

Additional information about how the Company measures the allowance for impairment is described in financial instruments – fair value and risk management note.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at 1st January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

3.2 Transactions in Foreign Currencies

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

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

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (Unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL (fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets – Policy applicable from 1st January 2018

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (fair value through other comprehensive income) – debt investment; VOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of and equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial Instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial assets – Business model assessment: Policy applicable from 1st January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1st January 2018

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making assessment, the Company consider;

- Contingent event that would change the amount or timing of cash flows
- Terms that may adjust the contractual coupon rate, including variable – rate features
- Prepayment and extension features and
- Terms that limit the Company's claim to cash flows from specified assets

A prepayment features consider is consistent with solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets – Subsequent measurement and gains and losses Policy applicable from 1st January 2018

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

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial Instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial assets – Subsequent measurement and gains and losses: Policy applicable before 1st January 2018

Financial assets - Policy applicable before 1st January 2018

The Company classified its financial assets into one of the following categories;

- Loans and receivables
- Held to maturity
- Available for sale and
- At fair value through profit or loss

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognized in profit or loss.
Held to Maturity financial assets	Measured at amortised cost using effective interest rate method.
Loans and receivables	Measured at amortised cost using effective interest rate method
Available for sale financial assets	Measured at fair value and changes therein, other than impairment loss, interest income and foreign currency differences on debt instruments, were recognized in OCI and accumulate fair value reserve. When these assets were recognized, the gain and loss accumulate in equity were reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured at amortized cost or FVTPL. A financial liability was classified as at FVTPL if it was classified as held for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL were measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities were subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses were recognized in profit or loss. Any gain or loss on de-recognition was also recognized in profit or loss.

iii. Derecognition Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfer nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial Instruments (Continued)

iii. Derecognition (Continued) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

3.4 Share Capital

Ordinary Shares

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

3.5 Property, Plant and Equipment

(i) Recognition and Measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent Costs

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

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, Plant and Equipment (Continued)

(iii) Depreciation

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

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

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

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

3.6 Inventories

Inventories have been valued at the lower of cost and net realizable value. The cost of inventories is based on the First-in First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Impairment

(i) Non derivative financial assets

Policy applicable from 1st January 2018

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

(i) Non derivative financial assets (Continued)

Policy applicable from 1st January 2018 (Continued)

Financial instruments and contract assets (Continued)

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures DRAFT loss allowance at an amount equal to the lifetime ECLs, except for the following, which are measured at 12-month ECLs;

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Policy applicable before 1 January 2018 Non-derivative financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there was objective evidence that it was impaired. financial asset was impaired if objective evidence indicates that a loss event had occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that could be estimated reliably.

The Company considered evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables were assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that had been incurred but not yet identified. Receivables that were not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost was calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss was reversed through profit or loss.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Employee Benefits

(i) Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined Contribution Plans

All Maldivian employees of the Company are members of the retirement pension scheme established in the Maldives. Both employer and employee contribute 7% respectively to this scheme of such employees' pensionable wage. Employers' obligation for contribution to pension scheme is recognized as an employee benefit expense in income statement in the periods during which services are rendered by employees.

3.10 Provisions

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

3.11 Revenue from contract with customers

Performance obligations and revenue recognition policies

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

3.11 Revenue from contract with customers (Continued)

Performance obligations and revenue recognition policies (Continued)

The following provides information about the nature and timing of the satisfaction of performance obligations in contract with customers;

- a. Board and lodging revenue is recognized on rooms occupied on a daily basis net of tax.
- b. In relation to the sale of food and beverage, the revenue has been recognized by reference to the time of sales.
- c. In the case of launch hire and transfer income, shop income, laundry income, communication income and reflexology income, the revenue has been recognised by reference to the time of service rendered.
- d. In the case of rent income from gem shop, excursion, reflexology, diving school and windsurfing, the revenue has been derived on commission earned basis.

The nature and timing of the satisfaction of performance obligation were not significantly affected to the Company compare with previous accounting policies.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Tax Expense

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

Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred Tax

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

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

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

3.13 Expenses

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

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

3.14 Operating Leases

Leases where the lessor retains substantially all the risk and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3.15 Finance Income and Costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and foreign currency loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Finance Income and Costs (Continued)

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.16 Determination of Fair Values

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

Level – 01

Inputs that are unadjusted quoted market prices in an active market for identical instruments.

