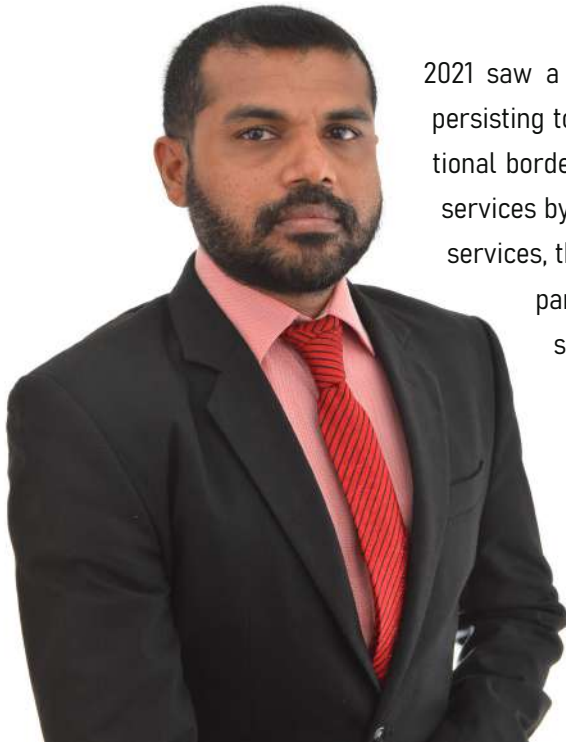


ANNUAL REPORT 2021

TABLE OF CONTENT

CHAIRMAN'S STATEMENT	01
MANAGING DIRECTOR'S STATEMENT	02
KEY HIGHLIGHTS	04
OUR BUSINESS	07
CORPORATE GOVERNANCE REPORT	11
AUDIT COMMITTEE REPORT	27
SUSTAINABILITY REPORT	29
MANAGEMENT TEAM	30
FUTURE OUTLOOK	31
AUDIT REPORT & FINANCIAL STATEMENT	32

CHAIRMAN'S STATEMENT



Uz. ABDULLA NASEER MOHAMED
CHAIRMAN

2021 saw a continuation of the Covid 19 pandemic imposed restrictions persisting to restrict social movements locally and limitations on international borders, making it a challenging year for providing Hajj and Umrah services by MHCL. Despite the social distancing and disruptions to normal services, the company had achieved significant progress over the year, in particular taking the opportunity to improve internal management systems and policies of the company.

Contended with restrictions to making travel arrangements to serve our core purpose, MHCL management had pursued to make internal improvements to strengthen foundations of the entity to enable for a better future. As a result, MHCL has worked intensively on the development of new service packages and improvements to internal systems to enhance our offerings and services, in line with addressing the evolving customer requirements.

As I reflect on the financial year 2021, inevitably it is clear that our results have been significantly impacted

by the pandemic. In this situation which we find ourselves in, I believe our performance is creditable on account of the operational limitations in place throughout 2021. Company withstanding on its core values to maintain resilience, while achieving progress on our goals during these very difficult times, had definitely been delivered. Throughout the year, the Board worked closely with Management in responding to the crisis and to mitigate the impact on our business, employees and our customers; while further contributing their expert feedback and judgments on strategic measures being pursued.

I would like to extend my deepest appreciation to His Excellency The President of the Maldives, Hon. Ibrahim Mohamed Solih for his continuous support and guidance in improving our services at MHCL, undertaking to facilitate an important religious service valued by our local society. I thank our management and employees for the hard work and commitment in contributing towards the growth of MHCL. I reiteratively acknowledge and thank my fellow Directors for their support over the year. I am confident that with overall team's dedication and commitment, In Sha Allah we will continue to perform better in the coming year.

Uz. Abdulla Naseer Mohamed
Chairman
Maldives Hajj Corporation Limited

MANAGING DIRECTOR'S STATEMENT

This year marks the 8th year of operations of the Maldives Hajj Corporation Limited (MHCL) incorporated in 2013 with the main objective of providing fair and impartial opportunity for all Maldivians to perform their Hajj and Umrah at an affordable cost with superior service quality standards. The company also aims to establish and maintain a reliable system for enabling prospective citizens to save for Hajj and Umrah Pilgrimage and safeguarding the funds deposited by them with the company.

Although MHCL has performed financially well during 2021, we are still far from achieving self-sufficiency. We are determined to achieve profitability and sustainability while keeping Hajj and Umrah prices at an affordable level. Business diversification and expansion as per our strategic business plan will be the key to future of MHCL.

Due to global travel restrictions enacted as a result of COVID-19, most of the business development and diversification efforts planned for the year had to be put on

hold. Hajj 1442 trip and 3 of the 4 Umrah trips planned for the year had to be cancelled. We were able to restart the Umrah operations in December with unprecedented precautionary restrictions imposed by Saudi authorities.

Our main focus during the year had been to restore public trust and confidence towards the organization, and to make the operations more efficient and pave way towards profitability. Several efforts have been made to improve Internal management system of the company. Significant improvements has been made in overall governance and accountability framework of the company.

MHCL has been making losses since its incorporation in 2013. In order to pave our way towards self-sustainability and ultimately profitability, we have finalized our 5 year Strategic Business Plan in November 2019. Management is fully committed to make every effort to achieve the key strategies laid down in the business plan and ultimately achieve profitability.

I would like to thank young, energetic, enthusiastic and dedicated team of MHCL for their tireless efforts in serving our valued customers and ensuring that no stone is left unturned to ensure our customers are satisfied.



MR. ISMAIL HAMEED, FCCA
MANAGING DIRECTOR

MANAGING DIRECTOR'S STATEMENT

I would like to highlight the importance of proper planning and coordination within the relevant authorities of the Government with regard to Hajj operations. Continued efforts by the Government, particularly the Ministry of Islamic Affairs are crucial to ensure efficient and flawless arrangements for Hajj are made.

I would like to thank His Excellency President Ibrahim Mohamed Solih for his determined efforts to improve the quality of Hajj and Umra experiences. I assure you that the MHCL team will continue our vehement efforts to make Maldivian citizens' Hajj and Umra experiences are affordable, efficient, and delivered with superior service quality.

