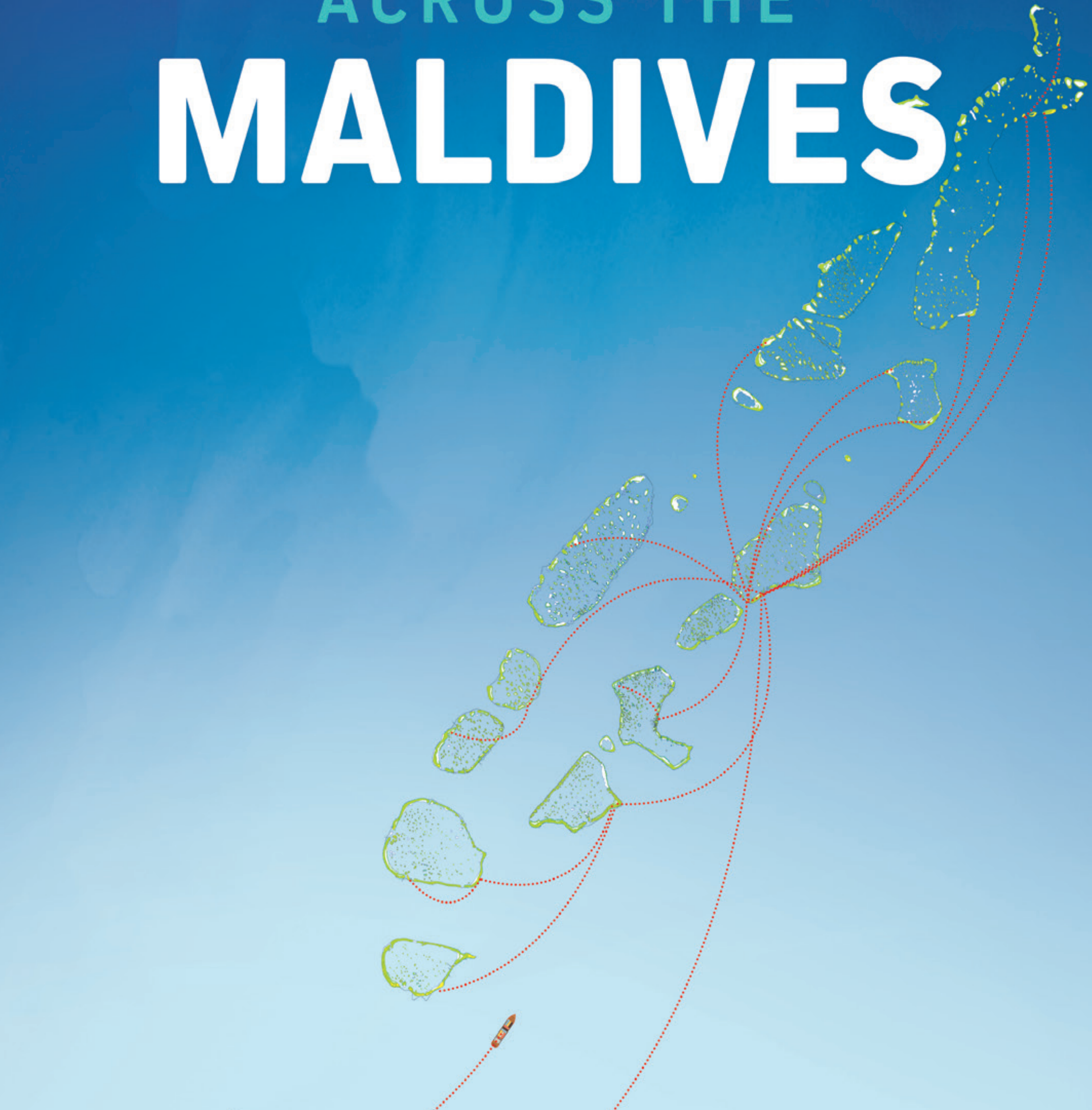
ACROSS THE MALDIVES



Centurion

ANNUAL REPORT 2018

بسم الله الرحمن الرحيم

Attention

This document comprises the Annual Report of Centurion Plc, prepared in accordance with the requirements of Companies Act of the Republic of Maldives (10/96), Listing Rules of Maldives Stock Exchange, the Securities Act and Securities Regulation, and Corporate Governance Code of Capital Market Development Authority.