Level – 02

Inputs other than quoted prices included within level that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This instruments valued using: (a) Quoted market in active markets for similar instruments. (b) Quoted prices for identical or similar instruments in markets that are considered to be less active, or (c) Other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level – 03

Input are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

3.17 New Standard And Interpretations Not Yet Adopted

Following new standards, amendments to standards and interpretations applicable to the financial statements of the Company are effective for annual periods beginning after 1st January 2019 and earlier application is permitted, however the company has not applied the following new or amended standards interpretations in these financial statements.

i. IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 leases, IFRIC 4 – Determining whether an arrangement contains a lease, SIC 15 – Operating leases incentive and SIC 27 – Evaluating the substance of transactions involving the legal form of a leases with effect from 1st January 2019.

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 New Standard And Interpretations Not Yet Adopted (Continued)

i. IFRS 16 Leases (Continued)

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard. The Company is in the stage of assessing the impact on its financial statements from adopting IFRS 16 and plans to adopt the standard as at 1st January 2019.

The Company is in the process of assessing the potential impact on the financial statements and not yet completed the detail assessment of IFRS 16.

ii. Other Standards

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

- IFRIC 22 - Foreign Currency Transactions and Advance Consideration
- IFRIC 23 - Uncertainty Over Income Tax Treatments

MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

4. REVENUE

The effect of initially applying IFRS 15 on the Company's revenue from contracts with customers is described in Note 3.1

	2018 MVR	2017 MVR
Liquid Petroleum Gas	195,573,001	192,853,214
Medical and Industrial Gas	36,955,696	39,218,977
Gas Cooker and Related Equipments	1,514,277	2,049,764
Registration Fees (Note 18)	7,224,607	6,369,343
	<u>241,267,581</u>	<u>240,491,298</u>

5. OTHER INCOME

	2018 MVR	2017 MVR
Income from Fine Charges	374,503	286,312
Miscellaneous Income	939,624	3,881,316
Reversal of Interest Payable	-	1,151,783
	<u>1,314,127</u>	<u>5,319,411</u>

6. NET FINANCE COST

	2018 MVR	2017 MVR
Finance Income		
Exchange Gain	-	34,509
	<u>-</u>	<u>34,509</u>
Finance Costs		
Exchange Loss	(605)	-
Interest on Overdraft	(673,842)	(2,494,161)
	<u>(674,447)</u>	<u>(2,494,161)</u>
Net Finance Cost	<u>(674,447)</u>	<u>(2,459,652)</u>

7. PROFIT BEFORE TAX

	2018 MVR	2017 MVR
Is stated after charging all the expenses including the following;		
Depreciation	17,225,405	14,802,638
Directors Remuneration	343,500	367,700
Rent Expenses	4,595,796	4,832,862
Impairment Loss on Trade Receivable	1,077,879	-
Provision for Impairment Loss on Other Receivables	2,247,252	1,436,939
Personnel Costs (Note 7.1)	33,138,001	32,627,668
	<u>33,138,001</u>	<u>32,627,668</u>

7.1 Personnel Costs

Salaries and Wages	21,761,151	20,288,132
Other Staff Related Expenses	10,776,256	11,765,619
Contribution for Defined Contribution Plan	600,594	573,917
	<u>33,138,001</u>	<u>32,627,668</u>

MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

8. TAX EXPENSE

	2018 MVR	2017 MVR (Restated)
Current Tax Expense (Note 8.1)	4,383,577	7,675,450
Deferred Tax Liability (Note 8.2)	(315,924)	(340,404)
Deferred Tax Assets (Note 8.3)	(16,929)	(39,572)
	<u>4,050,724</u>	<u>7,295,474</u>
8.1 Reconciliation between Accounting Profit and Taxable Income;		
Profit before Tax	22,498,785	47,376,306
Aggregate Disallowable Items	24,032,861	23,816,536
Aggregate Allowable Items	(17,236,369)	(19,951,744)
Tax Free Allowance	(71,429)	(71,429)
Total Taxable Income	<u>29,223,848</u>	<u>51,169,669</u>
Income Tax @ 15%	<u>4,383,577</u>	<u>7,675,450</u>

In accordance with the provisions of the Business Profit Tax act No. 5 of 2011, relevant regulation and subsequent amendments thereto, the Company is liable for Income Tax at the rate of 15% on its taxable profits.