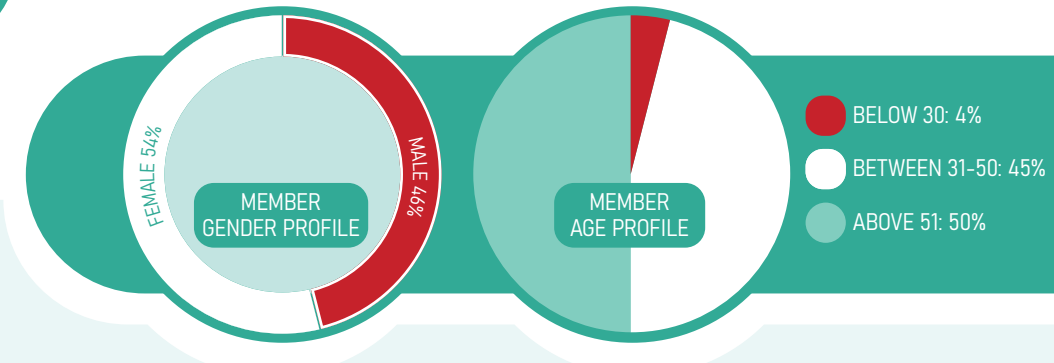


Ismail Hameed
Managing Director
Maldives Hajj Corporation Limited

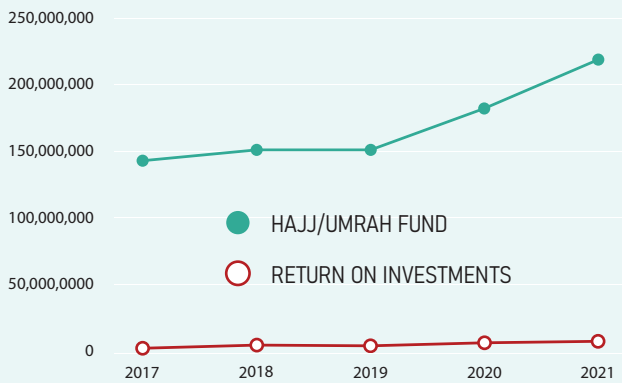
KEY HIGHLIGHTS



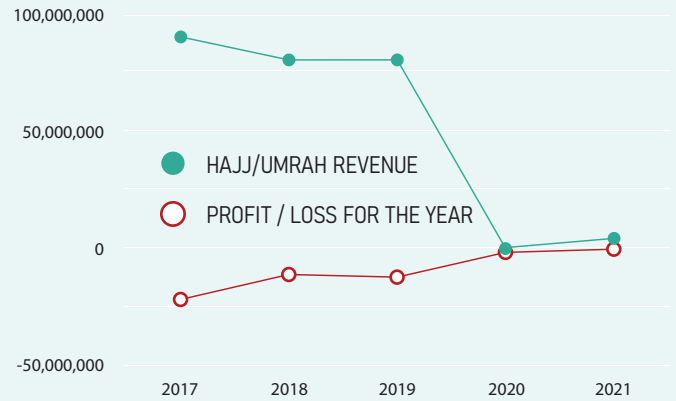
FINANCIAL HIGHLIGHTS



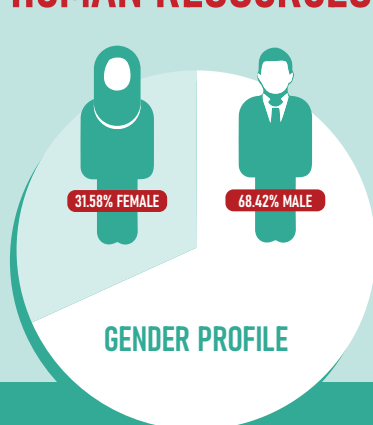
HAJJ/UMRAH FUND & RETURN ON INVESTMENTS



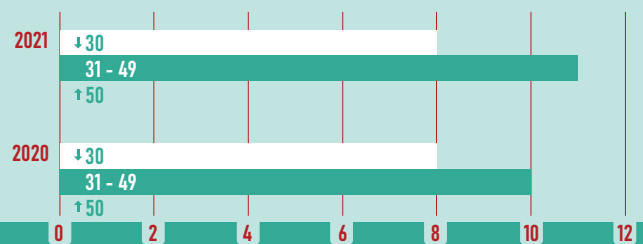
HAJJ/UMRAH REVENUE & PROFIT/LOSS FOR THE YEAR



HUMAN RESOURCES



AGE PROFILE



KEY HIGHLIGHTS



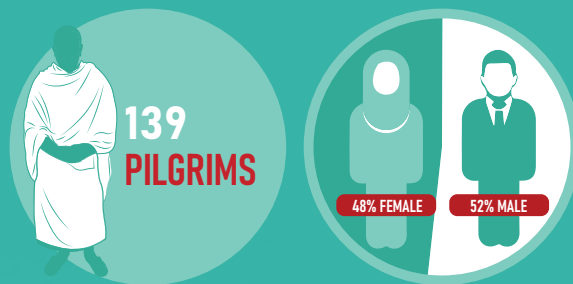
OPERATIONAL

Travel restrictions imposed due to Covid-19 pandemic resulted in cancellation of Hajj and March and Ramadan Umrah trips planned for the year.

MHCL Launched Nationwide awareness program “Fifth Pillar”.

Company conducted meetings with Umrah agents in Saudi Arabia to start the Umrah operation.

December Umrah 2021



The December umrah 2021 was performed after a two-year hiatus after the travel limitations imposed by Covid 19 were lifted. With limitations, the organization efficiently eliminated challenges and completed the trip with flying colors. Starting with PCR testing and facilitating insurance packages, various extra medical concerns were addressed in all phases owing to covid-19.

Steps implemented to ensure pilgrim safety include:

- ◆ Promote and uphold covid-19 safety measures within hotels and buses
- ◆ Raising awareness of COVID-19 precautions among pilgrims
- ◆ Arrange Isolated accommodation in double room
- ◆ Obtain vaccination certification prior traveling to Saudi Arabia
- ◆ Obtain schedule appointments to visit Raula due to COVID restrictions.



KEY HIGHLIGHTS



MHCL registered as an Umrah visa agent and commenced Umrah visa services.

MHCL obtained IATA TIDs accreditation as travel agent.

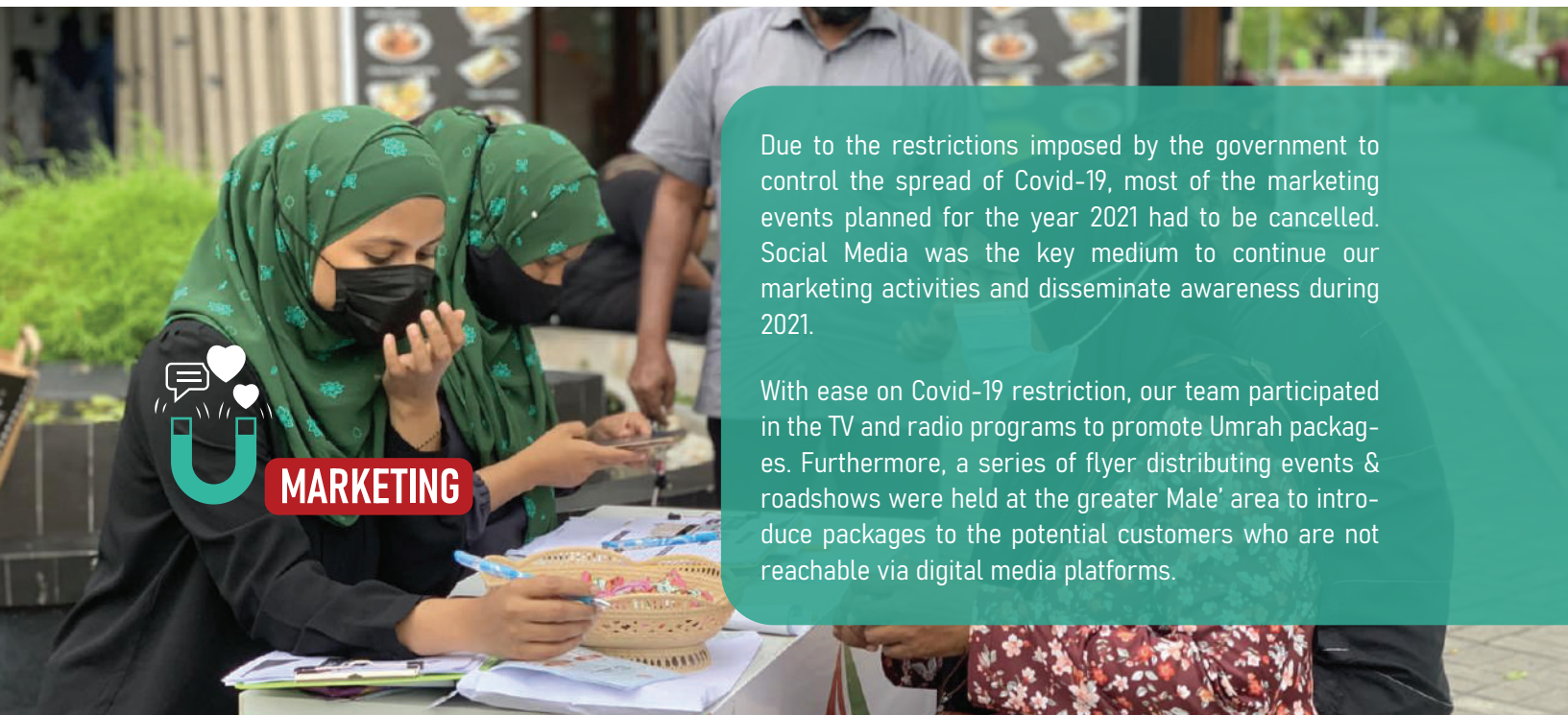
With the commencements of Umrah trips as travel restrictions to Saudi Arabia were lifted, new packages were introduced to cater to the various segments of the market.

At ease of Covid-19 restrictions, Umrah trips was resumed at December 2021.

The “MHCL Hajj Training” was officially launched in the year 2021.



