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Independent Auditor's Report

To the Shareholders of Ooredoo Maldives PLC

Our opinion

In our opinion, the financial statements of Ooredoo Maldives PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

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

Key audit matters

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

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Resident Partner Jatindra Bhattray FCA

Key Audit Matter	*How our audit addressed the Key audit matter*

The Company and the Group:

Revenue recognition- accuracy of revenue recorded given the complexity of the IT systems *(Refer to the significant accounting policies note 4.13 and note 6 in the consolidated financial statements)* Revenue from contracts with customers include mobile and fixed, broadband and enterprise revenue of MVR 1,780 Mn which is a significant component of revenue for the Company and the Group for the year ended 31 December 2021. Mobile and fixed, broadband and enterprise revenue streams are recognized based on reports generated from different IT systems. We focused on this area as determining revenue from contracts with customers involves risk due to: - Multiple element arrangements inherent to the industry; and - Revenue being processed by complex systems involving large volumes of data with a combination of different products and prices.	Our audit procedures included both control testing and substantive procedures performed with the assistance of our IT specialists; i) Understanding and evaluating the relevant IT systems and the design of the controls and testing the operating effectiveness of the controls over the; • capturing and recording of revenue transactions; • authorization of the rate changes and the input of such rates to the billing systems; • system calculation of the amounts billed to the customers; and • revenue assurance function ii) Performing reconciliations of amounts from data records to the billing systems and to the general ledger; iii) Testing the accuracy of customer bill calculations and the respective revenue transactions recorded on a sample basis; iv) Checking the accounting treatment for significant new products and promotions launched with multiple element arrangements and testing that they are appropriately incorporated into the billing systems; and v) Examining material manual journal entries and other adjustments processed to revenue. Based on the work performed we found that mobile and fixed, broadband and enterprise revenue had been recognised in line with the Group's revenue recognition policies.

The Company:

Recoverability of investment in subsidiary *(Refer to the significant accounting policies note 4 (b) (i) and note 17 in the consolidated financial statements)* The carrying value of the Company's investment in subsidiary, WARF Telecom International Private Limited, amounting to MVR 97 Mn as at 31 December 2021 is significant to the Company's total assets. The subsidiary had incurred losses for the years ended 31 December 2020 and 31 December 2021. Management considers this as an impairment indicator and performs impairment assessment annually by comparing the carrying amount of the subsidiary with the recoverable amount which is the higher of the subsidiary's fair value less cost of disposal and value in use. The recoverable amount is dependent on the valuation methodology adopted and the inputs into the valuation model involving discounted future cash flows. An impairment loss is recognised for the amount by which the carrying amount of the investment in the subsidiary exceeds its recoverable amount. We identified impairment of investment in subsidiary as a key audit matter as the value of investment in subsidiary in the Company's statement of financial position is significant and due to the inherently subjective nature of estimating the recoverable amount to determine impairment, by use of discounted cash flow forecasts requiring management judgment, particularly in estimates of future cash flows and discount rate.	Our audit procedures included both control testing and substantive procedures as follows: i) Obtaining an understanding of the process by which management evaluates the recoverability of investment in subsidiary and evaluating management's assessment of impairment indicator; ii) Involving our valuation expert in the evaluation of the appropriateness of the management's valuation models and basis, reasonability of key assumptions and information used by the management; iii) Testing the calculation of the impairment charge for the year and the provision. iv) Performing sensitivity analysis for discount rates and other assumptions. v) Assessing the adequacy of the disclosures in the financial statements. Based on the work performed, we found the estimation of impairment provision on investment in subsidiary by the management had been based on reasonable assumptions and appropriate methodology.

Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year ended 31 December 2021 but does not include the financial statements and our auditor's report thereon which is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with the ethical requirements in accordance with IESBA Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

MALE`

3 February 2022

For PRICEWATERHOUSECOOPERS

Jatindra Bhattray
Partner

Consolidated Statement of Comprehensive Income

	NOTE	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Revenue	6	**1,787,085**	1,723,323	**1,787,085**	1,717,402
Other income	7	**28,501**	-	**143,154**	2,436
Network, interconnect and other operating expenses	8	**(741,214)**	(744,971)	**(724,851)**	(735,684)
Employee salaries and associated cost	9	**(222,680)**	(189,013)	**(222,680)**	(188,920)
Depreciation and amortization		**(250,999)**	(266,184)	**(249,825)**	(264,932)
Finance costs	10	**(56,844)**	(44,015)	**(56,844)**	(44,015)
Finance income	10	**25,765**	14,389	**21,559**	9,750
Impairment losses on financial assets		**(19,099)**	(28,658)	**(20,755)**	(30,919)
Impairment losses on other non-financial assets	17.1	**-**	-	**(91,634)**	-
Other (losses) / gains - net	11	**(1,972)**	(3,600)	**(1,972)**	(3,600)
Profit before tax		**548,543**	461,271	**583,237**	461,518
Income tax	12	**(83,993)**	(54,009)	**(85,446)**	(54,116)
Profit (total comprehensive income) for the year		**464,550**	407,262	**497,791**	407,402
Total comprehensive income attributable to:					
Shareholders of the parent		**468,980**	407,311	**497,791**	407,402
Non-controlling interest	25	**(4,430)**	(49)	**-**	-
Total comprehensive income for the year		**464,550**	407,262	**497,791**	407,402
Basic and diluted earnings per share	13	**3.17**	2.76	**3.37**	2.76

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes, which form an integral part of the consolidated and separate financial statements of the Company set out on pages 91 to 123. The report of the independent auditors is given on pages 82 to 85.

* Refer to note 41 for details regarding certain reclassifications.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER

	NOTE	GROUP 31/12/2021 MVR "000"	GROUP 31/12/2020 MVR "000"	COMPANY 31/12/2021 MVR "000"	COMPANY 31/12/2020 MVR "000"
ASSETS					
Non-current assets					
Property, plant and equipment	14	**1,223,713**	1,222,453	**1,216,165**	1,213,724
Intangible assets	15	**37,358**	40,503	**37,358**	40,503
Long-term prepayments	19.1	**102,607**	-	**102,607**	-
Right of use assets	16	**197,408**	189,689	**197,408**	189,689
Investment in subsidiary	17	**-**	-	**96,853**	188,488
Financial assets at amortised cost	21	**52,303**	48,467	**32,092**	-
Deferred tax assets	12.2	**54,063**	52,513	**51,355**	51,258
Total non-current assets		**1,667,452**	1,553,625	**1,733,838**	1,683,662
Current assets					
Inventories	18	**23,537**	12,675	**23,537**	12,675
Trade and other receivables	19	**305,865**	383,259	**301,631**	362,047
Amount due from related party	20	**8,312**	33,191	**-**	-
Financial assets at amortised cost	21	**405,079**	419,155	**345,884**	251,958
Bank balances and cash	22	**1,404,831**	984,978	**1,333,175**	957,960
Total current assets		**2,147,624**	1,833,258	**2,004,227**	1,584,640
Total assets		**3,815,076**	3,386,883	**3,738,065**	3,268,302
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**1,478,004**	1,478,004	**1,478,004**	1,478,004
Reserve on translation of share capital	24	**144,180**	144,180	**144,180**	144,180
Accumulated deficit		**(335,534)**	(458,661)	**(327,381)**	(479,319)
Total equity attributable to equity holders of the parent		**1,286,650**	1,163,523	**1,294,803**	1,142,865
Non-controlling interest	25	**47,733**	112,585	**-**	-
Total Equity		**1,334,383**	1,276,108	**1,294,803**	1,142,865
LIABILITIES					
Non-current liabilities					
Loans and borrowings	26	**465,882**	349,777	**465,882**	349,777
Provisions	27	**13,582**	13,351	**13,582**	13,351
Lease liabilities	28	**188,619**	167,386	**188,619**	167,386
Amounts due to related parties	29.1	**148,220**	148,220	**148,220**	148,220
Deferred tax liabilities	12.3	**1,929**	1,256	**1,929**	1,256
Total non-current liabilities		**818,231**	679,990	**818,231**	679,990
Current liabilities					
Loans and borrowings	26	**345,095**	192,236	**345,095**	192,236
Lease liabilities	28	**32,203**	49,938	**32,203**	49,938
Amounts due to related parties	29.2	**242,591**	168,918	**242,591**	192,174
Trade and other payables	30	**1,011,238**	979,840	**971,375**	968,814
Income tax payable	31	**31,334**	39,853	**33,766**	42,285
Total current liabilities		**1,662,461**	1,430,785	**1,625,030**	1,445,447
Total liabilities		**2,480,692**	2,110,775	**2,443,261**	2,125,437
Total equity and liabilities		**3,815,076**	3,386,883	**3,738,065**	3,268,302

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes, which form an integral part of the consolidated and separate financial statements of the Company set out on pages 91 to 123. The report of the independent auditors is given on pages 82 to 85.

* Refer to note 41 for details regarding certain reclassifications.

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

Khalid Hassan M A Al-Hamadi
Managing Director and Chief Executive Officer

Moza Mohd A Y Darwish
Member of the Audit & Risk Committee

Suresh Kalpathi Chidambaram
Executive Director and Chief Financial Officer

3 February 2022

Consolidated Statement of Changes in Equity - Group

	ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
	SHARE CAPITAL MVR "000"	RESERVE ON TRANSLATION OF SHARE CAPITAL MVR "000"	ACCUMULATED DEFICIT MVR "000"	TOTAL MVR "000"	NON-CONTROLLING INTEREST MVR "000"	TOTAL EQUITY MVR "000"
As at 1 January 2020	1,478,004	144,180	(378,231)	1,243,953	112,634	1,356,587
Comprehensive income for the year						
Profit for the year	-	-	407,311	407,311	(49)	407,262
Total comprehensive income for the year	**-**	**-**	**407,311**	**407,311**	**(49)**	**407,262**
Transactions with owners in their capacity as owners :						
Dividend declared (note 23.4)	-	-	(487,741)	(487,741)	-	(487,741)
Total transactions with owners in their capacity as owners	**-**	**-**	**(487,741)**	**(487,741)**	**-**	**(487,741)**
As at 31 December 2020	**1,478,004**	**144,180**	**(458,661)**	**1,163,523**	**112,585**	**1,276,108**
As at 1 January 2021	1,478,004	144,180	(458,661)	1,163,523	112,585	1,276,108
Comprehensive income for the year						
Profit for the year	-	-	468,980	468,980	(4,430)	464,550
Total comprehensive income for the year	**-**	**-**	**468,980**	**468,980**	**(4,430)**	**464,550**
Transactions with owners in their capacity as owners :						
Dividend declared (note 23.4)	-	-	(345,853)	(345,853)	(60,422)	(406,275)
Total transactions with owners in their capacity as owners	**-**	**-**	**(345,853)**	**(345,853)**	**(60,422)**	**(406,275)**
As at 31 December 2021	**1,478,004**	**144,180**	**(335,534)**	**1,286,650**	**47,733**	**1,334,383**

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes, which form an integral part of the consolidated and separate financial statements of the Company set out on pages 91 to 123. The report of the independent auditors is given on pages 82 to 85.