8.2 Deferred Tax Liability

	12/31/2018 MVR	12/31/2017 MVR	1/1/2017 MVR
Balance as at 1st January	1,594,499	1,934,903	1,934,903
Reversed during the Year	(315,924)	(340,404)	-
Balance as at 31st December	<u>1,278,575</u>	<u>1,594,499</u>	<u>1,934,903</u>

Deferred Tax Asset

	12/31/2018 MVR	12/31/2017 MVR (Restated)	1/1/2017 MVR (Restated)
Balance as at 1st January	222,176	203,090	203,090
Deferred tax asset recognized / (reversed) during the year	16,929	39,572	-
Deferred tax (reversal)/ charge for the OCI	(6,652)	(20,486)	-
Balance as at 31st December	<u>232,454</u>	<u>222,176</u>	<u>203,090</u>
Recognised in the Statement of Financial Position	<u>1,046,121</u>	<u>1,372,323</u>	<u>1,731,813</u>
Recognised in the Statement of Profit or Loss	<u>(298,995)</u>	<u>(300,832)</u>	
Recognised in the Statement of Other Comprehensive Income	<u>(6,652)</u>	<u>(20,486)</u>	

8.3 Deferred Tax Asset / Liability is attributable to the following;

	<u>12/31/2018</u>		<u>12/31/2017</u>		<u>1/1/2017</u>	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Property, Plant and Equipment	8,523,834	(1,278,575)	10,629,992	(1,594,499)	12,899,353	(1,934,903)
Defined Benefit Obligation	1,549,693	232,454	1,481,174	222,176	1,353,931	203,090
	<u>10,073,527</u>	<u>(1,046,121)</u>	<u>20,635,000</u>	<u>(1,564,109)</u>	<u>16,065,819</u>	<u>(1,731,813)</u>

9. BASIC EARNINGS PER SHARE

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

	12/31/2018	12/31/2017 (Restated)
Profit Attributable to the Ordinary Shareholders - MVR	18,448,061	40,080,832
Weighted Average Number of Ordinary Shares	68,000	68,000
Basic Earnings Per Share - MVR	<u>271</u>	<u>589</u>

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Buildings		Plant and Machinery		Cylinders		Office and Storage		Computers		Furniture and Fittings		Motor Vehicles		Marine Vessel		Equipment		Total		
	MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR		Total 12/31/2017
Cost																					
Balance as at 1st January	29,932,940		73,222,999		75,309,966		6,273,545		3,621,105		2,636,743		10,743,160		5,066,408		3,034,886		209,841,752		180,371,687
Additions during the Year	-		-		2,854,916		-		255,297		303,128		1,577,500		103,233		-		5,094,074		18,547,835
Transferred from Capital Work in Progress	2,520,636		25,589,684		-		-		-		-		-		785,670		-		28,895,990		10,922,230
Disposals during the Year	-		-		-		-		-		-		-		-		-		-		-
Balance as at 31st December	32,453,576		98,812,683		78,164,882		6,273,545		3,876,402		2,939,871		12,320,660		5,955,311		3,034,886		243,831,816		209,841,752
Accumulated Depreciation																					
Balance as at 1st January	10,022,906		45,585,516		25,783,228		1,669,425		2,389,892		1,697,431		5,419,259		986,909		2,524,781		96,079,347		81,276,709
Charge for the Year Disposals during the Year	1,496,646		4,163,911		8,025,494		313,678		468,014		313,028		1,727,561		506,640		210,433		17,225,405		14,802,638
Balance as at 31st December	11,519,552		49,749,427		33,808,722		1,983,103		2,857,906		2,010,459		7,146,820		1,493,549		2,735,214		113,304,752		96,079,347
Carrying Values																					
Balance as at 31st December 2018	20,934,024		49,063,256		44,356,160		4,290,442		1,018,496		929,412		5,173,840		4,461,762		299,672		130,527,064		113,762,405
Balance as at 31st December 2017	19,910,034		27,637,483		49,526,738		4,604,120		1,231,213		939,312		5,323,901		4,079,499		510,105		33,397,707		37,141,993
Capital Work In Progress (Note 10.1)																			163,924,772		150,904,398
10.1 Capital Work In Progress																					
Balance as at 1st January																			12/31/2018		12/31/2017
Additions during the Year																			MVR		MVR
Transferred to Property, Plant and Equipment during the Year																			37,141,993		29,049,325
Balance as at 31st December																			25,151,704		19,014,898
																			(28,895,990)		(10,922,230)
																			33,397,707		37,141,993

10.2 Capital Work in Progress represents the cost incurred for the construction of the Thinadhoo gas plant project, Hulhumale oxygen plant, and Head office renovation project.

MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

11. INVESTMENT IN EQUITY SECURITIES

	12/31/2018	12/31/2017
	MVR	MVR
The Effect of Initial Applying of IFRS 9 in the company's Financial Statements is discussed in Note 3.1. Due to the transition method chosen in applying IFRS 9, comparative information has not been restated to reflect new Requirement.		
Equity Securities- at Available For Sale	-	100
Equity Securities- at FVOCI	100	-

11.1 The Company has invested in 1 share of Allied Insurance Limited on 24th January 2003 for MVR 100/-

12. INVENTORIES

	12/31/2018	12/31/2017
	MVR	MVR
Liquid Petroleum Gas	9,170,051	5,774,123
Industrial Gas	938,251	2,712,417
Medical Oxygen	1,955,238	1,953,554
Gas Cookers and Related Equipment	1,483,564	1,662,153
	<u>13,547,104</u>	<u>12,102,247</u>
Less: Provision for slow moving on Inventories (Note 12.1)	(401,017)	(401,017)
	<u>13,146,087</u>	<u>11,701,230</u>

12.1 Provision for Slow moving Inventories

Balance as at 1st January	401,017	401,017
Provision reversed during the Year	-	-
Balance as at 31st December	<u>401,017</u>	<u>401,017</u>

13. TRADE AND OTHER RECEIVABLES

	12/31/2018	12/31/2017
	MVR	MVR
Trade Receivables	14,557,473	13,462,121
Less: Provision for Impairment Loss of Trade Receivable (Note 13.1)	(5,022,844)	(3,617,520)
	<u>9,534,629</u>	<u>9,844,601</u>
Prepayments, Deposits and Advances	13,994,870	14,399,064
GST Receivable	711,721	1,320,334
Less: Provision for Impairment Loss on Deposits and Advances (Note 13.2)	(3,684,191)	(1,436,939)
	<u>20,557,029</u>	<u>24,127,060</u>

13.1 Provision for Impairment Loss of Trade Receivable

Balance as at 1st January	3,617,520	6,204,852
Adjustment Due to Initial Application of IFRS 9	327,445	-
Provision Reversed during the Year Written off during the Year	1,077,879	(176,303)
	<u>-</u>	<u>(2,411,029)</u>
Balance as at 31st December	<u>5,022,844</u>	<u>3,617,520</u>

13.2 Provision for Impairment Loss on Deposits and Advances

Balance as at 1st January	1,436,939	3,743,056
Provision made during the Year	2,247,252	1,436,939
Written-off during the Year	-	(3,743,056)
Balance as at 31st December	<u>3,684,191</u>	<u>1,436,939</u>

**MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

14. AMOUNTS DUE FROM RELATED PARTIES

	12/31/2018 MVR	12/31/2017 MVR
State Trading Organization PLC	11,890,161	10,743,595
STO Singapore Private Limited	1,084,720	1,084,720
Maldives Industrial Fisheries Company Limited	3,262,300	2,864,020
Fuel Supplies Maldives Private Limited	106,020	-
Champa Gas and Oil Company Private Limited	-	71,852
	<hr/>	<hr/>
	16,343,201	14,764,187
Less: Provision for Impairment Loss on Amounts due from Related Parties	(1,084,720)	(1,084,720)
	<hr/>	<hr/>
	15,258,481	13,679,467

14.1 Provision for Impairment Loss on Amounts due from Related Parties

Balance as at 1st January	1,084,720	1,093,220
Written-off during the Year	-	(8,500)
Balance as at 31st December	<hr/>	<hr/>
	1,084,720	1,084,720

15. CASH AND CASH EQUIVALENTS

	12/31/2018 MVR	12/31/2017 MVR
Favorable Balances		
Cash in Hand	303,824	1,707,791
Balances with Banks	45,800,752	47,410,747
	<hr/>	<hr/>
	46,104,576	49,118,538
Unfavorable Balances		
Bank Overdraft (Note 22)	(4,047,428)	(11,486,123)
Cash and Cash Equivalents for Cash Flow purpose	<hr/>	<hr/>
	42,057,148	37,632,415

16. SHARE CAPITAL

16.1 Authorized

The authorized share capital comprises of 68,000 (2017 : 68,000) ordinary shares of MVR 1,000/- each.

16.2 Issued and Fully Paid

The issued and fully paid share capital comprises of 68,000 (2017 : 68,000) ordinary shares of MVR 1,000/-

16.3 Dividend and Voting Rights

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

The board of directors has declared and paid dividend MVR 5,555,556/- (2017 : MVR 10,000,000/-) for the year ended 31st December 2018.

16.4 General Reserve

The Company has established the general reserve for the future business development purposes.