BUSINESS DEVELOPMENT

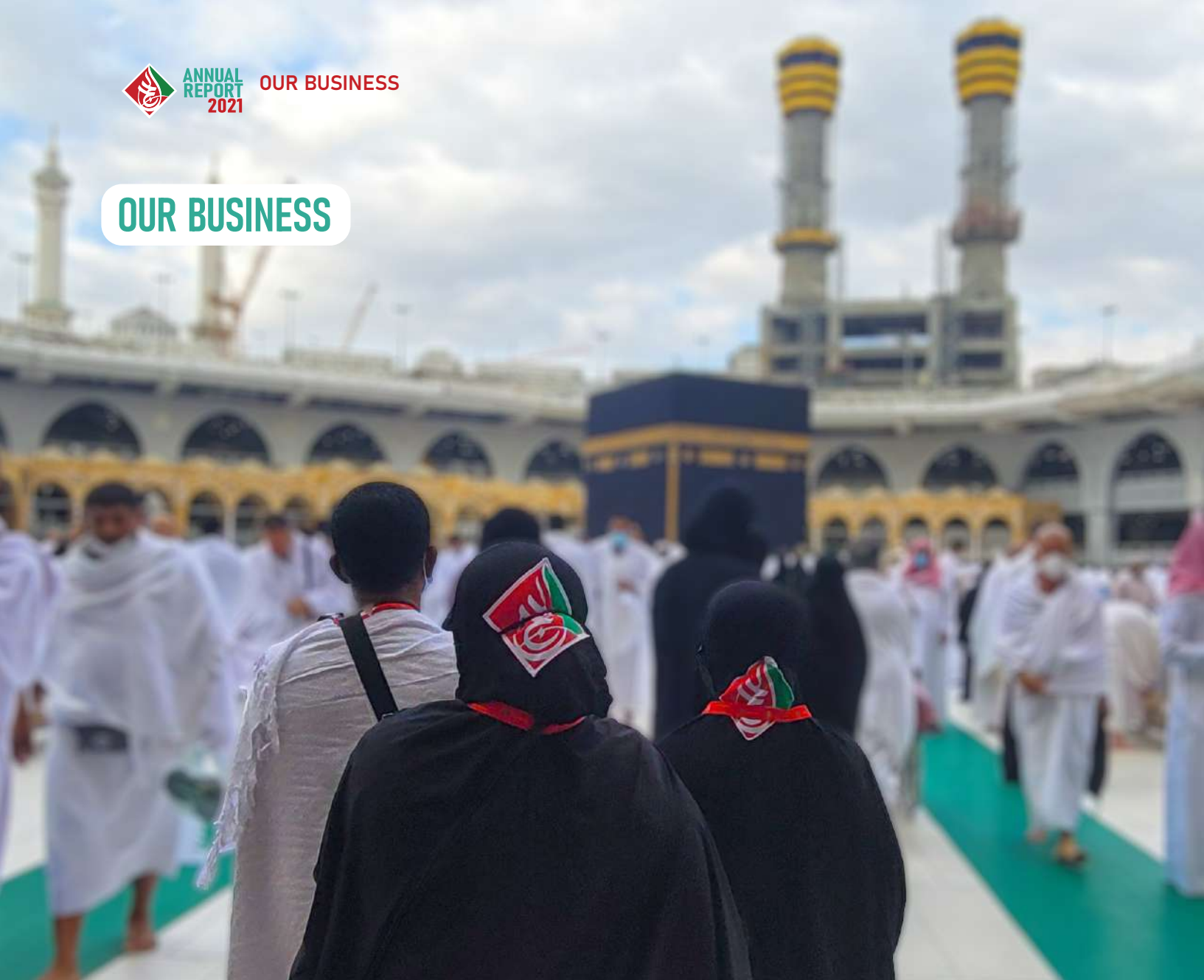


MARKETING

Due to the restrictions imposed by the government to control the spread of Covid-19, most of the marketing events planned for the year 2021 had to be cancelled. Social Media was the key medium to continue our marketing activities and disseminate awareness during 2021.

With ease on Covid-19 restriction, our team participated in the TV and radio programs to promote Umrah packages. Furthermore, a series of flyer distributing events & roadshows were held at the greater Male' area to introduce packages to the potential customers who are not reachable via digital media platforms.

OUR BUSINESS



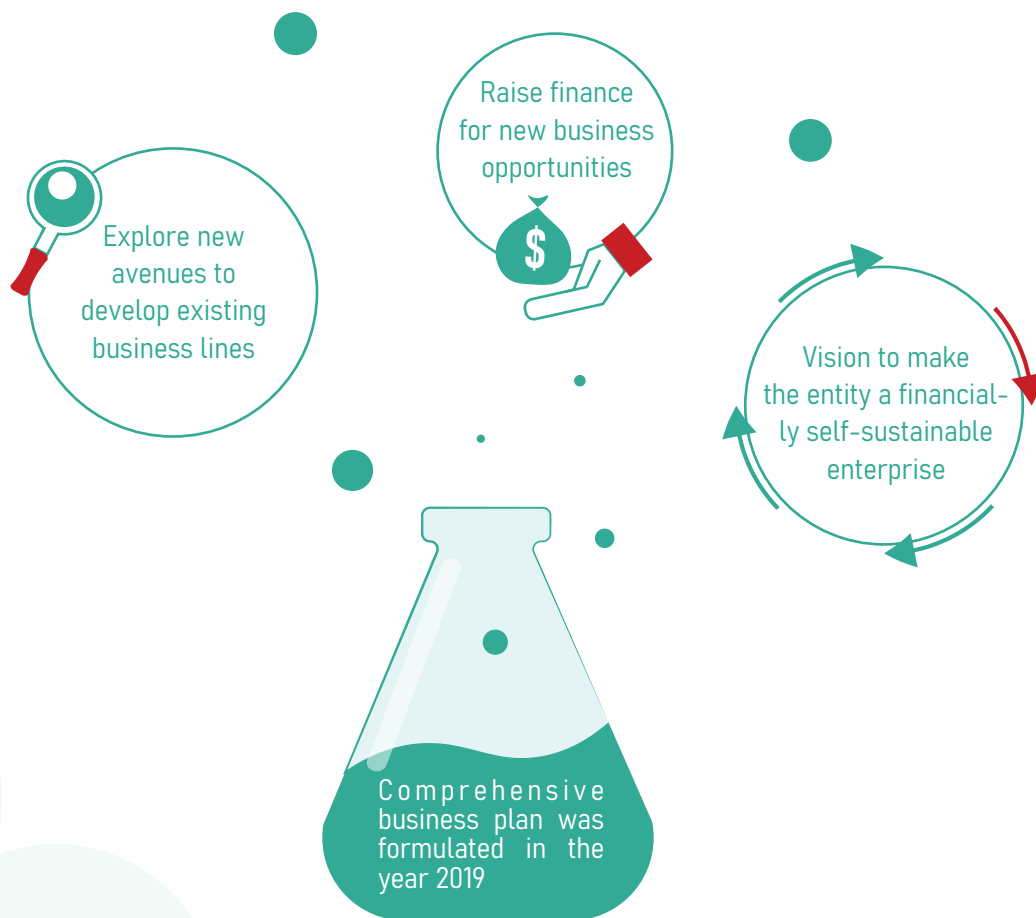
Maldives Hajj Corporation Limited (MHCL) is a State-Owned Enterprise (SOE) incorporated in 2013. The company is established to serve the citizens of Maldives in facilitating their right to perform Hajj and Umrah pilgrimage. MHCL remains the undisputed leader in the Maldives for Hajj and Umrah services in the Maldives, with the aim of offering an equal and unbiased opportunity for all citizens of the country to fulfill their obligations to perform Hajj and Umrah pilgrimages. We intend to provide Hajj and Umrah services at an affordable cost to citizens while maintaining superior service quality standards and the assurance of safeguarding the funds deposited by customers registered as members of the Company.

Driven under the strategic guidance of elected Board of directors, the objective of the Company is to make the enterprise more financially self-sustainable by exploring new avenues in developing existing business lines and undertaking financially complementing business opportunities to diversify and minimise risk.

EXECUTING OUR STRATEGIC PLAN 2019

The Company's strategic Business plan was revisited and updated to address the unforeseen impacts of the Covid-19 pandemic.

The revised operational plan was developed to achieve the objectives of the business plan and the emphasis remains on achieving self-sustainability, expanding business lines, and pursuing growth opportunities.





MISSION

To establish a convenient mechanism to provide fair and impartial opportunity to perform Hajj and to safeguard the finances of the Maldivians who are planning on performing Hajj and Umrah.



VISION

Provide affordable means of performing Hajj and Umrah to improve the quality of services offered to the Maldivian pilgrims and promote a culture amongst Maldivians to plan ahead for Hajj.

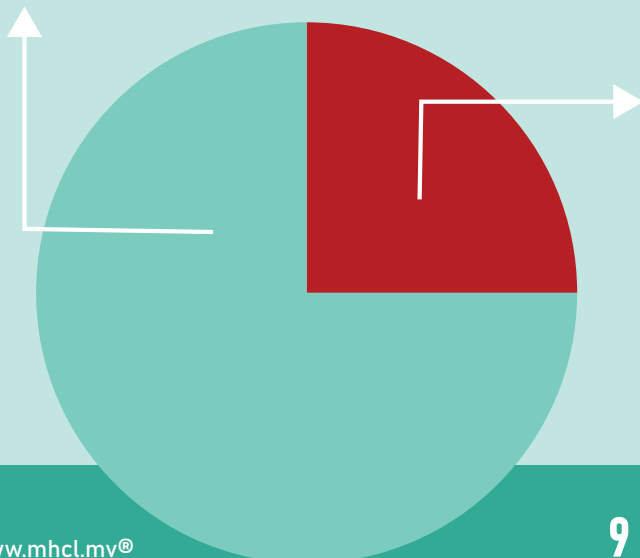


POSITIONAL STATEMENT

MHCL is currently positioned as the leading Hajj and Umrah service provider in the Maldives with guaranteed security for its depositors' fund. MHCL provides much needed quality and trustworthy services to the Maldivians to ensure the successful completion of the holy journey.

AUTHORISED CAPITAL

MHCL is authorised to issue 100,000,000 (One Hundred Million) shares of MVR 10 each amounting to MVR 1,000,000,000 (One Billion).



ISSUED SHARE CAPITAL

Issued share capital of Maldives Hajj Corporation Limited is 4,100,525 (Four Million one Hundred Thousand Five Hundred and Twenty Five) shares of MVR 10 each amounting to MVR 41,005,250 (Forty One Million Five Thousand Two Hundred & Fifty).