Consolidated Statement of Changes in Equity - Company

	SHARE CAPITAL MVR "000"	RESERVE ON TRANSLATION OF SHARE CAPITAL MVR "000"	ACCUMULATED DEFICIT MVR "000"	TOTAL MVR "000"
As at 1 January 2020	1,478,004	144,180	(398,980)	1,223,204
Comprehensive income for the year				
Profit for the year	-	-	407,402	407,402
Total comprehensive income for the year	**-**	**-**	**407,402**	**407,402**
Transactions with owners in their capacity as owners :				
Dividend declared (note 23.4)	-	-	(487,741)	(487,741)
Total transactions with owners in their capacity as owners	**-**	**-**	**(487,741)**	**(487,741)**
As at 31 December 2020	**1,478,004**	**144,180**	**(479,319)**	**1,142,865**
As at 1 January 2021	1,478,004	144,180	(479,319)	1,142,865
Comprehensive income for the year				
Profit for the year	-	-	497,791	497,791
Total comprehensive income for the year			**497,791**	**497,791**
Transactions with owners in their capacity as owners :				
Dividend declared (note 23.4)	-	-	(345,853)	(345,853)
Total transactions with owners in their capacity as owners	**-**	**-**	**(345,853)**	**(345,853)**
As at 31 December 2021	**1,478,004**	**144,180**	**(327,381)**	**1,294,803**

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes, which form an integral part of the consolidated and separate financial statements of the Company set out on pages 91 to 123. The report of the independent auditors is given on pages 82 to 85.

Consolidated Statement of Cash Flows

	NOTE	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Cash flows from operating activities					
Profit before tax		**548,543**	461,271	**583,237**	461,518
Adjustments for :					
Depreciation on property, plant and equipment	14	**208,340**	197,322	**207,156**	196,070
Disposal loss of property, plant and equipment		**(622)**	73	**(622)**	73
Amortization of intangible assets	15	**13,834**	45,084	**13,834**	24,544
Amortization of prepayments	19.1	**2,661**	-	**2,661**	-
Cloud computing expense writen-off	15	**6,199**	-	**6,199**	-
Amortization of right of use assets	16	**28,825**	44,318	**28,825**	44,318
(Write back) / write down of inventories	18.1	**(1,579)**	1,695	**(1,579)**	1,695
Provision for expected credit losses on trade receivables	19.2	**21,767**	29,111	**21,201**	29,677
Provision for expected credit losses on investments	21.1	**577**	702	**621**	751
Provision / (reversal) for expected credit losses on bank balances	22.1	**(1,068)**	487	**(1,065)**	491
Reversal of provision for expected credit losses on amount due from a related party	20.1	**(2,174)**	(1,642)	**-**	-
Impairment provision of investment		**-**	-	**91,634**	-
Interest income	10	**(25,765)**	(14,389)	**(21,559)**	(9,750)
Interest expense	10	**56,844**	44,015	**56,844**	44,015
Asset retirement obligation		**(5,797)**	-	**(5,797)**	-
Operating profit before working capital changes		**850,585**	808,047	**981,590**	793,402
Working capital changes					
Change in inventories		**(9,283)**	14,176	**(9,283)**	14,176
Change in trade and other receivables		**52,961**	102,439	**36,569**	105,202
Change in amount due from a related party		**27,053**	-	**-**	-
Change in amounts due to related parties		**73,673**	85,600	**50,417**	108,524
Change in trade and other payables		**(61,614)**	39,846	**(30,044)**	34,952
Cash from operating activities		**933,375**	1,050,108	**1,029,249**	1,056,256
Interest paid	10	**(56,044)**	(42,088)	**(56,044)**	(42,088)
Interest received	10	**25,765**	14,389	**21,559**	9,750
Tax paid	31	**(93,389)**	(99,033)	**(93,389)**	(97,194)
Net cash from operating activities		**809,707**	923,376	**901,375**	926,724
Cash flows from investing activities					
Purchase and construction of property, plant and equipment	14	**(184,487)**	(383,807)	**(184,487)**	(383,807)
Acquisition of intangible assets	15	**(36,250)**	(8,143)	**(36,250)**	(8,143)
Acquisition of long-term prepayments	19.1	**(106,661)**	-	**(106,661)**	-
Net movement in financial assets at amortised cost	21	**9,664**	120,639	**(126,639)**	114,941
Consideration received from disposal of assets		**668**	-	**668**	-
Net cash used in investing activities		**(317,066)**	(271,311)	**(453,369)**	(277,009)
Cash flows from financing activities					
Dividend paid during the year		**(313,977)**	(43,744)	**(313,977)**	(43,744)
Principal element of lease repayment		**(28,843)**	(23,664)	**(28,843)**	(23,664)
Proceeds from loan and borrowings	26	**462,600**	448,722	**462,600**	448,722
Repayment of loan and borrowings	26	**(193,636)**	(666,186)	**(193,636)**	(666,186)
Net cash used in financing activities		**(73,856)**	(284,872)	**(73,856)**	(284,872)
Net increase / (decrease) in cash and cash equivalents		**418,785**	367,193	**374,150**	364,843
Cash and cash equivalents at beginning of the year		**986,174**	618,981	**959,146**	594,303
Cash and cash equivalents at end of the year	22	**1,404,959**	986,174	**1,333,296**	959,146

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes, which form an integral part of the consolidated and separate financial statements of the Company set out on pages 91 to 123. The report of the independent auditors is given on pages 82 to 85.

* Refer to note 41 for details regarding certain reclassifications.

1 Reporting entity

Ooredoo Maldives PLC (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company since 07 December 2004 under the name of "Wataniya Telecom Maldives Private Limited" with its registered office at 2nd Floor, Urban Unit Building, Hulhumale, Republic of Maldives. The Company's name was changed to Ooredoo Maldives Private Limited and Ooredoo Maldives PLC, respectively with effect from 22 December 2013 and 06 October 2016 and presently governed under the Companies Act No. 10 of 1996, with its registered office at P.O. Box 2196, 5th floor, H. Sunleet, Gadhage' Mohamedfulhu Building, Boduthakurufaanu Magu. Male', Republic of Maldives.

The main business activity of the Company is to engage in the provision of mobile telephone, mobile telecommunication services and provide internet services in Republic of Maldives under a license from Communication Authority of Maldives.

The consolidated financial statements of the Company for the year ended 31st December 2021 comprise the Company and its subsidiary WARF Telecom International Private Limited (together referred to as the "Group").

The Company is the immediate holding Company of WARF Telecom International Private Limited, which is engaged in facilitating the bulk sale of international telecommunications and to construct and operate all telecommunications apparatus and or facilities that are required to provide international telecommunications bandwidth in and out of the Republic of Maldives. As at the reporting date, the Company holds 65% shareholding of WARF Telecom International Private Limited. Its registered office at 2nd Floor, HDC Building, Hulhumale, Male`, P.O.Box 2196, Republic of Maldives.

The Company's ultimate parent undertaking and controlling party is Ooredoo Q.S.C., a Company incorporated and domiciled in Qatar.

The Company with its only subsidiary WARF Telecom International private Limited, has reviewed its exposure to COVID-19 pandemic and effect on economic slowdown and other emerging business risks, and has found that it has a slowdown effect on the Group's revenue temporarily. However, it has sufficient working capital to sustain its operations. The Group also has comfortable liquidity buffers and does not foresee any breach in financial covenants set out in loan agreements.

2 Basis of preparation

A) STATEMENT OF COMPLIANCE

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

B) BASIS OF MEASUREMENT

The Consolidated and Separate financial statements have been prepared on the historical cost basis. All the assets and financial assets are measured at historical cost and amortised cost basis and no assets are measured at fair value.

C) FUNCTIONAL AND PRESENTATION CURRENCY

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

D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates 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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are addressed in the respective notes as below.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company and the Group use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's and Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

- **Estimation in relation to lease accounting**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company and the Group become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- **Estimated useful lives of PPE and intangible assets**

The Company and the Group review annually the estimated useful lives of PPE and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE and intangible assets would increase the recorded depreciation and amortization charge and decrease the carrying value in accordance with the accounting policy stated in note 4.2 and 4.3.

- **Recognition of deferred income tax assets**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognised in accordance with the accounting policy stated in note 4.17.

- **Asset retirement obligations ('ARO')**

ARO applies when there is a legal or constructive obligation associated with the retirement of tangible long-lived assets, and the liability can be reliably estimated. The assumptions used in determining the ARO include the discount rate and expected future cost of escalation as disclosed in note 27 to the financial statements.

- **Fair values - unquoted equity investments and business combinations**

valuation techniques for unquoted equity investments and identifiable assets, liabilities and contingent liabilities arising in a business combination make use of estimates such as future cash flows, discount factors, yield curves, current market prices adjusted for market, credit and model risks and related costs and other valuation techniques commonly used by market participants where appropriate.

- **Contingent liabilities**

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities or litigation is based on management's judgment.

- **Impairment of inventories**

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

3 Changes in significant accounting policies

New and amended accounting standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2021. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and do not expected to significantly affect the current or future periods. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

i. Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient

ii. Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

4 Significant accounting policies

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

A) Going concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

B) Basis of consolidation

I. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

II. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

III. Non-controlling interest

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

C) Transactions in foreign currency

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

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

4.1 Financial instruments

I. Recognition and initial measurements

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction 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

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first 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 an equity investment that is not held for trading, the Group 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 amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

FINANCIAL ASSETS - BUSINESS MODEL ASSESSMENT

The Group 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 management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's 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

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 (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 this assessment, the Group considers:

- contingent events 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 Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments 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 compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

FINANCIAL ASSETS – SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

FINANCIAL LIABILITIES – CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

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

III. De-recognition

FINANCIAL ASSETS

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

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

FINANCIAL LIABILITIES

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Group 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 de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

IV. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

V. 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.

VI. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Where the effect of the assumed conversion of the convertible notes and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

4.2 Property, plant and equipment

I. Recognition and measurement

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

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 Group, 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.