17. REFUNDABLE DEPOSITS

	12/31/2018 MVR	12/31/2017 MVR
Balance as at 1st January	12,503,994	9,030,549
Deposits Received during the Year	3,906,006	4,743,770
Amount Refunded during the Year	(1,639,450)	(1,270,325)
Balance as at 31st December	<hr/>	<hr/>
	14,770,550	12,503,994

**MALDIVE GAS PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

18. DEFERRED REVENUE

	12/31/2018 MVR	12/31/2017 MVR
Balance as at 1st January	18,185,612	17,791,344
Registration Fees Received during the Year	8,017,113	6,763,611
Amount Recognized in Profit or Loss (Note 4)	(7,224,607)	(6,369,343)
Balance as at 31st December	<u>18,978,118</u>	<u>18,185,612</u>
Analysis		
Current	7,023,670	6,387,707
Non-current	11,954,448	11,797,905
	<u>18,978,118</u>	<u>18,185,612</u>

19. DEFINED BENEFIT OBLIGATION

	12/31/2018 MVR	12/31/2017 MVR (Restated)	1/1/2017 MVR (Restated)
Opening Balance Current	1,481,174	1,353,931	1,353,931
Service Cost Interest Cost	157,529	206,235	-
Surplus for the Year	59,501	57,582	-
Payments During the Year	(44,344)	(136,574)	-
	<u>104,167</u>	<u>-</u>	<u>-</u>
	<u>1,549,693</u>	<u>1,481,174</u>	<u>1,353,931</u>

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

	12/31/2018 MVR	12/31/2017 MVR (Restated)	1/1/2017 MVR (Restated)
Amount Recognized in Profit or Loss			
Current Service Cost	157,529	206,235	-
Interest Cost	59,501	57,582	-
	<u>217,030</u>	<u>263,817</u>	<u>-</u>
Amount Recognized in Other Comprehensive Income			
Surplus for the Year	(44,344)	(136,574)	-
	<u>(44,344)</u>	<u>(136,574)</u>	<u>-</u>

19.2 The retirement benefit obligation of the Company is estimated based on the calculation performed by the Management. The projected unit credit method is used to determine the present value of the defined benefit obligation. Key assumptions used in the calculation are as follows,

	12/31/2018	12/31/2017	1/1/2017
Expected Salary Increment	2.00%	2.00%	2.00%
Discount Rate	4.60%	4.60%	4.60%
Staff Turnover Factor	1.00%	1.00%	1.00%

20. TRADE AND OTHER PAYABLES

	12/31/2018 MVR	12/31/2017 MVR
Trade Creditors	1,821,134	3,067,373
Other Payables	3,990,641	3,207,077
	<u>5,811,775</u>	<u>6,274,450</u>

21. AMOUNTS DUE TO RELATED PARTIES

	12/31/2018 MVR	12/31/2017 MVR
Fuel Supplies Maldives Private Limited	29,758	50,488
State Trading Organization PLC	14,794,776	9,172,834
Champa Gas and Oil Company Private Limited.	555,556	1,000,000
	<u>15,380,090</u>	<u>10,223,322</u>

22. BANK OVERDRAFTS

	12/31/2018 MVR	12/31/2017 MVR
HSBC - Male Branch (Note 22.1)	3,964,594	11,486,123
Bank of Maldives	82,834	-
	<u>4,047,428</u>	<u>11,486,123</u>

MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

22. BANK OVERDRAFTS (CONTINUED)

22.1 HSBC - Male Branch

The Company has obtained an overdraft credit facility of US\$ 2,000,000 for working capital requirements from HSBC - Male Branch at an interest rate of LIBOR + 8.5% per annum.

23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

23.1 Accounting Classifications and Fair Values

The effect of initial application of IFRS 9 on the company's financial instruments is described in Note 3.1. Due to the transition method chosen, comparative information has not been restated to reflect the new requirement.

Fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position, are as follows:

31st December 2018	Carrying Amount			Total
	Financial Assets at VOCI	Financial Assets at Amortised Cost	Other Financial Liabilities	
	MVR	MVR	MVR	
Financial Assets not measured at Fair Value				
Investment in Equity Securities- at FVOCI	100	-	-	100
Trade Receivables (Gross)	-	14,557,473	-	14,557,473
Prepayments, Deposits and Advances	-	666,572	-	666,572
Amounts due from Related Parties (Gross)	-	16,343,201	-	16,343,201
Balances with Banks	-	45,800,752	-	45,800,752
	-	77,367,998	-	77,368,098
Financial Liabilities not measured at Fair Value				
Refundable Deposits	-	-	14,770,550	14,770,550
Trade and Other Payables	-	-	1,821,134	1,821,134
Amount due to Related Parties	-	-	15,380,090	15,380,090
Bank Overdraft	-	-	4,047,428	4,047,428
	-	-	36,019,202	36,019,202