OUR SERVICES



HAJJ



UMRAH



SLAUGHTERING SERVICES FOR RELIGIOUS SACRIFICES



SALARY DEDUCTION SCHEME



CORPORATE MEMBERSHIP SCHEME



FAHELI PORTAL



HAJJ/UMRAH KIT



MHCL HAJJ TRAINING

Maldives Hajj Corporation Limited is committed to facilitating its members a valuable experience of performing Hajj and Umrah pilgrimages. Arranging high-standard accommodation and providing authentic Maldivian meals gives us the satisfaction of providing exceptional service throughout the trip. In promoting our business, we introduced flexible payment schemes to encourage wider participation from society by launching Hajj Savings Scheme and Umrah Savings Scheme. The Company has appointed agents across the Maldives to facilitate convenient registration services for our customers.

We have further extended our product lines to include slaughtering services for religious sacrifices such as Ageega, Udhiyah, etc. Video and photos are provided to our customers as proof of service completion.

BOARD OF DIRECTORS



Uz. ABDULLA NASEER MOHAMED

NON-EXECUTIVE DIRECTOR,
CHAIRMAN OF THE BOARD OF DIRECTORS

Uz. Abdulla Naseer Mohamed, was appointed as the Chairman of Maldives Hajj Corporation Ltd on 28th October 2021. Uz. Abdulla Naseer Mohamed holds a Master's degree In Shariah & Law and Business Administration.

Uz. Abdulla Naseer Mohamed accumulated hands-on experience in the legal industry for more than 8 years. Uz. Abdulla Naseer Mohamed served at numerous government institutes and companies in corporate governance prior to joining MHCL as chairman.

Uz. Abdulla Naseer Mohamed presently serves as Managing partner at Legal Aid LLP.

BOARD OF DIRECTORS



MR. ISMAIL HAMEED, FCCA

EXECUTIVE DIRECTOR,
MANAGING DIRECTOR

Mr. Ismail Hameed was appointed as the Managing Director of Maldives Hajj Corporation Ltd on 25th December 2018. Mr. Ismail Hameed attained his Bachelors of Science in Accounting and Finance from the University of London, UK and had further attained his ACCA Qualification issued by the Association of Chartered Certified Accounts (ACCA) of UK. He is currently a Fellow Member of the Association. He also holds the Certified Internal Auditor (CIA) certification issued by The Institute of Internal Auditors, USA. Mr. Ismail Hameed is also a registered auditor holding the Audit Practicing Certificate issued by the Auditor General's Office.

Mr. Ismail Hameed currently serves the Centurion Plc. as a Non- Executive Director and chairs the Audit Committee. He has also served at the Board of Directors of Maldives Tourism Development Corporation (MTDC) as a non-Executive Director and Chaired the Audit Committee.

In addition, Mr. Ismail Hameed has over 14 years of professional experience in various fields including accounting and finance, internal and external audit, international fund management, financial reporting and business consultancy.

BOARD OF DIRECTORS



DR. MOHAMED SHAFEEQ, DBA
NON-EXECUTIVE DIRECTOR,
CHAIRMAN OF THE AUDIT COMMITTEE

Dr. Mohamed Shafeeq was appointed as a Non-Executive Director of Maldives Hajj Corporation Ltd on the 26th of September 2019 and chairs the Audit Committee. Dr. Mohamed Shafeeq holds a Doctorate of Business Administration from IIC University of Technology. Furthermore, Dr. Mohamed Shafeeq is a qualified member of the Association of Chartered Certified Accountants (ACCA) and is a registered auditor holding the Audit Practicing Certificate issued by the Auditor General's Office.

Dr. Mohamed Shafeeq is currently serving as the Chief Financial Officer of Housing Development Finance Corporation Plc (HDFC) and is a financial industry expert, counting over 20 years of experience composed of ongoing services in the housing finance segment while simultaneously training people in the finance sector. Additionally, Dr. Mohamed Shafeeq is an OBU certified mentor and a professional trainer.

BOARD OF DIRECTORS



MS. FATHIMATH LEENA, ACCA

NON-EXECUTIVE DIRECTOR,
MEMBER OF THE AUDIT COMMITTEE

Ms. Fathimath Leena was appointed as a Non-Executive Director of Maldives Hajj Corporation Ltd on the 26th of September 2019 and serves as a member of the Audit Committee. Ms. Fathimath Leena holds a Master's degree in Accounting and Finance. Moreover, Ms. Fathimath Leena is a qualified member of the Association of Chartered Certified Accountants (ACCA) and is a registered auditor holding the Audit Practicing Certificate issued by the Auditor General's Office.

Ms. Fathimath Leena currently serves as a Manager, Financial consultant at Crowe Maldives Advisory Pvt Ltd. Ms. Fathimath Leena has over 15 years of experience in the field of accounting and finance. She also engages in teaching in the various educational institutes.

BOARD OF DIRECTORS



MR. AHMED ASIF
NON-EXECUTIVE DIRECTOR,
MEMBER OF THE AUDIT COMMITTEE

Mr. Ahmed Asif was appointed as a Non-Executive Director of Maldives Hajj Corporation Ltd on the 17th of February 2021 and serves as a member of the Audit Committee. Mr. Ahmed Asif holds a Master's degree in Business Administration (MBA) from open university Malaysia.

Mr. Ahmed Asif presently serves as Senior Human Resources Manager at Road Development Corporation. Mr. Ahmed Asif has over seven years of experience in the corporate sector. His experience includes service with MTCC, Maldives Gas, Waste Management Corporation Ltd. Mr. Ahmed Asif has also served in the Education Sector.

CORPORATE GOVERNANCE

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

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

:

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

- ◆ Audited financial statements were prepared in accordance with International Accounting Standards and were made available to shareholders and relevant stakeholders.
- ◆ Corporate Governance Code for State Owned Enterprises were adopted across corporate practices, to achieve adherence to outlined governance standards.
- ◆ Addressing room for conflicts of interest and where such instances occurred, all relevant board members recused themselves from the meeting discussion and related decisions of such issues at Board and subcommittee meetings.

BOARD CHARTER

The Company's Board Charter was approved and adopted by the Board of Directors in 2020. The Charter specifies the Board's authorities, the Board's general roles and responsibilities.

CHAIRMAN

The Chairman of MHCL is a Non-executive and an independent director to ensure accountability and appropriate balance of power. There are no business or family relations between the chairman and the Company. As the leader of the board, the Chairman:

- ◆ Ensures effectiveness of the Board, Board Committees and individual Directors.
- ◆ Leads the Board to ensure efficiency in all its aspects, to achieve and maintain a high standard of Corporate Governance.
- ◆ Approves the agenda for the Board meetings and ensures sufficient allocation of time and information for deliberations.
- ◆ Promotes an open environment for debates and ensures that the Non-Executive Directors can speak freely and contribute effectively.
- ◆ Provides oversight, guidance, advice and leadership to the Managing Director.
- ◆ Ensures constructive dialogue between shareholders, the Board and management.

MANAGING DIRECTOR

The Managing Director holds the highest level of Executive position within the organizational structure. The primary responsibility of leading the top management and employees in operating the business and achieving the annual business targets of the Company rests with the Managing Director. The Managing Director implements the strategies and policies of the business, while providing leadership and vision to achieve the financial goals and objectives to deliver shareholder value and growth for the Company.

The Managing Director is the highest-ranking executive officer of the Company. His responsibilities include;

- ◆ Develop and recommend to the board a long-term Vision and Strategy for the Company to achieve shareholder and stakeholder value.
- ◆ Develop and implement annual business plans and budgets that support the Company's long-term strategy while ensuring proper assessment of the risks and present to the board.
- ◆ Implementation of policies and strategies as approved by the Board.
- ◆ Ensures that day to day business affairs of the company are appropriately managed and monitored. Provide advice, guidance, oversight and leadership to Executive and Senior Management teams to achieve business goals.
- ◆ Lead in proposing developments to the business strategy, including identifying opportunities for the growth and associated risks.
- ◆ Engage in regularly reviewing the performance of existing business and promoting the achievement of business benchmarks.
- ◆ Serves as the chief spokesperson for the company on all operational and day to day activities.

CHAIRMAN & MANAGING DIRECTOR

Uz. Abdulla Naseer Mohamed, was appointed to the Board as the Chairman on 28th October 2021. The Managing Director Mr. Ismail Hameed was appointed on 25th December 2018. To ensure the balance of power and authority at the top management of the Company, a clear division of responsibilities is set between the role of the Chairman and the Managing Director.

TRAINING & DEVELOPMENT OF DIRECTORS

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

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

ROLE OF THE INDEPENDENT & NON-EXECUTIVE DIRECTORS

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

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

BOARD OF DIRECTORS

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

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

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

BOARD COMPOSITION

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

The Articles of Association of Maldives Hajj Corporation Limited stipulates that the board should comprise of five directors. The below table shows the name, designation, date of appointment and date of resignation/removal of MHCL board of directors for the year 2021.