III. Capital work in progress

Capital work in progress as at the year-end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

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

Leasehold improvement	5 years
Network equipment	8 to 25 years
Network infrastructure equipment	14 years
Office and computer equipment	3 to 5 years
Furniture and fixtures	5 years
Tool and equipment	3 to 14 years
Vessels and motor vehicles	5 years

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

4.3 Intangible assets

I. Recognition and measurement

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

II. Subsequent expenditure

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

III. Capital work in progress

Capital work in progress as at the year-end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

IV. Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected patterns of consumption of the future economic benefits embodied in the assets.

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

License fee	15 years
IT software	3 to 8 years

4.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered on or after 1st January 2019.

I. As a lessee

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

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

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

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture etc. underlying asset value of which is less than USD 5,000.

4.5 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories 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.

4.6 Trade and other receivables

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

4.7 Trade and other payables

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

4.8 Cash and cash equivalent

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

4.9 Impairment

4.9.1 Non-derivative financial assets

FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

MEASUREMENT OF ECLS

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

CREDIT-IMPAIRED FINANCIAL ASSETS

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

4.9.2 Write-off

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

4.9.3 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.10 Borrowing cost

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

4.11 Employee benefits

A) Short term employee benefits

Short-term employee benefit obligations of the Group are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group 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.

B) Defined contribution plans - employees' retirement pension scheme

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Employees are eligible for Employees' Retirement Pension Scheme Contributions in accordance with the respective statutes and regulations. The Company contributes 7% of gross emoluments of employees to the Employees' Retirement Pension Scheme.

C) Share based payment arrangement

The fair value of the amounts payable to employees in respect of shadow shares, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to the payment. The liability is re-measured at each reporting date and settlement date based on the fair value of the shadow shares. Any changes in the liability is recognized in profit or loss for the period.

4.12 Provisions

A provision is recognized if, as a result of a past event, the Group 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.

If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

A provision is made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located.

4.13 Revenue recognition

Revenue from contracts with customers

Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations they are aggregated with other goods and/or services in the agreement until a separate performance obligation is identified.

The Company and the Group determine the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. In determining the transaction price, the Company and the Group consider variable and non-cash consideration such as rebates or discounts and consideration payable to a customer such as refunds to the extent that it is highly probable that a significant reversal will not occur. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company and the Group would achieve by selling the same goods and/ or services included in the obligation to a similar customer on a standalone basis. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external input; observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach.

Revenue is recognized when the respective obligations in the contract are delivered to the customer and payment remains probable. The revenue is recognized as follows:

I. Domestic and international telecommunications service revenue

Revenue from the provision of telecommunication services, such as call time, messaging, data services and information provision, fees for connecting uses of other fixed line and mobile networks to the Company's and the Group's network recognised when or as the entity performs the related service during the agreed service period. The customers are charged Government taxes at the applicable rates and the revenue is recognised net of such taxes.

II. Fixed broadband services

Each subscription to a contract for fixed broadband service is considered as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The providing of set-top boxes, routers and connection fees for the exclusive use of the Group's services do not represent distinct services or goods, and they are to be combined with the subscription service as a single performance obligation satisfied over time. Revenue is recognised over the period the service is performed from the activation date of the subscription and as the service is provided.

III. Revenue from other network operators and international settlement

Revenue from other network operators, local and international, for the use of the Company's and the Group's telecommunication network for completing call connections are recognised when the related services are performed, based on traffic minutes/per second rates stipulated in the relevant agreements and regulations.

IV. Bundled packages

If a good or service is separately identifiable from other items in a bundled package and if a customer can benefit from it, the Company and the Group recognise revenue for individual services separately. The consideration is allocated between separate services in a bundle based on their standalone selling prices. The standalone selling prices are determined based on the list prices at which the Company and the Group sell network services separately. Post-paid contracts including handsets are evaluated, to determine if they contain a significant financing component. For the contracts where the timing difference between customer payment and transfer of goods or services is expected to be one year or less, the Company and the Group have elected to apply the practical expedient that allows not to adjust the transaction price for the significant financing components.

V. Enterprise solutions

Revenue is recognized over time by measuring progress towards complete satisfaction of performance obligation at the reporting date, measured based on the proportion of contract cost incurred for work performed to date relative to the estimated total contracts costs, using input method.

VI. Sale of equipment

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue from sales of telecommunications equipment is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the performance obligation related to the supply of the goods is completed, recovery of the consideration is probable.

Return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The total consideration on arrangements with multiple revenue generating activities (generally the sale of telecommunications equipment and ongoing service) is allocated to those components that are separable based on the estimated fair value of the components.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

VII. Income from capacity right

In relation to the services rendered such as income from capacity right, the revenue is recognized by reference to the time duration of service rendered.

4.14 Operating expenses

Operating expenses are the expenses that are incurred in the natural course of business. These expenses generally consist of the selling and administration expenses. These expenses are revenue in nature since these are incurred in the day-to-day operations of the business and do not incur on the non-current assets.

The nature of the operating expenses is revenue. Therefore, these expenses are not capitalized. Unlike capital expenses that are incurred to support the operations of the business or in the extension of operations, these expenses are supporting in nature and are incurred to carry out the small operations.

4.15 Other gains / (losses)

Other gains / (losses) represents income / (loss) generated by the Group that arises from activities outside of the provision for communication services and equipment sales. Key components of other gains / (losses) are recognised as follows:

Foreign exchange gain and losses

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.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Gain / loss on disposal of assets

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in consolidated statement of profit or loss.

4.16 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.17 Taxes

Taxes comprise current and deferred income tax. Current tax and deferred income tax are recognized in profit or loss.

CURRENT INCOME TAX

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

DEFERRED INCOME TAX

Deferred income 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.

4.18 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

5 Changes to significant accounting policies

5.1 New and amended standards and interpretations issued but not yet effective.

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

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

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

6 Revenue

Disaggregation of revenue from contracts with customers

The Company and the Group derive revenue from the transfer of goods and services over time and at a point in time through following business lines.

	GROUP		COMPANY	
Business Lines	**2021 MVR "000"**	**2020 MVR "000"**	**2021 MVR "000"**	**2020 MVR "000"**
Mobile revenue	**1,360,318**	1,318,904	**1,360,318**	1,318,904
Fixed, broadband and enterprise	**420,134**	380,057	**420,134**	380,057
Others	**6,633**	24,362	**6,633**	18,441
	1,787,085	1,723,323	**1,787,085**	1,717,402
Timing of revenue recognition				
At a point in time	**24,749**	27,102	**24,749**	27,102
Over time	**1,762,336**	1,696,221	**1,762,336**	1,690,300
	1,787,085	1,723,323	**1,787,085**	1,717,402

7 Other Income

	GROUP		COMPANY	
	2021 MVR "000"	**2020 MVR "000"**	**2021 MVR "000"**	**2020 MVR "000"**
Management fee	**-**	-	**2,436**	2,436
Dividend income	**-**	-	**112,217**	-
Miscellaneous income	**28,501**	-	**28,501**	-
	28,501	-	- **143,154**	2,436

Miscellaneous income mainly include withholding tax refund received from Maldives Inland Revenue Authority amounting MVR 17 Mn.

8 Network, interconnect and other operating expenses

	GROUP		COMPANY	
	2021 MVR "000"	**2020 MVR "000"**	**2021 MVR "000"**	**2020 MVR "000"**
Direct cost of services	**298,851**	305,409	**298,851**	305,409
Management fees	**76,613**	73,197	**76,613**	73,197
Marketing expenses	**29,235**	20,385	**29,235**	20,385
Repair and maintenance costs	**54,400**	25,815	**54,400**	25,815
Operating lease rent	**2,192**	1,254	**1,637**	698
Professional fees	**3,847**	1,128	**3,449**	970
Other operating costs	**276,076**	317,783	**260,666**	309,210
	741,214	744,971	**724,851**	735,684

Other operating costs of the company and group include license fee/concession cost amounting to MVR 97.8Mn (2020 MVR 90.2Mn) ,network electricity cost amounting to MVR 47.8Mn (2020 MVR 40.1Mn), leased internet circuit amounting to MVR 36.2Mn (2020 MVR 98.4Mn) and IT software and hardware licence amounting to MVR 37.6Mn.

9 Employee salaries and associated cost

	GROUP		COMPANY	
	2021 MVR "000"	**2020 MVR "000"**	**2021 MVR "000"**	**2020 MVR "000"**
Salaries and wages	**125,364**	118,048	**125,364**	117,955
Pension fund contribution	**4,794**	4,469	**4,794**	4,469
Allowances	**34,051**	30,271	**34,051**	30,271
Bonus	**46,302**	23,765	**46,302**	23,765
Other staff costs	**12,169**	12,460	**12,169**	12,460
	222,680	189,013	**222,680**	188,920

10 Net Finance Costs

	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Finance income				
Interest income	**25,765**	14,389	**21,559**	9,750
Finance costs				
Interest expenses	**(31,493)**	(19,727)	**(31,493)**	(19,727)
Interest cost on lease liability	**(23,690)**	(21,454)	**(23,690)**	(21,454)
Exchange loss	**-**	(109)	**-**	(109)
Bank charges	**(861)**	(798)	**(861)**	(798)
Unwinding of discount of asset retirement obligation	**(800)**	(1,927)	**(800)**	(1,927)
	(56,844)	(44,015)	**(56,844)**	(44,015)
Net finance costs	**(31,079)**	(29,626)	**(35,285)**	(34,265)

11 Other (losses) / Gains - Net

	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Foreign exchange loss on others	**(388)**	(109)	**(388)**	(109)
Gain on disposal of assets	**622**	-	**622**	-
Other miscellaneous expenses	**(2,206)**	(3,491)	**(2,206)**	(3,491)
	(1,972)	(3,600)	**(1,972)**	(3,600)

12 Income Tax

	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Current tax expense (Note 12.1)	**84,870**	78,789	**84,870**	78,789
Recognition of deferred tax asset (Note 12.2)	**(1,550)**	(25,469)	**(97)**	(23,824)
Recognition/ (reversal) of deferred tax liability (Note 12.2)	**673**	689	**673**	(849)
	83,993	54,009	**85,446**	54,116

12.1 Reconciliation between accounting profit and taxable profit:

	GROUP 2021 MVR "000"	GROUP 2020 MVR "000"	COMPANY 2021 MVR "000"	COMPANY 2020 MVR "000"
Accounting profit before tax	**548,543**	461,271	**583,237**	461,518
Tax calculated at the rate of 15%	**82,281**	69,191	**87,486**	69,228
Add: tax on non-deductible expenses	**24,708**	8,435	**23,599**	8,167
Less: tax on deductible expenses	**(22,996)**	(23,617)	**(25,639)**	(23,279)
Income tax expense	**83,993**	54,009	**85,446**	54,116

In accordance with the provisions of the Income Tax Act No. 25 of 2019, relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profits at the rate of 15%.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including tax regulations, guidelines and prior experience.