Comparative Information under IAS 39

31st December 2017	Carrying Amount			Total
	Available for Sale	Loans and Receivables	Other financial Liabilities	
	MVR	MVR	MVR	
Financial Assets not measured at Fair Value				
Available for Sale Investment	100	-	-	100
Trade Receivables (Gross)	-	13,462,121	-	13,462,121
Prepayments, Deposits and Advances	-	662,369	-	662,369
Amounts due from Related Parties (Gross)	-	14,764,187	-	14,764,187
Balances with Bank	-	47,410,747	-	47,410,747
	100	76,299,424	-	76,299,524
Financial Liabilities not measured at Fair Value				
Refundable Deposits	-	-	12,503,994	12,503,994
Trade and Other Payables	-	-	3,067,373	3,067,373
Amount due to Related Parties	-	-	10,223,322	10,223,322
Bank Overdraft	-	-	11,486,123	11,486,123
	-	-	37,280,812	37,280,812

**MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

23.2 Financial Risk Management

(i) Overview

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

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(ii) Risk Management Framework

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

(iii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and related entities.

Comparative information under IAS 39

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

	Carrying Amount	
	12/31/2018 MVR	12/31/2017 MVR
Trade Receivables (Gross)	14,557,473	13,462,121
Prepayments, Deposits and Advances	666,572	662,369
Balances with Banks	45,800,752	47,410,747
Amounts due from related Parties (Gross)	16,343,201	14,764,187
	77,367,998	76,299,424

Trade and Other Receivables

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

The Company establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The provision for impairment represents the specific loss component that relates to individually significant exposures.

Comparative information under IAS 39

Impairment Losses

	12/31/2018		12/31/2017	
	Gross MVR	Impairment MVR	Gross MVR	Impairment MVR
The aging of trade and other receivables at the reporting date was:				
Neither passed due nor impaired	10,201,201	-	7,235,580	-
Past due but not impaired	-	-	3,271,390	-
Past due and impaired	5,022,844	(5,022,844)	3,617,520	(3,617,520)
	15,224,045	(5,022,844)	14,124,490	(3,617,520)

Based on historic default rates, the Company believes that, no further additional provision for impairment is necessary in respect of trade and other receivables outstanding as at the reporting date.

Receivables from Related Parties

Management believes that there is no credit risk from the recoverable from related parties, because these counterparties are under the common control of the Company's Parent Company who is financially healthy Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

23.2 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

Expected credit loss assessment under IFRS 9

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

The Company incorporates forward-looking information to calibrate the probability of defaults (PDs) such as GDP growth rate. The Company DR has transactions with AFT entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. Therefore, the Company has assessed these government and related entities individually.

Measurement of ECL

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

Probability of default (PD)
Loss given default (LGD)
Exposure at default (EAD)

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and E .

The following table provides information about exposure to credit risk and ECLs for trade receivable and contract assets as at 31 December 2018;

31st December 2018	Weighted average loss rate	Gross carrying amount	Loss allowance	Impaired
Current	-	844,151	-	No
1-30 days past due	0.65%	5,144,774	33,215	Yes
31-60 days past due	4.57%	703,184	32,126	Yes
61-90 days past due	10.52%	79,577	8,372	Yes
More than 90 days past due	63.57%	7,785,786	4,949,131	Yes
		<u>14,557,473</u>	<u>5,022,844</u>	

Movements in allowance for impairment in respect of trade receivables and contract assets.

The movements of allowance for impairment in respect of trade receivable and contract assets during the year as follows. Comparative amount in 2017 represents the allowance account for impairment losses under IAS 39.

	12/31/2018 MVR	12/31/2017 MVR
Balance as at 1 January under IAS 39	3,617,520	6,204,852
Adjusted on initial application of IFRS 9	<u>327,445</u>	<u>-</u>
Balance as at 1 January under IFRS 9	3,944,965	6,204,852
Net measurement of loss allowance	<u>1,077,879</u>	<u>(2,587,332)</u>
Balance as at 31 December under IFRS 9	<u>5,022,844</u>	<u>3,617,520</u>

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23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

23.2 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

Balances with Bank

The Company held Bank balance of MVR 45,800,752/- at 31st December 2018 (2017: MVR 47,410,747/-). These balances are held with banks that Management believes are of high credit quality and accordingly, minimal credit risk exists.

(iv) Liquidity Risk

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

The following are the contractual maturities of financial liabilities.