NAME	DESIGNATION	APPOINTED	RESIGNED/REMOVED
1. Dr. Mohamed Kinaanath	Former Chairman	6/03/2019	28/10/2021
2. Uz.Abdulla Naseer Mohamed	Chairman	28/10/2021	-
3. Mr. Ismail Hameed	Managing Director	25/12/2018	-
4. Dr. Mohamed Shafeeq	Director	26/09/2019	-
5. Ms. Fathimath Leena	Director	26/09/2019	-
6. Mr. Ahmed Asif	Director	17/02/2021	-

BOARD MEETINGS

Procedures outlined in the Article of Association regarding board meetings are adopted, where Board of Directors are given due notice to include any agenda items to the meetings as required. The Chairman of the Board coordinates with the Company Secretary and finalises the agenda for Board meetings. Once finalise, the subsequent notice together with supplementary documents in advance of respective meetings are shared among the Directors. In scheduling Board or Committee meetings, Senior Management is notified. Scheduled meetings are undertaken routinely and reports on business activities such as project status, work progress, budgets and financial statements are duly provided in such meetings.

BOARD ATTENDANCE

NAME	DESIGNATION	ATTENDANCE
1. Dr. Mohamed Kinaanath	Former Chairman	14/14
2. Uz.Abdulla Naseer Mohamed	Chairman	3/3
3. Mr. Ismail Hameed	Managing Director	17/17
4. Dr. Mohamed Shafeeq	Director	17/17
5. Ms. Fathimath Leena	Director	17/17
6. Mr. Ahmed Asif	Director	14/15

CODE OF CONDUCT

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

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

CONFLICT OF INTEREST

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

DECLARATION OF THE BOARD OF DIRECTORS

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

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

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

On behalf of the Board of Directors:



MANAGING DIRECTOR



CHAIRMAN

COMPANY SECRETARY



Uz. ABDULLA NAHIDH
COMPANY SECRETARY

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

Uz. Abdulla Nahidh was appointed as the Company Secretary on 10th August 2020.

COMMITTEES

The Below table shows the members of the Audit Committee & Sharia Advisory Committee as of the end of the year 2020.

AUDIT COMMITTEE

1. Dr. Mohamed Shafeeq
2. Ms. Fathimath Leena
3. Mr. Ahmed Asif

SHARIA ADVISORY COMMITTEE

1. Sheikh Ali Zahir
2. Uz. Azmeen Rasheed
3. Sheikh Mohamed Shifan

AUDIT COMMITTEE REPORT

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

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

NAME	DESIGNATION	ATTENDANCE
1. Dr. Mohamed Shafeeq	Chairman	5/5
2. Ms. Fathimath Leena	Member	5/5
3. Mr. Ahmed Asif	Member	4/4

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

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

COMMITTEE ACTIVITIES

- ◆ Approved the Annual Internal Audit Plan for the year 2022
- ◆ Approved risk management procedure
- ◆ Monitored internal audit works
- ◆ Monitored and advice on company's internal controls

EXTERNAL AUDIT

The External Audit of the Company for the year was conducted by Ernst & Young Maldives.

CONCLUSION

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

On behalf of the Audit Committee



Dr. Mohamed Shafeeq
Chairperson
Audit Committee

INTERNAL AUDIT

- ◆ Implemented the internal audit plan for the year 2021.
- ◆ Implemented the Risk Management Procedure.
- ◆ Reviewed company's internal controls and reported to the Audit Committee.

SUSTAINABILITY REPORT

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

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

ETHICS

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

SOCIAL ISSUES

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

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

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

HEALTH AND SAFETY

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

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

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

MHCL Medical Service:

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

ENVIRONMENT

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

MANAGEMENT TEAM



MR. ISMAIL HAMEED, FCCA
MANAGING DIRECTOR



MR. NAJEEL AHMED
CHIEF OPERATING OFFICER



UZ. ABDULLA NAHID
COMPANY SECRETARY



MR. IBRAHIM SHAMEEM
FINANCIAL CONTROLLER,
FINANCE



MS. AISHATH GAHIR
MANAGER,
CORPORATE AFFAIRS



ABDULLA HUSSAIN
INFORMATION ENGINEER,
ICT



SHEIKH HUSSAIN ANSAAR
MANAGER,
HAJJ OPERATION



MS. AMINATH SANA
MANAGER,
FINANCE



MR. MOHAMED SAAIDH
MANAGER,
MARKETING & BUSINESS DEVELOPMENT

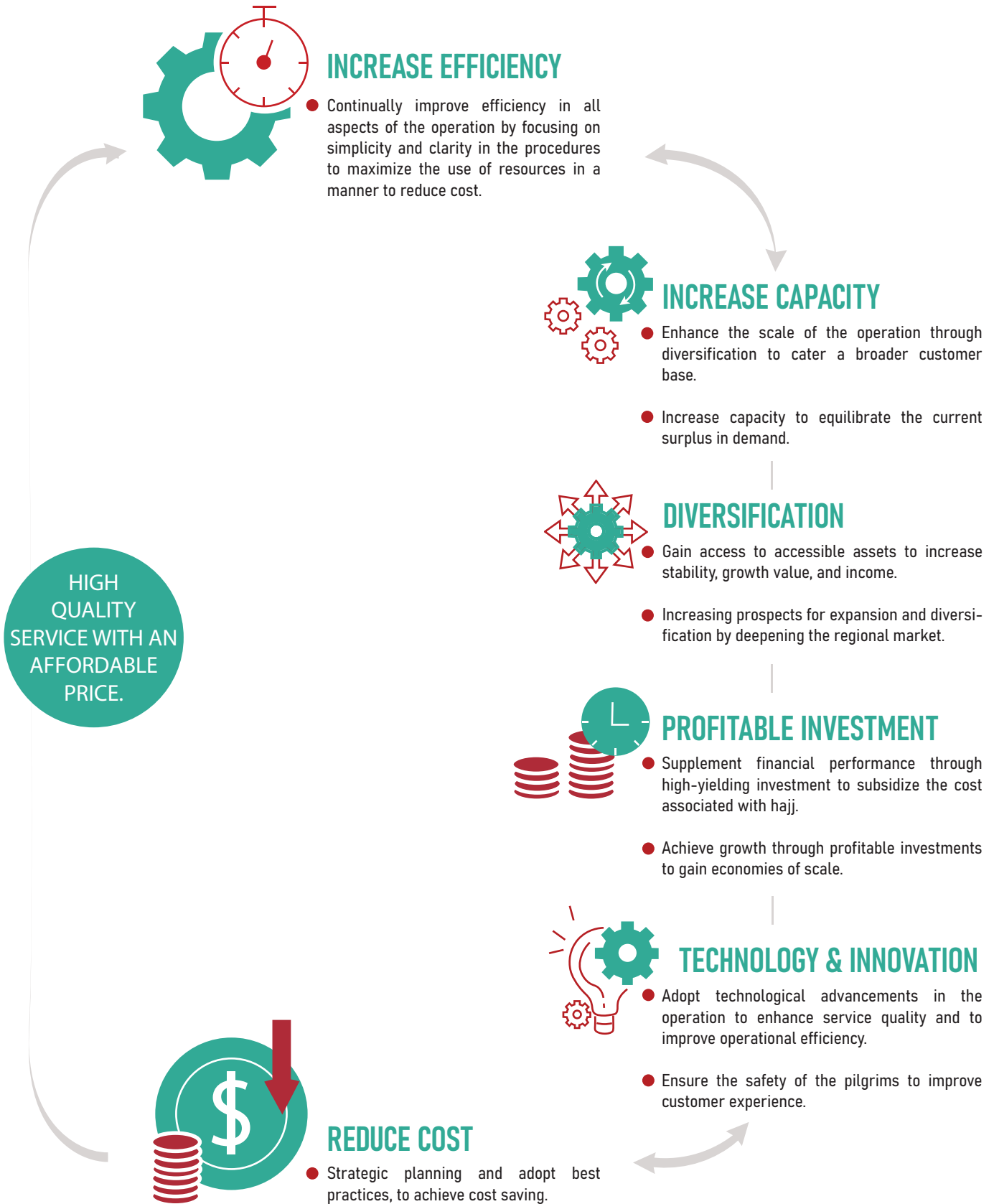


MR. MOHAMED HALEEM
INTERNAL AUDITOR



MR. AHMED HANEEF
ASSISTANT MANAGER,
INFORMATION TECHNOLOGY

FUTURE OUTLOOK



AUDIT REPORT & FINANCIAL STATEMENTS

MALDIVES HAJJ CORPORATION LIMITED
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2021

TDH/HUA

Independent auditor's report to the shareholders of Maldives Hajj Corporation Limited

Report on the audit of the financial statements

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

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Audit matters	How our audit addressed the key audit matter
<p>Contract Liabilities</p> <p>As at 31 December 2021 the Company's advances received from customers, as disclosed in note 17 to these financial statements, amount to MVR 219,785,900/-</p>	<p>Audit procedures included the following:</p> <p>evaluated the design, implementation and operating effectiveness of relevant key controls over recording of advances received from customers.</p>

Key audit matters (Continued)

<p>Contract liabilities were a key audit matter due to:</p> <p>significance of amounts reported. Advances received from customers represent 95% of the Company's total liabilities.</p> <p>use of judgement by management on Company's ability to satisfy its performance obligation to customers from whom advances have been received.</p> <p>appropriateness of disclosures, including current and non-current classification of such advances in the financial statements.</p>	<p>checked recorded amounts to bank statements. Our testing also included checking journal entries posted during the year.</p> <p>assessed reasonableness of Management's judgement on Company's ability to satisfy its performance obligation to customers from whom advances have been received.</p> <p>assessed the appropriateness of current vs non-current classification by reference to the actual number of pilgrims in subsequent year</p> <p>We also assessed the adequacy of the disclosures in note 5 and 17 to the financial statements.</p>
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Other Matter

The financial statements of Maldives Hajj Corporation Limited for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 21 September 2021.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on these financial statements.