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12.2 Deferred tax assets

	GROUP 31/12/2021 MVR "000"	GROUP 31/12/2020 MVR "000"	COMPANY 31/12/2021 MVR "000"	COMPANY 31/12/2020 MVR "000"
As at 1 January	**52,513**	27,044	**51,258**	27,434
(Reversal) / Recognized during the year	**1,550**	25,469	**97**	23,824
As at 31 December	**54,063**	52,513	**51,355**	51,258

The recognized deferred tax assets are attributable to the following;

	GROUP Temporary difference	GROUP Tax effect	COMPANY Temporary difference	COMPANY Tax effect
As at 31 December 2021				
Asset retirement obligation	**12,240**	1,836	**12,240**	1,836
Property, plant and equipment	**173,141**	25,971	**173,141**	25,971
Provision for doubtfull debt	**106,331**	15,950	**106,331**	15,950
Bonus provision	**49,311**	7,397	**49,311**	7,598
Unabsorbed losses	**19,393**	2,909	**-**	-
	360,417	54,063	**341,024**	51,355
As at 31 December 2020				
Property, plant and equipment	**169,765**	25,466	**172,397**	25,860
Asset retirement obligation	**13,352**	2,003	**13,352**	2,003
Provision for doubtfull debt	**124,403**	18,660	**124,403**	18,660
Bonus provision	**31,564**	4,735	**31,564**	4,735
Intangible asset	**5,090**	764	**-**	-
Unabsorbed losses	**5,902**	885	**-**	-
	350,076	52,513	**341,716**	51,258

12.3 Deferred tax liabilities

	GROUP 31/12/2021 MVR "000"	GROUP 31/12/2020 MVR "000"	COMPANY 31/12/2021 MVR "000"	COMPANY 31/12/2020 MVR "000"
As at 1 January	**1,256**	567	**1,256**	2,105
Recognized/ (reversed) during the year	**673**	689	**673**	(849)
As at 31 December	**1,929**	1,256	**1,929**	1,256

The recognized deferred tax liabilities are attributable to the following;

	GROUP Temporary difference MVR "000"	GROUP Tax effect MVR "000"	COMPANY Temporary difference MVR "000"	COMPANY Tax effect MVR "000"
As at 31 December 2021				
Intangible assets	**12,863**	1,929	**12,863**	1,929
	12,863	1,929	**12,863**	1,929
As at 31 December 2020				
Intangible assets	**8,373**	1,256	**8,373**	1,256
	8,373	1,256	**8,373**	1,256

13 Basic and diluted earnings per share

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

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Profit for the year attributable to shareholders (MVR "000")	**468,980**	407,311	**497,791**	407,402
Weighted average number of ordinary shares in issue ("000")	**147,800**	147,800	**147,800**	147,800
Basic and diluted earnings per shares (MVR)	**3.17**	2.76	**3.37**	2.76

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14 Property plant and equipment

14.1 Group

	Building MVR "000"	Leasehold improvements MVR "000"	Network Equipment MVR "000"	Network Infrastructure Equipment MVR "000"	Office and computer equipment MVR "000"	Furniture and fixtures MVR "000"	Tools and equipments MVR "000"	Vessels & motor vehicles MVR "000"	Capital work in progress MVR "000"	Total 31/12/2021 MVR "000"	Total 31/12/2020 MVR "000"
Cost											
As at 1 January	-	67,350	1,930,673	665,752	69,360	20,084	262,808	16,858	299,383	**3,332,268**	2,955,025
Additions during the year	-	-	-	-	-	-	-	-	184,488	**184,488**	383,807
Asset retirement obligation	-	-	-	5,797	-	-	-	-	-	**5,797**	-
Transferred from capital work in progress	41,018	741	245,849	4,227	2,895	4,556	7,333	262	(306,881)	**-**	-
Transferred from intangible assets	-	-	-	-	-	-	-	-	19,992	**19,992**	2,154
Changes to the asset retirement obligation	-	-	-	-	-	-	-	-	-	**-**	(7,648)
Transfer to intangible asset	-	-	-	-	(3,649)	-	-	-	-	**(3,649)**	-
Disposals during the year	-	-	(206)	(578)	-	-	(2,374)	(2,660)	-	**(5,818)**	(1,070)
As at 31 December	**41,018**	**68,090**	**2,176,317**	**675,198**	**68,606**	**24,640**	**267,767**	**14,460**	**196,982**	**3,533,078**	3,332,268
Accumulated depreciation											
As at 1 January	-	32,448	1,244,251	526,657	65,575	17,788	208,428	14,668	-	**2,109,815**	1,913,490
Charge for the year	1,367	847	154,919	20,854	2,292	1,893	25,399	769	-	**208,340**	197,322
Transfer to intangible asset	-	-	-	-	(3,018)	-	-	-	-	**(3,018)**	
Disposals during the year	-	-	(160)	(578)	-	-	(2,374)	(2,660)	-	**(5,772)**	(997)
As at 31 December	**1,367**	**33,295**	**1,399,010**	**546,933**	**64,849**	**19,681**	**231,453**	**12,777**	**-**	**2,309,365**	2,109,815
As at 31 December 2021	**39,651**	**34,795**	**777,307**	**128,265**	**3,757**	**4,959**	**36,314**	**1,683**	**196,982**	**1,223,713**	
As at 31 December 2020	**-**	**34,902**	**686,423**	**139,095**	**3,785**	**2,296**	**54,380**	**2,190**	**299,383**		1,222,453

14.2

The capital work in progress mainly includes the amount incurred in respect of the subsea cable, data centre, 5G projects, buildings and other projects. The total cost amount to MVR 17,020,797/-, MVR 9,877,174/-, MVR 14,258,349/-, MVR 28,059,317 and MVR 115,271,959 respectively, as at 31 December 2021.

14.3

The Group has not capitalized any borrowing costs during the year ended 31 December 2021 (2020: Nil).

14.1 Company

	Building MVR "000"	Leasehold improvements MVR "000"	Network Equipment MVR "000"	Network Infrastructure Equipment MVR "000"	Office and computer equipment MVR "000"	Furniture & fixtures MVR "000"	Tools & equipments MVR "000"	Vessels & motor vehicles MVR "000"	Capital work in progress MVR "000"	Total 31/12/2021 MVR "000"	Total 31/12/2020 MVR "000"
Cost											
As at 1 January	-	67,350	1,913,168	665,752	69,360	20,084	257,318	16,858	299,383	**3,309,273**	2,932,030
Additions during the year	-	-	-	-	-	-	-	-	184,487	**184,487**	383,807
Asset retirement obligation	-	-	-	5,797	-	-	-	-	-	**5,797**	-
Transferred from capital work in progress	41,018	741	245,849	4,226	2,895	4,556	7,333	262	(306,881)	**-**	-
Transferred from intangible assets	-	-	-	-	-	-	-	-	19,992	**19,992**	2,154
Changes to the asset retirement obligation	-	-	-	-	-	-	-	-	-	**-**	(7,648)
Transfer to intangible asset	-	-	-	-	(3,649)	-	-	-	-	**(3,649)**	-
Disposals during the year	-	-	(206)	(578)	-	-	(2,374)	(2,660)	-	**(5,818)**	(1,070)
As at 31 December	**41,018**	**68,091**	**2,158,811**	**675,197**	**68,605**	**24,639**	**262,277**	**14,460**	**196,982**	**3,510,082**	**3,309,273**
Accumulated depreciation											
As at 1 January	-	32,448	1,235,452	526,657	65,575	17,788	202,960	14,668	-	**2,095,549**	1,900,476
Charge for the year	1,367	847	153,756	20,853	2,292	1,894	25,378	770	-	**207,156**	196,070
Transfer to intangible asset	-	-	-	-	(3,018)	-	-	-	-	**(3,018)**	-
Disposals during the year	-	-	(160)	(578)	-	-	(2,374)	(2,660)	-	**(5,772)**	(997)
As at 31 December	**1,367**	**33,295**	**1,389,048**	**546,932**	**64,849**	**19,682**	**225,964**	**12,779**	**-**	**2,293,917**	2,095,549
As at 31 December 2021	**39,651**	**34,797**	**769,763**	**128,265**	**3,756**	**4,958**	**36,313**	**1,682**	**196,982**	**1,216,165**	
As at 31 December 2020	**-**	**34,902**	**677,716**	**139,095**	**3,785**	**2,296**	**54,358**	**2,190**	**299,383**		1,213,724

14.2

The capital work in progress mainly includes the amount incurred in respect of the subsea cable, data centre, 5G projects, buildings and other projects. The total cost amount to MVR 17,020,797/-, MVR 9,877,174/-, MVR 14,258,349/-, MVR 28,059,317 and MVR 115,271,959 respectively, as at 31 December 2021.

14.3

The Company has not capitalized any borrowing costs during the year ended 31 December 2021 (2020: Nil).

15 Intangible assets

15.1 Group

	License fee MVR "000"	IT software MVR "000"	Capacity Right MVR "000"	Capital work in progress MVR "000"	Total 31/12/2021 MVR "000"	Total 31/12/2020 MVR "000"
Cost						
As at 1 January	15,420	295,914	385,500	4,690	**701,524**	695,534
Reclassification (Note 41)	-	-	(385,500)	-	**(385,500)**	(385,500)
Additions during the year	-	-	-	36,250	**36,250**	8,143
Transferred from capital work in progress	-	8,636	-	(8,636)	**-**	-
Transferred from Property Plant and Equipment	-	3,649	-	-	**3,649**	-
Transferred to capital work in progress under property plant and equipment	-	-	-	(19,992)	**(19,992)**	(2,154)
Cloud computing expenses writen-off	-	(6,199)	-	-	**(6,199)**	-
As at 31 December	**15,420**	**302,000**	**-**	**12,311**	**329,731**	316,024
Accumulated amortization and impairment						
As at 1 January	15,420	260,101	364,961	-	**640,482**	595,398
Reclassification (Note 41)	-	-	(364,961)	-	**(364,961)**	(364,961)
Amortization for the year	-	13,834	-	-	**13,834**	45,084
Transferred from Property Plant and Equipment	-	3,018	-	-	**3,018**	-
As at 31 December	**15,420**	**276,953**	**-**	**-**	**292,373**	275,521
Net carrying values						
As at 31 December 2021	**-**	**25,047**	**-**	**12,311**	**37,358**	
As at 31 December 2020	**-**	**35,813**	**-**	**4,690**		40,503

15.2

The Group has entered into an agreement with the Government of the Republic of Maldives during the year ended 31 December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Group to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. The telecom license have been renewed for another 15 years with effect from 01 February 2020 with no additional cost except the recuring regulations fees.