Centurion prepares its financial statements in accordance with International Financial Reporting Standards. References to a year in this report are, unless otherwise indicated, references to the Company's financial year ending 31st December 2018.

This Annual Report contains forward looking statements that are based on expectations and assumptions about the future. Forward looking statements are identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'shall', 'will', 'will continue', 'may' or any other words or phrases of similar import. Similarly, statements that describe objectives, plans or goals are also to be considered as forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the respective forward-looking statements. Undue reliance should not be placed on forward looking statements because, by their very nature, they are subject to known and unknown risks and uncertainties that may cause actual results to materially differ from those expressed or implied in the forward-looking statements.

Unless otherwise stated in this Annual Report, the terms 'Centurion', 'CPLC', 'Company', the 'Group', 'we', 'us' and 'our' refer to Centurion Plc and its subsidiaries.

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ABOUT THE REPORT

Welcome to the third consecutive Annual Report of Centurion PLC. The Report provides an overview of the financial and non-financial information, key functions, strategic investments, and the main business segments of the Company. The Report also includes information regarding the return optimaization process of CPLC, summarized in the Group Stratergy Section, and governance, performance, and the Company's efforts towards sustainability in a coherent manner.

Reporting Framework

This Report has drawn on the concepts, principles, and guidelines described in the following sources:

Act No. 10/96; the companies Act of Maldives

Corporate Governance Code issued by Capital Market Development Authority (CMDA)

Continuing Disclosure Obligations of Issuer of CMDA

Maldives Stock Exchange Listing Rules

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS);

Report Boundary And Reporting Period

The overall boundary of this Report includes both Centurion PLC (referred to as CPLC or Company) and its subsidiaries as listed out in page 7 (collectively referred to as the "Group"). Both financial aspects and non-financial aspects cover for Centurion PLC and its subsidiarys. Reporting period covers from 1 January 2018 to 31 December 2018.

External Assurance

The Financial Statements were audited by Messrs KPMG Chartered Accountants.

Precautionary Principle

The Company applies the precautionary principle in relation to social and environmental sustainability. The Company is mindful of the impacts caused to society and environment by its operations and have taken necessary measures to mitigate any negative impacts and risks in operational planning and activities.

Forward-looking statements

The Report includes forward-looking statements, which relate to the possible future financial position and results of the Group's operations. These statements by their nature involve an element of risk and uncertainty, as they relate to events and depend on circumstances that may or may not occur in the future. However, the Group does not undertake to update or revise any of these forward looking statements publicly, whether to reflect new information or future events or otherwise.

Queries

Further queries regarding the Report or its contents should be addressed to the Corporate Secretary,
Centurion PLC at corporate.affairs@centurion.mv

Address: Faamudheyrige – 8 A, Orchid Magu
Male' 20209, Rep. of Maldives
Phone: +960 330 9668
+960 333 5830
Fax: +960 332 1367
Email: info@centurion.mv

The Report is available in both print and HTML versions. The latter may be downloaded from the Company's website www.centurion.mv