Auditor's responsibilities for the audit of the financial statements (Continues)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We are 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.



For and on behalf of Ernst & Young
Partner: Krishna Rengaraj
Licensed Auditor: ICAM-IL-PKC

24 December 2023
Male'



Maldives Hajj Corporation Limited
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2021

	Notes	2021 MVR	2020 MVR
Revenue	5	4,262,927	4,125
Operating costs		(3,731,041)	(125,409)
Gross profit/(loss)		531,885	(121,284)
Other Income	6	134,318	1,225
Administrative expenses		(7,478,585)	(6,646,376)
Selling and marketing costs		(116,420)	(95,426)
Operating loss		(6,928,801)	(6,861,861)
Finance income	7	7,288,454	6,068,451
Finance expense		(792,278)	(858,035)
Profit before tax		(432,626)	(1,651,445)
Income tax expense	9	-	-
Profit after tax		(432,626)	(1,651,445)

The accounting policies and notes form an integral part of the financial statements.



Maldives Hajj Corporation Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021 MVR	2020 MVR
Assets			
Non-current assets			
Property, plant and equipment	10	1,190,899	1,057,441
Right-of-use asset	19.1	9,110,661	10,286,228
Intangible assets	11	215,652	-
Financial assets at amortised cost	12	62,260,919	62,245,761
		<u>72,778,130</u>	<u>73,589,430</u>
Current assets			
Inventories	13	3,492,606	660,776
Trade and other receivables	14	21,520,530	57,613,824
Financial assets at amortised cost	12	95,226,367	20,000,000
Cash and cash equivalents	15	16,505,595	18,714,999
		<u>136,745,098</u>	<u>96,989,599</u>
Total assets		<u><u>209,523,228</u></u>	<u><u>170,579,029</u></u>
Equity and liabilities			
Capital and reserves			
Share capital	16	41,005,250	38,005,250
Accumulated losses		(61,674,421)	(61,241,795)
		<u>(20,669,171)</u>	<u>(23,236,545)</u>
Non-current liabilities			
Lease liabilities	19.2	8,816,312	9,775,052
Contract liabilities	17	191,799,900	154,508,655
		<u>200,616,212</u>	<u>164,283,707</u>
Current liabilities			
Lease liabilities	19.2	958,740	887,722
Contract liabilities	17	27,986,000	27,986,000
Other payables	18	631,446	658,145
		<u>29,576,186</u>	<u>29,531,867</u>
Total equity and liabilities		<u><u>209,523,228</u></u>	<u><u>170,579,029</u></u>

The Board of Directors is responsible for these financial statements signed for and on behalf of the Board by:

Name of the Director

Ismail Hameed

Abdulla Naseer Mohamed

Signature

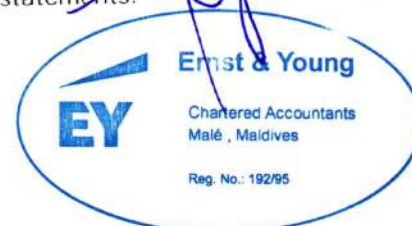


(Handwritten signatures of Ismail Hameed and Abdulla Naseer Mohamed)

The accounting policies and notes form an integral part of the financial statements.

24 January 2023

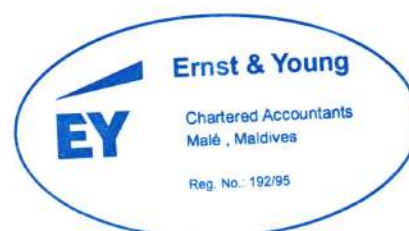
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Maldives Hajj Corporation Limited
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

	Share Capital	Accumulated Losses	Total
	MVR	MVR	MVR
Balance as at 01 January 2020	35,500,000	(59,590,350)	(24,090,350)
Issued and paid up capital	2,505,250	-	2,505,250
Loss for the year	-	(1,651,445)	(1,651,445)
Balance as at 31 December 2020	38,005,250	(61,241,795)	(23,236,545)
Issued and paid up capital	3,000,000	-	3,000,000
Loss for the year	-	(432,626)	(432,626)
Balance as at 31 December 2021	41,005,250	(61,674,421)	(20,669,171)

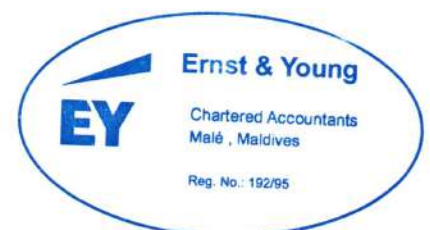
The accounting policies and notes form an integral part of the financial statements.



Maldives Hajj Corporation Limited
STATEMENT OF CASH FLOWS
Year ended 31 December 2021

	Notes	2021 MVR	2020 MVR
Cash flows from operating activities			
Operating loss		(432,626)	(1,651,445)
Non-cash adjustment			
Depreciation		273,730	354,764
Depreciation of right of use asset		1,175,567	1,175,568
Finance income	7	(7,288,454)	(6,068,451)
Finance cost	19.2	792,278	858,035
		(5,479,504)	(5,331,529)
Working capital adjustment			
Change in trade and other receivables		1,093,295	(18,967,770)
Change in inventory		(2,831,830)	75,008
Change in advance received from customers		37,291,245	31,144,112
Change in other payables		(26,699)	(384,778)
		30,046,507	6,535,043
Finance income	7	7,288,454	6,068,451
Cash flows from/(used in) operating activities		37,334,960	12,603,494
Investing activities			
Loan received/ (granted)		35,000,000	(35,000,000)
Purchase of financial instruments		(75,241,525)	-
Proceeds from sale of financial instruments		-	15,254,194
Acquisition of property, plant and equipment	10	(622,838)	(99,585)
Net cash flows (used in)/from investing activities		(40,864,363)	(19,845,391)
Financing activities			
Proceeds from issue of ordinary shares	16	3,000,000	2,505,250
Payment of lease liabilities	19.2	(1,680,000)	(1,680,000)
Net cash flows from financing activities		1,320,000	825,250
Net decrease in cash and cash equivalents		(2,209,403)	(6,416,647)
Cash and cash equivalents as at 1 January	15	18,714,998	25,131,645
Cash and cash equivalents as at 31 December		16,505,595	18,714,998

The accounting policies and notes form an integral part of the financial statements.



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

1. Corporate information

Maldives Hajj Corporation Limited ("the Corporation") is established under the Presidential Decree No:05/2013 on 07 November 2013. The registered office of the Corporation is situated at Ma. Ministry of Finance and Treasury, Ameenee Magu, K. Male', 20379, Maldives.

Principal activities and nature of operations

The principle activities of the Corporation involve facilitating travel to Saudi Arabia for pilgrims to perform Hajj and Umrah services.

2. Basis of preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements are prepared on a historical cost basis. No adjustment is made for inflationary factors affecting these financial statements. The financial statements are presented in Maldivian Rufiyaa and all the values are rounded to nearest integral, except when otherwise indicated.

2.1 Date of authorization of issue

The financial statements of Maldives Hajj Corporation Limited for the year ended 31 December 2021 were authorized for issue dated 24th January 2023 in accordance with a resolution of the Board of Directors.

2.2 Comparative information

The accounting policies have been consistently applied by the Corporation and are consistent with those used in the previous year.

2.3 Statement of compliance

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

3. Summary of significant accounting policies

a. Conversion of foreign currencies

The Corporation's financial statements are presented in Maldivian Rufiyaa, which is the Corporation's functional and presentation currency.

The decision has been taken by management of the Corporation to maintain the reporting currency as Maldivian Rufiyaa in the financial statements since most of the business transactions are dealt in Maldivian Rufiyaa.

Transactions in currencies other than Maldivian Rufiyaa are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in currencies other than Maldivian Rufiyaa are translated to Maldivian Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in the income statement.

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

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

3. Summary of significant accounting policies (continued)

b. Current versus non-current classification

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

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

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

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

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

c. Revenue recognition

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

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

Rendering of services

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

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

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

Other income

Other income is recognised on an accrual basis.