15.3

The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years.

15.4

The Group had entered into an agreement with Reliance Globalcom Limited (Flag Telecom Group Limited) during the year ended 31 December 2005 for use of capacity right for a period of fifteen years. The amount paid by the Group to acquire the capacity right was recognized as an intangible asset and amortized over a period of 15 years commencing from the date of ready for service on 01 January 2007. During the year it was reclassified to prepayments. Refer note 41.1

15.5

The capital work in progress mainly includes amounts incurred in respect of developing the procurement sourcing platform and Data Analysis tool (IDEA) platform.

15.1 Company

	License fee MVR "000"	IT software MVR "000"	Capacity Right MVR "000"	Capital work in progress MVR "000"	Total 31/12/2021 MVR "000"	Total 31/12/2020 MVR "000"
Cost						
As at 1 January	15,420	295,914	-	4,690	**316,024**	310,034
Additions during the year	-	-	-	36,250	**36,250**	8,143
Transfer	-	8,636	-	(8,636)	**-**	-
Transferred to property plant and equipment	-	-	-	(19,992)	**(19,992)**	(2,154)
Transfer from property plant and equipment	-	3,649	-	-	**3,649**	-
Cloud computing expenses writen-off	-	(6,199)	-	-	**(6,199)**	-
As at 31 December	**15,420**	**302,000**	**-**	**12,311**	**329,731**	316,023
Accumulated amortization and impairment						
As at 1 January	15,420	260,101	-	-	**275,521**	250,976
Amortization for the year	-	13,834	-	-	**13,834**	24,544
Transferred from Property Plant and Equipment	-	3,018	-	-	**3,018**	
As at 31 December	**15,420**	**276,953**	**-**	**-**	**292,373**	275,520
Net carrying values						
As at 31 December 2021	**-**	**25,047**	**-**	**12,311**	**37,358**	
As at 31 December 2020	**-**	**35,813**	**-**	**4,690**		40,503

15.2

The Company has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Company to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. The telecom license have been renewed for another 15 years with effect from 01 February 2020 with no additional cost except the recuring regulations fees.

15.3

The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years.

15.4

'The capital work in progress mainly includes amounts incurred in respect of developing the procurement sourcing platform and Data Analysis tool (IDEA) platform.

16 Right of use assets

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Cost				
Opening balance	**264,478**	199,257	**264,478**	199,257
Lease modification	**17,831**	22,832	**17,831**	22,832
Increase due to additions	**33,386**	42,389	**33,386**	42,389
Decrease due to derecognition	**(17,622)**	-	**(17,622)**	-
Closing balance	**298,074**	264,478	**298,073**	264,478
Accumulated amortization				
Opening balance	**74,789**	30,471	**74,789**	30,471
Charge for the period	**28,825**	44,318	**28,825**	44,318
Derecognition	**(2,949)**	-	**(2,949)**	-
Closing balance	**100,665**	74,789	**100,665**	74,789
Net carrying value	**197,408**	189,689	**197,408**	189,689

Right of use assets will be amortized over the lease period.

16.1 Analysis of right of use asset

Mobile telecommunication tower sites	**144,103**	156,533	**144,103**	156,533
Buildings	**53,305**	33,156	**53,305**	33,156
	197,408	189,689	**197,408**	189,689

16.2 Amounts recognized in profit or loss

	GROUP MVR "000"	COMPANY MVR "000"
31 December 2021 - Leases under IFRS 16		
Interest on lease liabilities (Note 28)	**23,690**	**23,690**
Expenses relating to short-term leases	**2,192**	**1,637**
Amortization of right of use assets	**28,825**	**28,825**
31 December 2020 - Leases under IFRS 16		
Interest on lease liabilities (Note 28)	21,454	21,454
Expenses relating to short-term leases	1,254	698
Amortisation of right of use assets	44,318	44,318

16.3 Lease modification

During the year the Company and certain lessors agree to revise the rental payments and terms of lease without changing the underlying leases assets. Changes in consideration and terms of these lease contracts are accounted for on 1 January 2021 being the effective date of the modification. The Company remeasured the lease liabilities considering the modified lease payments discounted at the revised incremental rate determined on 1 January 2021. The difference between original lease liability and revised lease liability is adjusted against right of use assets.

16.4 Maturity Analysis

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

	31/12/2021		31/12/2020	
	GROUP	COMPANY	GROUP	COMPANY
Later than 1 year and not later than 2 years	**48,511**	**48,511**	29,802	29,802
Later than 2 year and not later than 5 years	**102,941**	**102,941**	55,631	55,631
Later than 5 years	**123,755**	**123,755**	81,953	81,953
	275,207	**275,207**	167,386	167,386

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

17 Investment in subsidiary

	COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"
WARF Telecom International Private Limited	**255,587**	255,587
Less: Impairment provision of investment (Note 17.1)	**(158,734)**	(67,099)
	96,853	188,488

17.1 Provision for impairment of the investment in subsidiary

As at 1 January	**67,099**	67,099
Charge of provision for impairment loss during the year	**91,634**	-
As at 31 December	**158,735**	67,099

The investment in subsidiary was written down to the recoverable amount of MVR 96.85 Mn, which was determined by reference to the subsidiary's value in use based on discounted future cash flow.

17.2 Shareholding of investment in subsidiary

	No. of Shares		Shareholding	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
WARF Telecom International Private Limited (Incorporated in the Republic of Maldives)	**211,331,250**	211,331,250	**65%**	65%

18 Inventories

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Hand sets and devices	**36,993**	27,710	**36,993**	27,710
Write down of inventories to net realisable value (Note 18.1)	**(13,456)**	(15,035)	**(13,456)**	(15,035)
	23,537	12,675	**23,537**	12,675

18.1 Write down of inventories to net realisable value

As at 1 January	**15,035**	13,340	**15,035**	13,340
(Write back) / write down made during the year	**(1,579)**	1,695	**(1,579)**	1,695
As at 31 December	**13,456**	15,035	**13,456**	15,035

19 Trade and other receivables

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Trade and billing receivables	**277,845**	310,681	**277,845**	310,681
Advances and prepayments	**29,712**	61,628	**29,712**	61,628
Contract assets	**42,033**	40,701	**42,033**	40,701
Prepayments	**3,106**	20,539	**1,393**	-
Other receivables	**66,505**	98,506	**63,844**	98,259
	419,201	532,055	**414,827**	511,269
Less: Loss allowance for expected credit loss of trade and other receivables (Note 19.2)	**(113,336)**	(148,796)	**(113,196)**	(149,222)
	305,865	383,259	**301,631**	362,047

19.1 Prepayments

19.1.1 Prepayments - non-current	**102,607**	**-**	**102,607**	-
	102,607	**-**	**102,607**	**-**
19.1.2 Prepayments - current	**5,767**	41,078	**4,054**	-
(-) Amortisation	**(2,661)**	(20,539)	**(2,661)**	-
	3,106	20,539	**1,393**	-

i. Contract assets recognised in relation to mobile hand set and devices sold on installments revenue amounting to MVR 29,724,311/- (2020: MVR 24,782,010 /-) and enterprise solution project sales amounting to MVR 12,308,564/- (2020: MVR 15,919,297/-).

ii. Other receivables of the company and group mainly include roaming commitment amounting to MVR 34.9 Mn (2020- MVR 83.5 Mn), advance and prepayments include recoverable from MIRA amounting to MVR 5.6 Mn (2020 - MVR 34.7 Mn).

iii. Refer note 41 for the reclassification of intangible assets to prepayments.

iv. Prepayments include lumpsum amount paid for capacity right in advance, which is charged to expenses in a straight line method over the capacity right period (15 years).

19.2 Loss allowance for expected credit loss of trade and other receivables

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
As at 1 January	**148,796**	119,685	**149,222**	119,545
Write off	**(57,227)**	-	**(57,227)**	-
(Reversal) / loss allowance made during the year	**21,767**	29,111	**21,201**	29,677
As at 31 December	**113,336**	148,796	**113,196**	149,222

20 Amount due from a related party

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Focus Infocom Private Limited	**9,067**	36,120	-	-
Loss allowance for expected credit loss (Note 20.1)	**(755)**	(2,929)	-	-
	8,312	33,191	**-**	**-**

20.1 Loss allowance for expected credit loss

As at 1 January	**2,929**	4,571	-	-
Reversal for the year	**(2,174)**	(1,642)	-	-
As at 31 December	**755**	2,929	**-**	**-**

21 Financial assets at amortised cost

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Investments in fixed deposits more than one year	**52,303**	48,467	**32,092**	-
Investments in fixed deposits less than one year	**406,650**	420,150	**347,421**	252,874
	458,953	468,617	**379,513**	252,874
Loss allowance for expected credit losses of investments (Note 21.1)	**(1,572)**	(995)	**(1,537)**	(916)
	457,382	467,622	**377,976**	251,958

21.1 Loss allowance for expected credit losses of financial assets at amortised cost

As at 1 January	**995**	293	**916**	165
Charge of loss allowance during the year	**577**	702	**621**	751
As at 31 December	**1,572**	995	**1,537**	916
Investments in fixed deposits less than one year (net)	**405,079**	419,155	**345,884**	251,958
Investments in fixed deposits more than one year (net)	**52,303**	48,467	**32,092**	-

i. Investments in fixed deposits are classified under amortized cost. The interest rate of the deposits are ranging from 0.20% to 4.5% per annum and maturity periods are ranging from more than three months to two years. Deposits amounting MVR 269.7 Mn (2020: MVR 23.5 Mn) are denominated in USD.

ii. Ooredoo Maldives PLC has pledged fixed deposits amounting to MVR 343.09 Mn as at 31 December 2021 (31 December 2020 : MVR 139.5 Mn) as collateral against loans (restricted deposits).

22 Bank balances and cash

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Cash in hand	**2,050**	2,184	**2,050**	2,184
Balances with banks	**1,402,909**	983,990	**1,331,246**	956,962
	1,404,959	986,174	**1,333,296**	959,146
Loss allowances for expected credit losses of bank balances (Note 22.1)	**(127)**	(1,196)	**(121)**	(1,186)
	1,404,831	984,978	**1,333,175**	957,960

22.1 Loss allowances for expected credit losses of bank balances

Opening balance	**1,196**	709	**1,186**	695
Loss allowance charged /(reversal) during the year	**(1,068)**	487	**(1,065)**	491
As at 31 December	**127**	1,196	**121**	1,186

i. Ooredoo Maldives PLC has pledged fixed deposits amounting to MVR 79.5 Mn as at 31 December 2021 as collateral against loans (restricted deposits).