KEY FINANCIAL HIGHLIGHTS 2018

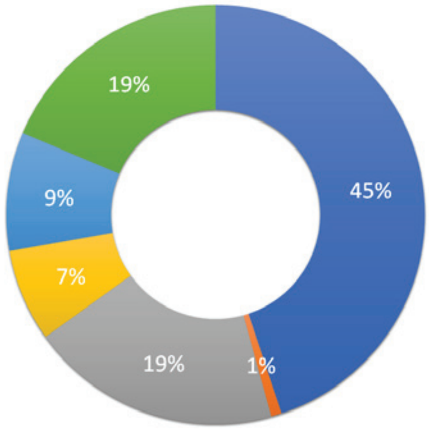
132,041,066 — 58% ↑
REVENUE

26,730,422 — 39% ↑
GROSS PROFIT

8,133,628 — 65% ↑
EBITDA

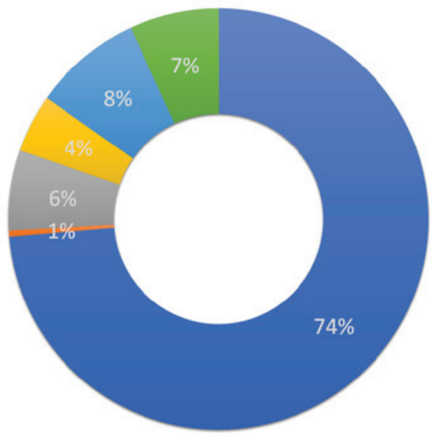
6,468,797 — 100% ↑
PBT

5,644,021 — 150% ↑
PAT



GROUP TURNOVER - 2018

- Sea Freight
- Air Freight
- Sea Cargo Clearence
- Air Cargo Clearence
- Vessel Rental
- Ship Handling



EBITDA CONTRIBUTION - 2018

ABOUT CENTURION PLC

VISION

Centurion Plc. has the vision of becoming the leading and most reliable logistics and warehousing solution provider in the Indian Ocean by building the necessary infrastructure, knowledge and use of cutting-edge technology.

MISSION

Centurion Plc. has the aim of establishing a company that builds a reputation based on reliability, affordability and ease of service. The company will continually work towards providing complete logistical and warehousing solutions to its customers while focusing on cutting costs and increasing operational efficiency with the primary motivation of providing the customer with a reliable and affordable service.

CORPORATE VALUES

People

People are our competitive advantage. Successful individuals are the driving force behind a successful enterprise. Attracting, retaining, and motivating the best people will position CTS at the forefront of the industry.

Customer Success

Customer success leads to our success. We will provide maximum leverage to our customers through value added products, services, and support.

Innovation

We are advocates and instruments of positive change. Being innovative builds competitive advantage and creates new opportunities.

Teamwork

Teams are the catalysts for our ideas and actions. Every team member has the power to influence the group. We treat this power as a privilege and a responsibility. Teamwork is the foundation of an effective, successful, fun environment in which the whole is greater than the sum of the parts.

Social Responsibility

We encourage involvement both inside and outside the company.

Excellence

The pursuit of excellence is not a destination, its a journey.

Openness

Openness facilitates informed decisions, understanding, and trust. Sharing information across the organization facilitates our common goals.

Sustainable Profitability

Our business is based on a balanced perspective between short and longterm vision. We aim to grow the company, to increase our earnings, and to enhance our corporate environment through profitable ventures.