Contract balances

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

Trade receivables

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

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

3. Summary of significant accounting policies (continued)

Contract liabilities

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

d. Expenditure recognition

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

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

e. Property, plant and equipment

Recognition and measurement

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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



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

3. Summary of significant accounting policies (continued)

e. Property, plant and equipment (Continued)

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

f. Intangible assets

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

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

g. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash in hand and balance with banks.

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

h. Inventories

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

i. Financial instruments - initial recognition and subsequent measurement

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

1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

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

3. Summary of significant accounting policies (continued)

i. Financial instruments - initial recognition and subsequent measurement (continued)

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

Financial assets at fair value through OCI (debt instruments)

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

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

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

3. Summary of significant accounting policies (continued)

i. Financial instruments - initial recognition and subsequent measurement (continued)

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

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

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

Financial assets at fair value through profit or loss

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

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired

Or

- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset



Ernst & Young

Chartered Accountants
Malé, Maldives

Reg. No.: 192/95

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

3. Summary of significant accounting policies (continued)

i. Financial instruments - initial recognition and subsequent measurement (continued)

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Corporation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

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

Impairment of financial assets

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

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

II) Financial liabilities

a) Initial recognition and measurement

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

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

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

b) De-recognition

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

j. Provisions

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

When the Corporation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

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

3. Summary of significant accounting policies (continued)

k. IFRS 16 Leases

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

The Corporation reassess whether a contract is or contains a lease only if the terms of the terms and conditions of the contract changes.

a) Corporation as a lessee

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

b) Right-of-use assets

The Corporation recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	10 years
-----------	----------

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

l. Employee benefits

(i) Defined contribution plans - Maldives Retirement Pension Scheme

Employees are eligible for Maldives Retirement Pension Scheme in line with the respective statutes and regulations. The Company contributes 7% of basic salary of Maldivian employees to Maldives Retirement Pension Scheme

m. New and Amended Standards and Interpretations

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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

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

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

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

m. New and Amended Standards and Interpretations (Continued)

i) Amendments to IAS 1: Classification of Liabilities as Current or Non-current (Continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

ii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

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

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

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related

to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

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

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

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

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

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

v) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes

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

3.1 New and Amended Standards and Interpretations (continued)

v) Definition of Accounting Estimates - Amendments to IAS 8 (Continued)

in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

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

vi) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

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

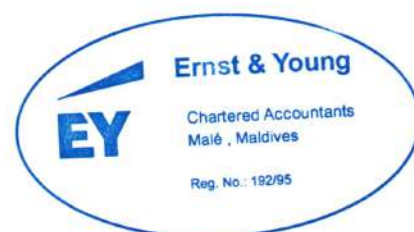
4. Summary of significant accounting judgments, estimates and assumptions

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

Going concern

The Company has suffered a loss of MVR 432,626/- (2020: MVR 1,651,445/-) for the year ended 31 December 2021 and recorded an accumulated loss of MVR 61,674,421 (2020: MVR 61,241,795/-) as at 31 December 2021.

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



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

	2021 MVR	2020 MVR
5 Revenue		
Umra revenue	4,168,485	-
Ageega sales	90,042	-
Ihram sales	4,400	4,125
	4,262,927	4,125
6 Other Income		
Miscellaneous income	134,318	1,225
	134,318	1,225
7 Finance income		
HDFC Wakala investment income	4,479,164	4,481,836
HDFC Mudaraba Sukuk	1,733,880	1,383,967
Return from GIA	1,075,410	202,648
	7,288,454	6,068,451
8 Loss from operating activities stated after charging,		
Salaries and allowances	4,171,206	3,798,967
Pension expenses	147,691	134,710
Directors remuneration	511,650	491,620
Advertising and promotion	116,420	95,426
Depreciation	1,449,297	1,530,334
9 Income tax expense		
Tax on income (Note 9.1)	-	-
Deferred tax (Note 9.2)	-	-
Tax expense reported in the income statement	-	-

9.1 Income tax

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

	2021 MVR	2020 MVR
Loss before taxation	(6,928,801)	(6,861,861)
Add: Depreciation and amortisation charge for the year	1,449,297	1,530,334
Other disallowable expenses	792,278	858,035
Less: Capital allowances	(366,051)	(354,767)
Less: Other	(1,680,000)	(1,680,000)
Specified loss	(6,733,277)	(6,508,259)
Tax free allowances	(500,000)	(500,000)
Taxable loss before adjustments	(6,733,277)	(6,508,259)
Income tax on taxable profit at 15%	-	-



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

	2021 MVR	2020 MVR
9 Income tax expense (Continued)		
9.1 Tax losses		
Balance as at 01 January	58,780,418	52,272,159
Loss for the year	6,733,277	6,508,259
Loss expired during the year	-	-
Balance as at 31 December	65,513,695	58,780,418

The tax losses are expired after 5 years from the year it generates.

9.2 Deferred Tax		
Temporary difference on property, plant and equipment	(1,190,898)	(836,131)
Accumulated tax losses	65,513,695	58,780,418
Tax rate	15%	15%
Deferred tax asset as at 31 December	9,648,420	8,691,643

Deferred tax asset on the above has not been recognised as it is not probable that future taxable profit will be available against for which the Company can set-off the deferred tax assets.

10 Property, plant and equipment

	Balance as at 01.01.2021 MVR	Additions MVR	Balance as at 31.12.2021 MVR
Gross carrying amount			
Computers & peripherals	819,295	270,385	1,089,680
Furniture and fixtures	1,270,996	119,274	1,390,270
Office equipment	728,137	10,917	739,055
Kitchen equipments and items	216,736	6,610	223,346
	3,035,165	407,187	3,442,351
Depreciation			
	Balance as at 01.01.2021 MVR	Charge for the year MVR	Balance as at 31.12.2021 MVR
Computers & peripherals	630,038	80,408	710,446
Furniture and fixtures	542,799	137,006	679,805
Office equipment	614,552	33,930	648,482
Kitchen equipment and items	190,334	22,386	212,720
	1,977,724	273,730	2,251,453
Net book Value	1,057,441		1,190,898

During the year, the company acquired property, plant and equipment to the aggregate value of MVR 407,187/- (2020: MVR 99,585/-) .



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

11 Intangible assets	Softwares	Work in progress	Total
At cost			
For the year ended 31 December 2022	MVR	MVR	MVR
Balance 1 January	220,718	-	220,718
Incurred cost/Capital advance	-	215,652	215,652
Balance as at 31 December	220,718	215,652	436,370
Amortisation			
Balance 1 January	220,718	-	220,718
Amortisation for the period	-	-	-
Balance as at 31 December	220,718	-	220,718
Net book value	-	215,652	215,652
For the year ended 31 December 2021			
Balance 1 January	220,718	-	220,718
Incurred cost/Capital advance	-	-	-
Balance as at 31 December	220,718	-	220,718
Amortisation			
Balance 1 January	220,718	-	220,718
Amortisation for the period	-	-	-
Balance as at 31 December	220,718	-	220,718
Net book value	-	-	-

11.1 Company incurred MVR 215,652 on capital advance for new accounting software.

12 Financial assets at amortised cost

Non-current assets

HDFC Wakalah (Note 12.1)	40,000,000	40,000,000
HDFC Mudaraba Sukuk (Note 12.2)	21,000,000	21,000,000
Profit receivable from investment	1,260,919	1,245,761
	62,260,919	62,245,761

Current assets

HDFC Wakalah (Note 12.1)	20,000,000	20,000,000
MIB General Investment (Note 12.3)	75,226,367	-
	95,226,367	20,000,000

12.1 The Corporation invested MVR 60,000,000 in HDFC 's Wakalah, a Shari'ah compliant investment avenue where the fund is lent to customers at the rate of 12% per annum. The investment has a profit sharing ratio of 65:35 (65% of the Corporation and 35% for HDFC) that may yield an expected profit of 6.5% or 8% per annum.

12.2 The HDFC Mudharabah Sukuk represents 2,000 Sukuk bought at MVR 500 each and 20,000 Sukuk bought at MVR 1,000 each. The company receives 65% of the gross profit of the project of HDFC. Distribution of the profit commence every six months after the date of allotment until maturity. Investment will mature in ten years from the date of allotment.

12.3 The Corporation invested MVR 75,000,000 in MIB 's General Investment Accounts (GIA) based on the Islamic investment concept of Mudharaba,(surplus sharing) where the fund is lent to the Bank at expected profit rate of depending on the maturity. The investment is for a period of 1 year with auto renewal upon maturity.