23 Share capital

23.1 Authorized

Authorized share capital comprises of 155,202,000 (2020: 155,202,000) ordinary shares. All shares are at par value of MVR. 10/- (2020 : MVR 10/-) each.

23.2 Issued share capital

Issued and paid up share capital comprises of 147,800,401 (2020: 147,800,401) ordinary shares. All shares are at par value of MVR 10/- (2020: MVR 10/-).

23.3 Fully paid share capital

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
As at 1 January	**1,478,004**	1,478,004	**1,478,004**	1,478,004
As at 31 December	**1,478,004**	1,478,004	**1,478,004**	1,478,004

23.4 Dividend

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

	GROUP	
Dividend paid and proposed	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Declared accrued and paid during the year final dividend for 2020, MVR 2.34 per share (for 2019, MVR 3.30 per share)	**345,853**	487,741

24 Reserve on translation of share capital

Consequent to the decision taken by the Board of Directors of the Group/ Company, the functional currency of the Group/ Company was changed from United States Dollar (US$) to Maldivian Rufiyaa (MVR) with effect from 1st January 2014. The exchange difference arose from the translation of issued share capital as at 1st January 2014 was recognized in this reserve. This is an un-distributable reserve.

25 Non-controlling interest

	GROUP	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"
As at 1st January	**112,585**	112,634
+ (Loss) / profit allocated to non-controlling interest	**(4,430)**	(49)
(-) Dividend declared by the subsidary Company	**(60,422)**	-
As at 31st December	**47,733**	112,585

The following table summarizes the information relating to WARF Telecom International Private Limited which is the subsidiary of the Company that has material non-controlling interest (NCI), before any intra group eliminations,

	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Non-controlling interest %	**35%**	35%
Non-current assets	**58,711**	58,455
Current assets	**114,677**	273,750
Non-current liabilities	**-**	-
Current liabilities	**(36,956)**	(10,475)
Net assets	**136,432**	321,730
Net assets attributable to NCI	**47,733**	112,585
Non-controlling interest %	**35%**	35%
Revenue	**15,156**	34,057
Loss after tax	**(12,657)**	(139)
Total comprehensive income	**(12,657)**	(139)
Loss allocated to non-controlling interest	**(4,430)**	(49)
Net cash generated from / (used in) operating activities	**42,239**	(5,224)
Net cash generated from investing activities	**92,316**	7,575
Net decrease in cash and cash equivalents	**134,555**	2,351

26 Loans and borrowings

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
As at 1 January	**542,013**	759,477	**542,013**	759,477
Borrowings during the year	**462,600**	448,722	**462,600**	448,722
Repayments during the year	**(193,636)**	(666,186)	**(193,636)**	(666,186)
As at 31 December	**810,977**	542,013	**810,977**	542,013

26.1 Sources of finance

Term loan i (Note 26.4)	**25,700**	118,220	**25,700**	118,220
Term loan ii (Note 26.5)	**324,077**	423,793	**324,077**	423,793
Term loan iii (Note 26.6)	**154,200**	-	**154,200**	-
Term loan iv (Note 26.7)	**231,300**	-	**231,300**	-
Term loan v (Note 26.8)	**44,860**	-	**44,860**	-
Term loan vi (Note 26.9)	**30,840**	-	**30,840**	-
	810,977	542,013	**810,977**	542,013

26.2 Non - current liabilities

	465,882	349,777	**465,882**	349,777
Repayment of non-current liabilities schedule is as follows:				
More than one year, less than two years	**257,433**	125,416	**257,433**	125,416
More than two years	**208,449**	224,361	**208,449**	224,361
	465,882	349,777	**465,882**	349,777

26.3 Current liabilities

	345,095	192,236	**345,095**	192,236

26.4 Term Loan i

The Company entered into a loan agreement dated 30 June 2019, and obtained a term loan facility amounting to US$ 10,000,000/- for the purpose of capital expenditure requirements. The loan is repayable within 30 equal monthly instalments of US$ 333,333/ (1 US$ = MVR 15.42). The facility is secured by a USD deposit equivalent to 100% of outstanding loan amount at the period end.

26.5 Term Loan ii

The Company obtained the term loan facility by entering into a loan agreement dated 13 January 2020, amounting to US$ 29,100,000/- for the purpose of restructuring the loan facility. The loan is repayable within 54 equal monthly instalments of USD 538,888.88/- each (1 US$ = MVR 15.42). The loan is unsecured.

26.6 Term Loan iii

The Company obtained the import line facility by entering into a loan agreement dated 17 September 2020, amounting to US$ 10,000,000/- for the purpose of financing the capital expenditure. The loan is repayable within 12 equal quarterly instalments of USD 833,333.33 each with grace period of 12 months from the date of drawdown (1 US$ = MVR 15.42). The loan is unsecured.

26.7 Term Loan iv

The Company entered into a loan agreement dated 19 May 2021, and obtained a term loan facility amounting to US$ 15,000,000/- for the purpose of company foreign exchange requirement. The loan is repayable within 6 equal quarterly instalments of US$ 2,500,000/ each with grace period of 6 months from the date of drawdown (1 US$ = MVR 15.42). The facility is secured by a MVR deposit equivalent to 120% of loan amount.

26.8 Term Loan v

The Company obtained the term loan facility by entering into a loan agreement dated 7 April 2021, amounting to US$ 3,000,000/- for the purpose of financing the capital expenditure. The loan is repayable within 30 equal monthly instalments of US$ 100,000 each with grace period of 6 months from the date of drawdown (1 US$ = MVR 15.42). The facility is secured by fixed deposits.

26.9 Term Loan vi

The Company obtained the term loan facility by entering into a loan agreement dated 29 December 2021, amounting to US$ 2,000,000/- for the purpose of company foreign exchange requirement. The loan is repayable within 36 equal monthly instalments of USD 55,556.56/- each (1 US$ = MVR 15.42). The facility is secured by a USD deposit equivalent to 130% of outstanding loan amount.

27 Provisions

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Network and asset retirement obligation (Note 27.1)	**13,582**	13,351	**13,582**	13,351
	13,582	13,351	**13,582**	13,351

27.1 Network and assets retirement obligation

As at 1 January	**13,351**	17,690	**13,351**	17,690
Increase due to additions	**394**	1,382	**394**	1,382
Unwinding of discount	**800**	1,927	**800**	1,927
Provision/(reversal) during the year	**(963)**	(7,648)	**(963)**	(7,648)
As at 31 December	**13,582**	13,351	**13,582**	13,351

The provisions of network and asset retirement obligations represent the provisions made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located. The following key assumptions have been used to calculate the network and asset retirement obligation.

Lease period	14 Years	14 Years	14 Years	14 Years
Discount rate	10.50%	10.50%	10.50%	10.50%
Expected future cost of escalation	**1.53%**	**3.00%**	**1.53%**	**3.00%**

Sensitivity analysis

An increase/decrease of 1% of the expected future cost of escalation would have increased or (decreased) the profit or loss by following amounts. This analysis assumes that the other variables remain constant.

	Effect to profit or loss	
	INCREASE MVR	DECREASE MVR
Profit	(10,694)	10,694
Expected future cost of escalation	118,602	(118,602)

28 Lease liabilities

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Opening balance	**217,324**	176,485	**217,324**	176,485
Additions during the year	**35,541**	41,671	**35,541**	41,671
Derecognition	**(16,993)**	-	**(16,993)**	-
Lease modification	**13,794**	22,832	**13,794**	22,832
Interest expense for the year	**23,690**	21,454	**23,690**	21,454
Repayment during the year	**(52,534)**	(45,118)	**(52,534)**	(45,118)
Closing balance	**220,822**	**217,324**	**220,822**	**217,324**
Non - current liabilities	**188,619**	**167,386**	**188,619**	**167,386**
Current liabilities	**32,203**	**49,938**	**32,203**	**49,938**

The total cash outflow for leases in 2021 was MVR 52.5 Mn (2020 : MVR 45 Mn) for the Company and the Group.

28.1 Analysis of lease liabilities

Mobile telecommunication tower sites	**171,448**	169,571	**171,448**	169,571
Buildings	**49,374**	47,753	**49,374**	47,753
	220,822	217,324	**220,822**	217,324

Leases as lessee (IFRS 16)

The Group takes on lease land and buildings and network assets. The leases typically run for a period of 1 to 35 years, with an option to renew the lease after the non-cancellable period.

Extension options

Some property lease contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options and if the Group is reasonably certain not to terminate.

29 Amounts due to related parties

29.1 Amounts due to related parties (non-current)

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Ooredoo Kuwait	**148,220**	148,220	**148,220**	148,220
	148,220	148,220	**148,220**	148,220

29.2 Amounts due to related parties (current)

Wataniya International Fz-LLC	**154,981**	105,174	**154,981**	105,174
Ooredoo Group LLC	**26,463**	26,722	**26,463**	26,722
Ooredoo IP LLC	**61,147**	37,022	**61,147**	37,022
WARF Telecom International Private Limited	**-**	-	**-**	23,256
	242,591	168,918	**242,591**	192,174

30 Trade and other payables

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Trade payables	**76,360**	160,272	**74,155**	152,734
Deferred revenue	**49,877**	42,197	**49,877**	42,197
Accruals and provisions	**285,318**	241,852	**248,433**	239,182
Dividend payable	**480,867**	448,991	**480,867**	448,991
Other payables	**118,816**	86,528	**118,043**	85,710
	1,011,238	979,840	**971,375**	968,814

Other payables of the company and group mainly includes deposits received from customers amounting to MVR 26.7Mn (2020- MVR 24.3Mn), bonus payable MVR 52.8Mn (2020- MVR 25.8Mn), WHT payable MVR 5.9 Mn (2020- MVR 5.6 Mn) and GST payable MVR 3.1 Mn (2020 - MVR 2.4 Mn).

The total amount of deferred revenue as at the previous year-end was fully recognised as revenue during the year.