31st December 2018	Carrying Amount MVR	0-12 Months MVR	More than 5 Years MVR
Financial Liabilities (Non- Derivative)			
Refundable Deposits	14,770,550	-	14,770,550
Trade and Other Payables	5,811,775	5,811,775	-
Amount due to Related Parties	15,380,090	15,380,090	-
Bank Overdrafts	4,047,428	4,047,428	-
Total	40,009,843	25,239,293	14,770,550

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

31st December 2017	Carrying Amount MVR	0-12 Months MVR	More than 5 Years MVR
Financial Liabilities (Non-derivative)			
Refundable Deposits	12,503,994	-	12,503,994
Trade and Other Payables	6,274,450	6,274,450	-
Amounts due to Related Parties	10,223,322	10,223,322	-
Bank Overdrafts	11,486,123	11,486,123	-
Total	40,487,889	27,983,895	12,503,994

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

(v) Market Risk

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

**MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2018

23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

23.2 Financial Risk Management (Continued)

(v) Market Risk (Continued)

(a) Interest Rate Risk

Profile

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

	Carrying Amount	
	12/31/2018 MVR	12/31/2017 MVR
Variable Rate Instruments		
Bank Overdraft	4,047,428	11,486,123

(b) Currency Risk

Exposure to Currency Risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	12/31/2018		12/31/2017	
	US\$	Euro	US\$	Euro
Cash and Cash Equivalents	(257,107)	1,327	(744,885)	2,992
Gross Statement of Financial Position Exposure	(257,107)	1,327	(744,885)	2,992

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date Spot Rate	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
1 US\$: MVR	15.42	15.42	15.42	15.42
1 Euro : MVR	18.36	17.55	18.36	18.36

Sensitivity Analysis

A strengthening (weakening) of the MVR, as indicated below, against the foreign currencies as at the end of each period would have increased / (decreased) profit or loss by the amounts shown below.

	12/31/2018		12/31/2017	
	Strengthening MVR	Weakening MVR	Strengthening MVR	Weakening MVR
US\$ (10% Movement)	(396,459)	396,459	(1,148,612)	1,148,612
Euro (10% Movement)	2,436	(2,436)	5,494	(5,494)

**MALDIVE GAS PRIVATE LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2018

24. RELATED PARTY DISCLOSURES

24.1 Transactions with Related Companies

Name of the Related Party	Relationship	Nature of the Transaction	Amount	Amount	Balance due from/ (to) as at 12/31/2018 MVR	Balance due from/ (to) as at 12/31/2017 MVR
			2018 MVR	2017 MVR		
State Trading Organization PLC	Parent	Sales	17,622,740	16,347,499		
		Settlements	(5,732,579)	(20,488,346)	11,890,161	10,743,595
		Dividend	(5,000,000)	(9,000,000)		
		Purchases	(3,356,361)	(4,159,387)		
		Settlements	2,561,585	12,986,855	(14,794,776)	(9,172,834)
Fuel Supplies Maldives Private Limited	Parent's subsidiary	Sales	532,572	463,987		
		Settlements	(426,552)	(570,362)	106,020	-
		Purchase of Diesel	(1,097,972)	(768,071)		
		Settlements	1,068,214	793,943	(29,758)	(50,488)
Champa Gas and Oil Company Private Limited	Shareholder	Sales	-	-		
		Dividend	(555,556)	(1,000,000)	-	71,852
		Settlements	-	1,030,428	(555,556)	(1,000,000)
Allied Insurance Limited	Parent's subsidiary	Service provided	(1,000,808)	(111,489)		
		Settlements	1,000,808	111,422	-	-
Maldives Industrial Fisheries Company Limited	Parent's subsidiary	Sales	949,300	843,590		
		Settlements	-	(699,590)		
		Purchase of US Dollars	2,313,000	19,275,000		
		Settlements	-	(16,962,000)	3,262,300	2,864,020

24.2 Emoluments to Key Management Personnel

The Board of Directors of the Company are the members of the key management personnel. The Company has paid an amount of MVR 343,500/- as remuneration to the key management personnel during the year ended 31st December 2018 (2017 : MVR 367,700/-).

24.3 Collectively, but not individually, Significant Transactions

Government of Maldives is the major shareholder of the parent Company. The Company has transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. The Company has transactions with other government related entities including but not limited to sales, purchases, rendering of services, lease of assets and use of public

25. CAPITAL COMMITMENTS

There were no significant capital commitments approved or contracted by the Company as at the reporting date.

26. CONTINGENT LIABILITIES

There were no contingent liabilities which require disclosure in the financial statements as at the reporting date.

27. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since reporting date which require adjustments to/or disclosure in the financial statements.

28. DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for preparation and presentation of these financial statements.

MALDIVE GAS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

30. RESTATEMENT OF COMPARATIVE INFORMATION

As per the staff handbook of the Company, the Company is liable to pay a lump sum amount to its employees at their retirement. This policy is required to be reported in the financial statements as per International Accounting Standard 19 "Employee Benefits". However, the Company has not recorded this liability in the past. This error is now corrected by restating the amounts presented as at 1st January 2017 and 31st December 2017 as required by the IAS 8 - "Changes in Accounting Policies, Estimates and Errors". The following note summarizes the impacts on the financial statements of the Company due to the restatements and reclassifications made by the Company during the year ended 31st December 2018.

30.1 As at 1st January 2017

a. Statement of Financial Position

	As Previously MVR	Adjustments MVR	Restated Balance MVR
Impact on Retained Earnings	77,169,506	1,150,841	78,320,347
Impact on Total Equity	155,482,628	1,150,841	156,633,469
Impact on Defined Benefit Obligation	-	1,353,931	1,353,931
Impact on Total Non Current Liabilities	23,108,796	1,353,931	24,462,727
Impact on Deferred Tax Assets	-	203,090	203,090
Impact on Total Assets	237,073,967	203,090	237,277,057

30.2 As at 31st December 2017

a. Statement of Financial Position

	As Previously MVR	Adjustments MVR	Restated Balance MVR
Impact on Retained Earnings (Note)	103,805,746	2,409,839	106,215,585
Impact on Total Equity	182,118,868	2,409,839	184,528,707
Defined Benefit Obligation (Note 19)	-	1,481,174	1,481,174
Impact on Total Non Current Liabilities	25,674,222	1,481,174	27,155,396
Impact on deferred Tax Asset	-	222,176	222,176
Impact on Total Non Current Assets	150,904,498	222,176	151,126,674

Note A

	1/1/2017 MVR	31/12/2017 MVR	Total MVR
Recognition of Defined Benefit Obligation	1,353,931	1,481,174	2,835,105
Recognition of Deferred Tax Asset	(203,090)	(222,176)	(425,266)
	1,150,841	1,258,998	2,409,839

30.3 Statement of Comprehensive Income

	As Previously MVR	Adjustments MVR	Restated Balance MVR
Profit or Loss for the Year			
Administrative Expenses	(45,197,339)	(263,817)	(45,461,156)
Tax Expense for the Year	(7,335,046)	39,573	(7,295,473)
Impact on Profit for the Year	40,305,077	(224,244)	40,080,833
Other Comprehensive Income			
Surplus for the Year	-	136,574	136,574
Recognition of Deferred Tax Asset	-	(20,486)	(20,486)
Impact on Other Comprehensive Income	-	116,088	116,088
Impact on Total Comprehensive Income	40,305,077	(108,157)	40,196,920
Earnings per share	593	(3.30)	589

Corporate

Information

& Directory

Company Information

Company Registration Number

C-226/99

Place of Incorporation

Male' Republic of Maldives

Address

#02-21 STO Trade Center, Orchid Magu
Male', Republic of Maldives

Chairman

Ahmed Shifan

Directors

Abdulla Saleem Abdul Sattar
Abdulla Maumoon
Mohamed Murad
Mohamed Shujau

Managing Director

Abdulla Maumoon

Company Secretary / PA to MD

Shiuna Abdulla

Company Directory

Head Office

#02-21 STO Trade Center, Orchid Magu
Male', Republic of Maldives
Hotline: +960 3335614 / 300 5411
Fax: +960 333 5615

Male' Sales

Boduthakurufaanu Magu
Male' Republic of Maldives
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Fax: +960 331 4797

Hulhumale' Sales

Main Road
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Fax: +960 335 6789

Villimale' Sales

Sinai Sarahaddhu
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Thilafushi Plant

K.Thilafushi, Republic of Maldives
Hotline: +960 793 5614
Fax: +960 664 0115

General

Meetings

Maldive Gas General Meeting Minutes

Venue: Maldive Gas Board Room / Maldive Gas Head Office

Reference number: EGM 01/2018

Date: 26th February 2018, Monday

Time: 14:00 – 14:30

Quorum: 03

Conclusions

- Make amendments to the Maldive Gas Articles of Association.
- A total of 6 amendments brought to the Articles of Association were approved by the board.
- The Articles of Association which was amended and translated to English was approved by the board.

Board of Directors have accepted and approved the Annual Report and has signed on its Behalf by



Shazail Siyam
Managing Director
17th July 2019



Abdulla Saleem Abdul Sattar
Director
17th July 2019

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