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

	2021 MVR	2020 MVR
13 Inventory		
Books and other related documents	94,656	115,805
Ihuram and other clothes	1,290,624	51,854
Luggage and other bags	2,107,326	493,117
	3,492,606	660,776
14 Trade and other receivables		
	2021 MVR	2020 MVR
Trade receivables	76,133	216,063
Other receivables	378,708	400,566
Deposits and prepayments	21,065,689	21,997,195
Amounts due from related party (Note 14.1)	-	35,000,000
	21,520,530	57,613,824
14.1 Amounts due from related party		
Ministry of Finance	-	35,000,000
	-	35,000,000
15 Cash and cash equivalents		
	2021 MVR	2020 MVR
Balances with banks	16,091,040	18,317,268
Cash in hand	414,555	397,731
	16,505,595	18,714,999
16 Share capital		
Authorised share capital		
100,000,000 Ordinary shares of MVR 10 each	1,000,000,000	1,000,000,000
Issued and fully paid		
4,100,525 (2020:) Ordinary shares of MVR 10 each	41,005,250	38,005,250
17 Contract liabilities		
Opening balance	182,494,655	151,350,543
Advance received	43,891,042	33,978,170
	226,385,697	185,328,713
Amount recognised as revenue	(4,168,485)	-
Amount refunded to customers	(2,431,312)	(2,834,058)
	219,785,900	182,494,655
Non current	191,799,900	154,508,655
Current	27,986,000	27,986,000
	219,785,900	182,494,655

Above balance represents advance payments made by members and lump sum customers for Hajj and Umrah. Once customer advance balance reaches 75% of the total Hajj fee, then the customer is eligible for upcoming Hajj visit subject to timely settlement of final payment.



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

18 Other payables	2021	2020
	MVR	MVR
Other payables	631,447	658,145
	631,446	658,145

19 Lease

The Company has a contract for the use of building in its operations. The Company's obligations under its leases are secured by the lessors' title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

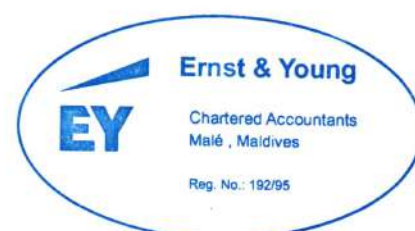
19.1 Right-of-use assets	2021	2020
	MVR	MVR
Cost		
As at 1 January	11,755,688	11,755,688
Additions	-	-
As at 31 December	11,755,688	11,755,688
Depreciation		
As at 1 January	1,469,460	293,892
Charge for the year	1,175,567	1,175,568
As at 31 December	2,645,027	1,469,460
Carrying amount as at 31 December	9,110,661	10,286,228

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

19.2 Lease liabilities	2021	2020
	MVR	MVR
As at 1 January	10,662,774	11,484,739
Accretion of interest	792,278	858,035
Payments	(1,680,000)	(1,680,000)
As at 31 December	9,775,052	10,662,774

The following are the amounts recognised in profit or loss:

Depreciations expense of Right-of-use assets	1,175,567	1,175,568
Interest expense on lease liabilities	792,278	858,035
Total amount recognised in profit or loss	1,967,845	2,033,603



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

19.3 Lease liabilities classification

	Current MVR	Non - current MVR	Total MVR
Lease right - Building	958,740	8,816,312	9,775,052

19.4 Maturity analysis of the lease liabilities

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

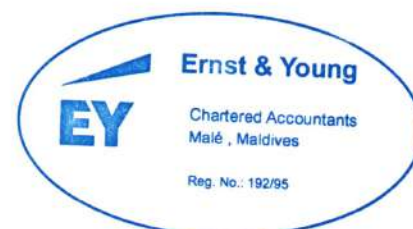
	2021 MVR	2020 MVR
Within 1 year	1,680,000	1,680,000
1 to 5 years	6,720,000	6,720,000
More than 5 years	4,620,000	6,300,000
Total	13,020,000	14,700,000

20 Financial assets and financial liabilities

Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

As at 31 December 2021	2021		2020	
	Carrying amounts MVR	Fair values MVR	Carrying amounts MVR	Fair values MVR
Financial assets				
cost	157,487,286	157,487,286	82,245,761	82,245,761
Trade and other receivables	21,520,530	21,520,530	57,613,824	57,613,824
Total	179,007,816	179,007,816	139,859,585	139,859,585
Financial liabilities				
Financial liabilities not measured at fair value				
Other payables	631,446	631,446	658,145	658,145
Total	631,446	631,446	658,145	658,145



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

20 Financial assets and financial liabilities

Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include short-term deposits and trade & receivables, and cash that derive directly from its operations.

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

- a) Credit risk
- b) Liquidity risk
- c) Currency risk

This note presents information about the company's exposure to each of the above risks. Further, quantitative disclosures are included throughout the MHCL's financial statements.

(i) Risk Management Framework

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

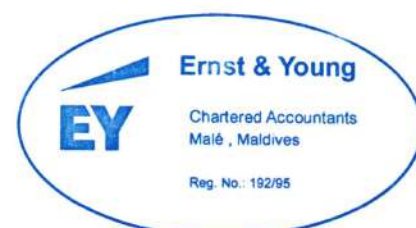
(ii) Credit Risk

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

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

	Carrying Amount	
	As at 31-Dec-21 MVR	As at 31-Dec-20 MVR
Trade Receivables (Gross)	76,133	216,063
Other Receivables	21,444,396	22,397,761
Balances with Banks	16,505,595	18,714,999
	38,026,124	41,328,823

The Corporation has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers upon advance payments received from them.



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

20 Financial instruments - fair values and risk management (continued)

Balances With Banks

The Company held Bank balance of MVR 16,505,595/- at 31 December 2021 (2020: MVR 18,714,999/-). These balances are held with banks that Management believes are of high credit quality and accordingly, minimal credit risk exists.

(iii) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management of the Corporation aims to maintain liquidity by maintaining cash balances to meet short-term requirements. Due to the Covid-19 outbreak the Company may experience liquidity constraints in the short term. The company is in the process of adjusting the ways to manage liquidity to respond to the current market turmoil by way of alternative funding through working capital, negotiating supplier payments, etc. The following are the contractual maturities of financial liabilities and assets as at reporting date.

As at 31 December 2021	Carrying amount MVR	Between 0-12 Months MVR	Over 1 Year MVR
Financial instruments	157,487,286	95,226,367	62,260,919
Trade receivables (Gross)	76,133	-	76,133
Other receivables	21,444,396	378,708	21,065,689
Balances with banks	16,505,595	16,505,595	-
	195,513,411	112,110,670	83,402,741
Other payables	631,447	631,447	-
	631,447	631,447	-
As at 31 December 2020	Carrying amount MVR	Between 0-12 Months MVR	Over 1 Year MVR
Financial instruments	82,245,761	20,000,000	62,245,761
Trade receivables (Gross)	216,063	-	216,063
Other receivables	22,397,761	400,566	21,997,195
Balances with banks	18,714,999	18,714,999	-
	123,574,584	39,115,565	84,459,019
Other payables	658,145	658,145	-
	658,145	658,145	-



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

20 Financial instruments - fair values and risk management (continued)

(iv) Market Risk

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

(v) Currency risk

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

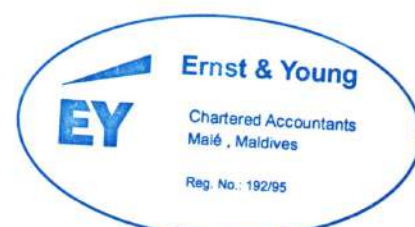
	2021		
	MVR	USD	SAR
Cash and balances with Banks	15,529,485	909,000	67,110
Other Payables	582,711	70,797	-
	16,112,196	979,797	67,110
	2020		
	MVR	USD	SAR
Cash and balances with banks	18,105,312	516,483	93,204
Other payables	587,348	70,797	-
	18,692,660	587,280	93,204

21 Events after the reporting period

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

22 Capital commitments and contingent liabilities

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



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

	2021	2020
	MVR	MVR
i Operating costs		
Slaughtering expense	61,812	-
Airline tickets and visas	2,387,436	10,871
Allowances to helpers and staff	40,478	13,909
Food expenses	171,120	24,192
Hotel and other accommodations	725,425	-
Luggage and clothes	97,364	25,044
Books and other documents	8,043	-
Medical expenses	108,874	48,161
Transportation costs	130,491	3,232
	3,731,041	125,409
ii Administrative expenses		
Bank charges	130,555	89,282
Licenses and permits	3,236	3,050
Telephone and internet expenses	78,490	102,763
Other expenses	123,685	14,551
Professional fees	234,650	55,650
Printing and stationary expenses	54,367	44,928
Utility expenses	159,944	131,210
Cleaning and other equipments	66,676	20,160
Depreciation	273,730	354,766
Depreciation of right-of-use asset	1,175,567	1,175,568
Rent expense	4,920	-
Repairs and maintenance costs	72,959	24,494
Tea and refreshment expenses	17,675	7,903
Travel expense	234,801	192,972
Pension expenses	147,691	134,710
Salaries and allowances	4,171,206	3,798,967
Directors remuneration	511,650	491,620
Software expenses	-	2,325
Events and ceremonies	13,642	1,457
Training costs	3,140	-
	7,478,585	6,646,376
iii Selling and marketing costs		
Advertising and promotion	116,420	95,426



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MALDIVES HAJJ CORPORATION LIMITED