31 Income tax payable / (receivable)

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
As at 1 January	**39,853**	60,097	**42,285**	60,690
Tax expense for the year (Note 12)	**84,870**	78,789	**84,870**	78,789
Payments made during the year	**(93,389)**	(99,033)	**(93,389)**	(97,194)
As at 31 December	**31,334**	39,853	**33,766**	42,285

32 Financial instruments and risk management

Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

I. Credit risk

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

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

	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Trade and other receivables	**273,047**	294,792	**270,526**	294,119
Amount due from related parties	**8,312**	33,191	**-**	-
Balances with banks	**1,402,781**	989,094	**1,331,125**	962,076
Investments in fixed deposits - financial assets at amortised cost	**457,382**	467,622	**377,976**	251,958
	2,141,522	1,784,699	**1,979,627**	1,508,153

MEASUREMENT OF EXPECTED CREDIT LOSS (ECL)

Trade and other receivables

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

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's/ Company's standard payment and delivery terms and conditions are offered. The Group/ Company establishes a provision for impairment that represents its estimate of expected credit losses in respect of trade and other receivables. The provision for impairment represents the specific loss component that relates to individually significant exposures.

Impairment losses	31/12/2021			31/12/2020		
Group	Gross MVR "000"	Loss rate %	Impairment MVR "000"	Gross MVR "000"	Loss rate %	Impairment MVR "000"
The aging of trade and other receivables at the reporting date was:						
Not past due	**140,573**	**5.90%**	**8,299**	174,787	2.90%	4,889
Past due 0-30 days	**80,022**	**4.50%**	**3,604**	34,507	2.71%	936
Past due 31-120 days	**33,752**	**10.09%**	**3,406**	27,773	9.19%	2,552
Past due 121-180 days	**12,656**	**28.75%**	**3,638**	36,159	36.24%	13,104
Past due more than 181 days	**119,384**	**79.06%**	**94,389**	176,662	72.07%	127,315
	386,387		**113,336**	449,888		148,796
Company						
The aging of trade and other receivables at the reporting date was:						
Not past due	**140,468**	**5.91%**	**8,299**	174,787	2.90%	4,889
Past due 0-30 days	**80,022**	**4.50%**	**3,604**	34,507	2.71%	936
Past due 31-120 days	**33,752**	**10.09%**	**3,406**	27,773	9.19%	2,552
Past due 121-180 days	**12,656**	**28.75%**	**3,638**	36,159	36.24%	13,104
Past due more than 181 days	**116,824**	**80.68%**	**94,249**	176,415	72.41%	127,742
	383,722		**113,196**	449,641		149,222

Forward looking information incorporated in ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Ooredoo Maldives PLC has performed historical analysis and identified the key economic variables; Gross domestic product (GDP) of Maldives impacting credit risk and expected credit losses for the trade receivables. For roaming and interconnect receivables, GDP of the respective countries have been considered.

Forecasts of the economic variables (the "base economic scenario") are obtained by Ooredoo Maldives PLC from the report available in the IMF website.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information abound counterparty default rates:

	GROUP		COMPANY	
Trade receivables	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Not past due	**140,573**	174,787	**140,468**	174,787

ECONOMIC VARIABLE ASSUMPTIONS

Forecasted GDP growth rates

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

	2021	2020
GDP	**18.87%**	13.20%

Cases	Weightages
Best case	25%
Base case	50%
Worst case	25%

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

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

Set out below are the changes to the ECL as at 31 December 2021 that would result from reasonably possible changes in the parameter from the actual assumption used in the Company's economic variable assumption.

	GDP		
	-1% MVR	No Change MVR	+1% MVR
Loss allowance as at 31 December 2021	116,133	113,336	110,606
Loss allowance as at 31 December 2020	149,934	148,294	146,648

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

Amount due from related parties

The Company assesses the credit quality of its receivables from related parties, taking into account their financial position, past experience and other factors. The Company is dealing with related parties and has not experienced historical credit losses during the past years. Therefore, expected credit loss allowance for receivables from related parties were determined by considering the time value of money. The Company's management calculated the expected credit losses on these assets by discounting the future cash flows using the Company's weighted average cost of capital.

Investments in fixed deposits and balances with banks

The deposits and bank balances have been measured at amortised cost using effective interest methodology. The total amount has been subject to impairment based on the credit ratings obtained from Moodys or Fitch.

There are some deposits pledged against loans where the Company's exposure will be the net amount after setting off the loan against the deposit. Therefore, the amount subjected to impairment will be the net amount between the company's deposit and the loan.

The Group/ Company believes that the unimpaired amounts outstanding are still collectible, based on historic payment behaviour. Based on historic default rates, the group believes that, apart from the above, no provision for impairment is necessary.

The movement in provision for impairment in respect of trade and other receivables is given in (Note 19.2), balances with banks (Note 22.1), amounts due from related parties (Note 20.1) and investments in fixed deposits (Note 21.1) to consolidated and separate financial statements.

II. Liquidity risk

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

The followings are the contractual maturities of financial liabilities as at the year end.

Group (31 December 2021)	Amount MVR "000"	0-12 Months MVR "000"	1-2 Years MVR "000"	2-5 Years MVR "000"	>5 Years MVR "000"
Financial liabilities (non- derivative)					
Trade and other payables	**960,121**	**960,121**	**-**	**-**	**-**
Loans and borrowings	**869,401**	**379,255**	**274,700**	**215,446**	**-**
Amounts due to related parties	**390,811**	**242,591**	**-**	**148,220**	**-**
Lease liabilities	**307,410**	**32,203**	**48,511**	**102,941**	**123,755**
	2,527,744	**1,614,171**	**323,211**	**466,607**	**123,755**
Group (31 December 2020)					
Financial liabilities (non- derivative)					
Trade and other payables	926,617	926,617	-	-	-
Loans and borrowings	612,053	206,802	149,524	255,727	-
Amounts due to related parties	340,394	340,394	-	-	-
Lease liabilities	380,004	49,794	49,592	124,405	156,213
	2,259,068	**1,523,607**	**199,116**	**380,132**	**156,213**

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

Company (31 December 2021)	Amount MVR "000"	0-12 Months MVR "000"	1-2 Years MVR "000"	2-5 Years MVR "000"	>5 Years MVR "000"
Financial liabilities (non - derivative)					
Trade and other payables	**920,259**	**920,259**	**-**	**-**	**-**
Loans and borrowings	**869,401**	**379,255**	**274,700**	**215,446**	**-**
Amounts due to related parties	**390,811**	**242,591**	**-**	**148,220**	**-**
Lease liabilities	**307,410**	**32,203**	**48,511**	**102,941**	**123,755**
	2,487,882	**1,574,308**	**323,211**	**466,607**	**123,755**
Company (31 December 2020)					
Financial liabilities (non - derivative)					
Trade and other payables	926,617	926,617	-	-	-
Loans and borrowings	612,053	206,802	149,524	255,727	-
Amounts due to related parties	340,394	340,394	-	-	-
Lease liabilities	380,004	49,794	49,592	124,405	156,213
	2,259,068	1,523,607	199,116	380,132	156,213

III. Market risk

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

(A) INTEREST RATE RISK

Profile

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

	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
Variable rate instruments				
Term loan i (Note 26.4)	**25,700**	118,220	**25,700**	118,220
Term loan ii (Note 26.5)	**324,077**	423,793	**324,077**	423,793
Term loan iii (Note 26.6)	**154,200**	-	**154,200**	-
Term loan iv (Note 26.7)	**231,300**	-	**231,300**	-
	735,277	542,013	**735,277**	542,013

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) the profit of the Group and Company by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	GROUP		COMPANY	
	31/12/2021 MVR "000"	31/12/2020 MVR "000"	31/12/2021 MVR "000"	31/12/2020 MVR "000"
100 Basis points increase in interest rate	**7,353**	7,595	**7,353**	7,595
100 Basis points decrease in interest rate	**(7,353)**	(7,595)	**(7,353)**	(7,595)

(B) EXPOSURE TO CURRENCY RISK

The Group's exposure to foreign currency risk is as follows based on the year end outstanding balance :

	31/12/2021		31/12/2020	
Group	US$ "000"	EUR "000"	US$ "000"	EUR "000"
Cash and cash equivalents	**18,466**	**8**	38,404	4,421
Trade and other receivables	**7,360**	**24**	8,230	-
Trade and other payables	**(2,320)**	**-**	(5,132)	(2,255)
Gross statement of financial position exposure	**23,506**	**32**	41,502	2,166

The following significant exchange rates were applied during the year:	Average Rate		Reporting Date Spot Rate	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
1 MVR. : US$	**0.065**	0.065	**0.065**	0.065
1 MVR. : Euro	**0.056**	0.055	**0.057**	0.053

In respect of the monetary assets and liabilities denominated in US Dollar, the Company has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within ± 20% of the mid-point of exchange rate.

IV. Accounting classifications and fair values

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

	Carrying amount			Fair value		
Group (As at 31st December 2021)	Financial assets at amortized cost MVR "000"	Financial liabilities at amortized cost MVR "000"	Total MVR "000"	Level 1 MVR "000"	Level 2 MVR "000"	Level 3 MVR "000"
Financial assets not measured at fair value						
Trade and other receivables	**231,014**	**-**	**231,014**	**-**	**-**	**-**
Amounts due from related parties	**8,312**	**-**	**8,312**	**-**	**-**	**-**
Investments in fixed deposits at amortised cost	**457,382**	**-**	**457,382**	**-**	**-**	**-**
Cash and cash equivalents	**1,404,831**	**-**	**1,404,831**	**-**	**-**	**-**
	2,101,538	**-**	**2,101,538**	**-**	**-**	**-**
Financial liabilities not measured at fair value						
Loans and borrowings	**-**	**810,977**	**810,977**	**-**	**-**	**-**
Amounts due to related parties	**-**	**390,811**	**390,811**	**-**	**-**	**-**
Trade and other payables	**-**	**960,121**	**960,121**	**-**	**-**	**-**
Lease liabilities	**-**	**220,822**	**220,822**	**-**	**-**	**-**
	-	**2,382,731**	**2,382,731**	**-**	**-**	**-**
Group (As at 31st December 2020)						
Financial assets not measured at fair value						
Trade and other receivable	254,091	-	254,091	-	-	-
Amounts due from related parties	33,191	-	33,191	-	-	-
Investments in fixed deposits at amortised cost	467,622	-	467,622	-	-	-
Cash and cash equivalents	984,978	-	984,978	-	-	-
	1,739,882	-	1,739,882	-	-	-
Financial liabilities not measured at fair value						
Loans and borrowings	-	542,013	542,013	-	-	-
Amounts due to related parties	-	340,394	340,394	-	-	-
Trade and other payables	-	926,617	926,617	-	-	-
Lease liabilities	-	217,324	217,324	-	-	-
	-	2,026,348	2,026,348	-	-	-