GROUP STRUCTURE & BUSINESS MODEL

Subsidiary companies listing

Centurion Public Limited Company

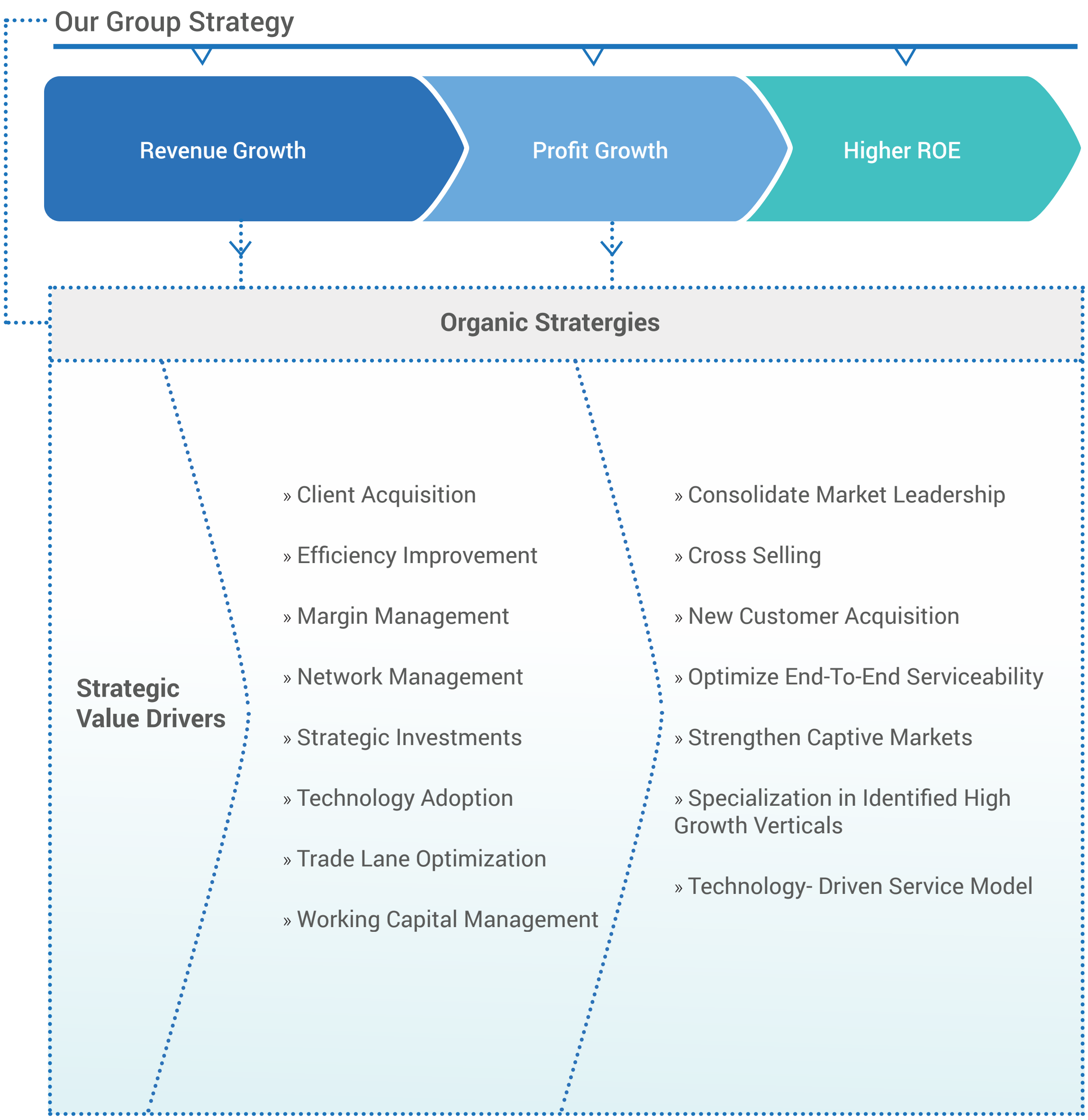
Subsidiary companies	Ownership
Centurion Transport Solution Pvt Ltd A dedicated freight service provider	99.99%
Rohoffe Pvt Ltd Specialied service provider for shipp handling & husbndry service	99.99%
Equatorial Lines Pvt Ltd Diversifid NVOCC handling unit	99.99%
MWT Logistics International Pvt Ltd Nich for LCL cargo consultation	99.99%
S-EMS Maldives Pvt Ltd Specialied for air cargo brokerage & wharehousing	99.99%

Our business model

GROUP STRATEGY

Centurion PLC group strategy to achieve attractive return is based on the turnover target achievement which include to adhere typical marketing technic alongside strategic approach that including strategic acquisitions, strategic alliances, carve-out strategies and integration techniques.