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

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

	Carrying amount			Fair value		
Company (As at 31st December 2021)	**Financial assets at amortized cost MVR "000"**	**Financial liabilities at amortized cost MVR "000"**	**Total MVR "000"**	**Level 1 MVR "000"**	**Level 2 MVR "000"**	**Level 3 MVR "000"**
Financial assets not measured at fair value						
Trade and other receivables	**228,493**	**-**	**228,493**	**-**	**-**	**-**
Investments in fixed deposits at amortised cost	**377,976**	**-**	**377,976**	**-**	**-**	**-**
Cash and cash equivalents	**1,333,175**	**-**	**1,333,175**	**-**	**-**	**-**
	1,939,645	**-**	**1,939,645**	**-**	**-**	**-**
Financial liabilities not measured at fair value						
Loans and borrowings	**-**	**810,977**	**810,977**	**-**	**-**	**-**
Amounts due to related parties	**-**	**390,811**	**390,811**	**-**	**-**	**-**
Trade and other payables	**-**	**920,259**	**920,259**	**-**	**-**	**-**
Lease liabilities	**-**	**220,822**	**220,822**	**-**	**-**	**-**
	-	**2,342,869**	**2,342,869**	**-**	**-**	**-**

	Carrying amount			Fair value		
Company (As at 31st December 2020)	**Financial assets at amortized cost MVR "000"**	**Financial liabilities at amortized cost MVR "000"**	**Total MVR "000"**	**Level 1 MVR "000"**	**Level 2 MVR "000"**	**Level 3 MVR "000"**
Financial assets not measured at fair value						
Trade and other receivable	253,418	-	253,418	-	-	-
Investments in fixed deposits at amortised cost	251,958	-	251,958	-	-	-
Cash and cash equivalents	957,960	-	957,960	-	-	-
	1,463,336	-	1,463,336	-	-	-
Financial liabilities not measured at fair value						
Loans and borrowings	-	542,013	542,013	-	-	-
Amounts due to related parties	-	340,394	340,394	-	-	-
Trade and other payables	-	926,617	926,617	-	-	-
Lease liabilities	-	217,324	217,324	-	-	-
	-	2,026,348	2,026,348	-	-	-

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

V. Capital management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

	GROUP		COMPANY	
Net debt	**31/12/2021 MVR "000"**	**31/12/2020 MVR "000"**	**31/12/2021 MVR "000"**	**31/12/2020 MVR "000"**
Borrowings	**810,977**	542,013	**810,977**	542,013
Lease liabilities	**220,822**	217,324	**220,822**	217,324
Cash and cash equivalents	**(1,404,831)**	(991,278)	**(1,333,175)**	(964,260)
Financial assets at amortized cost (investments in fixed deposits)	**(457,382)**	(467,622)	**(377,977)**	(251,958)
Net debt	**(830,414)**	(699,563)	**(679,353)**	(456,881)
Total equity	**1,334,383**	1,276,108	**1,294,803**	1,142,865
Gearing	**0%**	**0%**	**0%**	**0%**

During 2021, the group's strategy, which was unchanged from 2020, was to maintain sufficient cash and bank balances to cover borrowing balances.

33 Events after the reporting date

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

34 Contingent liabilities

34.1

A related entity of the Group had filled a case in the Civil Court of Maldives against the Company alleging a breach of contract and claiming damages. The first instance the Civil Court issued a judgment in favour of the related entity, that the Company pays the sum of MVR 67 Million as damages within 4 months from the date of the judgment i.e. 25 December 2018. The Company had appealed against the Judgement given by the Civil Court in the High Court of Maldives on 9 January 2019 and the second hearing of the case was held on 16 July 2019, where the Company had submitted part of its appeal pursuant to the constitutional right of appeal in Article 56 of the constitution. The High Court has ordered a judgement in favour of the Company on 14th September 2021. The related party has appealed in the Supreme Court. The Board of Directors of the Company are confident that the Supreme Court's judgments in respect of the appeal will be favourable to the Company.

34.2

Bank guarantees and letter of credits as at 31 December 2021 are MVR 12,225,447 (as at 31 December 2020 : MVR 13,455,461).

34.3

There are no other contingent liabilities outstanding as at the reporting date, which require disclosure in the consolidated and separate financial statement other than above.

35 Comparative figures

Comparative figures have been reclassified wherever appropriate to confirm with the current year presentation.

36 Commitments

36.1 Capital commitments

The Group/ the Company have entered into contract to purchase / construct property, plant and equipment and intangible assets of MVR. 40,444,834 as at 31 December 2021 (31 December 2020: MVR. 67,572,997/-)

37 Related party transactions

(a). Wataniya International FZ-LLC holding owns 90.5% of the total number of shares in issue of the Company. The remaining 9.5% of the shares are widely held. The ultimate parent of the Company is Ooredoo Q.P.S.C., a Company incorporated and domiciled in Qatar.

All related party transactions were entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24: "Related Party Disclosure".

The Group provides telecommunication services as part of its ordinary operations. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

(b). Details of transactions carried out with related parties in the ordinary course of business are set out below:

			AMOUNT		BALANCE OUTSTANDING DUE FROM/(TO)	
NAME OF THE RELATED PARTY	**RELATIONSHIP**	**NATURE OF THE TRANSACTION**	**31/12/2021 MVR "000"**	**31/12/2020 MVR "000"**	**31/12/2021 MVR "000"**	**31/12/2020 MVR "000"**
Ooredoo Group LLC	Affiliate company	• Expenses incurred on behalf of Ooredoo Maldives PLC	**(10,379)**	(17,288)	**(26,463)**	(26,722)
		• Expenses incurred on behalf of Ooredoo Group LLC	**10,638**	2,313	**-**	-
		• Roaming charges	**-**	(12,542)	**(11,172)**	(11,172)
Ooredoo IP LLC	Ultimate parent	• Brand license fee	**(26,806)**	(25,731)	**(61,147)**	(37,022)
		• Withholding tax paid	**2,681**	2,572	**-**	-
Ooredoo Kuwait	Intermediate parent	• No transactions	**-**	-	**(148,219)**	(148,219)
Wataniya International Fz-LLC	Immediate	• Management fee	**(49,807)**	(47,465)	**(154,981)**	(105,174)
Focus Infocom Private Limited	Affiliate company	• Lease line charges	**-**	-	**9,067**	36,120
		• Repayments of lease line charges	**(27,053)**	-	**-**	-
WARF Telecom International Private Limited	Subsidiary	• Management fee	**2,583**	2,583	**-**	(23,256)
		• Expenses on behalf of WARF	**12,342**	6,872	**-**	-
		• Expenses on behalf of OMPLC	**(16,775)**	-	**-**	-
		• Repayments of expenses incurred by WARF on behalf of OMPLC	**25,106**	(32,379)	**-**	-

38 Transactions with key management personnel

The Board of Directors of the Company are the members of the key management personnel. The Company has paid MVR 1,644,000 as Directors' emoluments during the year ended 31 December 2021 (for the year ended 31 December 2020: MVR 1,852,000/-).

39 Operating segments

The Group's operations are solely providing telecommunication services in the Maldives. The operations of the Group looked at as a single operating segment.

The Chief Operating Decision Maker (CODM) of the Group is the Chief Executive Officer (CEO) and the Managing Director of the Group/ the Company. The CEO and Managing Director considers the performance of the Group/ the Company as a whole considering the total operations of the Group/ the Company as one segment in assessing the performance of the Group/ the Company and making decisions about the resource allocation within the Organization.

40 Director's responsibility

The Board of Director's of the Company is responsible for the preparation and presentation of these consolidated and separate financial statements.

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41 Reclassification of comparative information

During the year, the Group performed an exercise to determine if the presentation of the consolidated financial information is in accordance with IAS 1 "Presentation of financial statements" and IAS 38 " intangible assets". This exercise resulted in reclassification of certain line items in the consolidated financial information. The comparative figures have been reclassified in order to conform with the presentation for the current period. Such reclassifications have been made by the Group to improve the quality of information presented and did not have any impact on the previously reported equity and profits.

41.1 Right to use the capacity of fiber optic cable - WARF

The Warf International Private Ltd (WARF), a subsidiary of Ooredoo Maldives PLC had entered into an agreement with Reliance Globalcom Limited (Flag Telecom Group Limited) (FLAG) during the year ended 31 December 2005 for use of capacity right for a period of fifteen years. The amount of US$ 25 million paid by the WARF to acquire the capacity right of a fiber optic cable was recognized as an intangible asset and amortized over a period of 15 years commencing from the date of ready for service on 01 January 2007.

As per IAS 38, in order to recognise an intangible asset, the asset need to be identifiable and it is identifiable when it is separable. The capacity portion dedicated to WARF in the fiber optic cable is not physically distinct and that does not represent substantially all of the capacity of the fiber optic cable. Therefore, there is no identified asset in the contract. Therefore, this has been reclasified as a payment made in advance to a service arrangement.

Since the classification of the cost of the use of capacity right of a fibre optic cable as intangible assets is not complied with the recognition criteria of IAS 38, the carrying value of the intangible assets as at 31.12.2020 amounting to MVR 20,539,209 was reclassified under prepayments in the financial statements. The carrying value as at 31.12.2021 is nil since the amount has been fully amortized by the end of the year 2021.The reclassification in the face of financial statements is as follows.

Balance sheet reclassification (Group)	**PREVIOUS PRESENTATION MVR "000"**	**RECLASSIFICATION MVR "000"**	**CURRENT PRESENTATION MVR "000"**
Carrying value as at 31 Dec 2020			
Intangible assets (Note 15)	20,539	(20,539)	-
Prepayments (Note 19.1)	-	20,539	20,539
	20,539	**-**	**20,539**

Income statement reclassification (Company)			
Financial year ended 31 Dec 2020			
Operating expenses	928,204	(928,204)	-
Network, interconnect and other operating expenses	-	735,684	735,684
Employee salaries and associated cost	-	188,920	188,920
Other expenses	-	3,600	3,600
	928,204	**-**	**928,204**

Income statement reclassification (Group)			
Financial year ended 31 Dec 2020			
Operating expenses	917,045	(917,045)	-
Network, interconnect and other operating expenses	-	744,971	744,971
Employee salaries and associated cost	-	189,013	189,013
Other expenses	-	3,600	3,600
Depreciation and amortization	286,723	(20,539)	266,184
	1,203,768	**-**	**1,203,768**

42 Impact of Covid 19

During the current year, due to continued uncertainties caused by COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the consolidated financial information. The Group's business operations remain largely unaffected by the current situation.

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 December 2021. ECLs are estimated based on the relevant forward-looking macroeconomic factors, significant increase in credit risk, and assessing the indicators of impairment for the exposures in potentially affected sectors.

The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

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