The board of directors strongly believe turnover based profitability achievement as the solid approach delivering expected returns to the residual owners. Below diagram shows typical approach follows by the management of Centurion PLC to achieve its bottom-line targets as directed by the Board of Directors.



LETTER TO SHAREHOLDERS

Dear Shareholders,

I have the pleasure and privilege of reporting to you that your Company, Centurion g PLC has completed yet another successful year, the details of which are elaborated in this Report. As the leader of a highly forward looking, dynamic and motivated team, we have continued during the year to create value; our focus on diversification of logistic activities have positioned us to be always ahead of the competition and deliver our clientele products and services that surpass their expectations.

Our performance is all the more laudable as it was achieved despite the prevailing climate of local market seasonal conditions and challenging access to financial capital. While we have achieved a very satisfactory performance in terms of profitably, keeping in mind our broader goal of sustainability, we have also implemented social and environmental programs.

As a Maldivian-owned and managed business enterprise we firmly believe that your Company has great potential for a sustainable future by delivering stakeholder satisfaction through its core business activity diversification. In the Annual Report for 2018, we enunciated a clear policy direction to diversification into the ocean freight sector, which we believe to be a natural extension of our core business. In this respect I'm happy to report that during the year under review we have commenced LCL concentrated operations. During the year, we have also secured for ourselves a land bank in the Greater Male' areas for upcoming development of warehouse project eventually laid the foundation to commence local supply chain network.

While there could be many unforeseen reasons why the future may be even more challenging and demanding than what we have experience thus far, reflecting on the broad-ranging changes we have introduced over the last two and half years, I remain confident that as a Group, CPLC is well positioned to benefit from being more efficient, effective and competitive in the long term.
At the same time, reaching sectors specific growth objectives would call for renewed focus on strengthening core competencies. In the Logistics sector, this means strategically we need to grow beyond the market and be present in the markets where growth is taking place. While our captive markets will continue to play an important role, expanding our business focus in all high-growth and emerging markets remains the key to catalyzing our long-term growth objectives.

I wish to thank the members of the Board for their stewardship and guidance which has been invaluable. I also thank Mr. Aimon Jameel our Managing Director and Mr. Hussain Nizar our General Manager for the leadership they have provided and all our staff for the dedication they have shown and living up to our values.

Finally, I wish to thank all our stakeholders – shareholders, investors, customers, suppliers, bankers and the state for their continued support and the confidence they have reposed in us.

Capt. Ahmed Maumoon
Chairman

"We firmly believe that your company has great potential for a sustainable future by delivering stakeholder satisfaction through the diversification of logistic activities continued"

MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

It gives us immense pleasure to once again take you through the pivotal milestones of Centurion PLC for the year of 2018. As surmised, this year as well we have worked towards understanding the needs of our customers, whilst chiefly we focused in the deliverance of innovative solutions, setting us apart in a supremely competitive market and formidable environment. Throughout the year, CPLC has been proliferating its reach "Across the Maldives".

Focused Growth

As I recap the key highlights for the concluded financial year of 2018, I am pleased to report the strategic realignment has provided CPLC with a framework for accelerated innovation, increased engagement with customers and enhanced operational and financial performance, all of which have propelled the group by leaps and bounds.

Further, the predominant focus on growth provided the impetus to build appropriate capabilities and propelled us in striving to achieve a real competitive advantage in each of the sectors the Group represents. Simply put, the goal was to strengthen our position as a resilient and profitable business that will continue to grow notwithstanding negative headwinds in the external environment.

In this context, we made use of the opportunities for strategic consolidation that would ensure revenue optimization through synergistic alliances. New investment opportunities were viewed prudently and only considered based on the complementary value it would bring to the core proposition. I believe, the effectiveness of these measures is reflected in our results, with the Freight and Logistics projects, Air cargo clearance and all the sub sectors demonstrating consistent growth for the current financial year.

Our performance

Group recorded a highly satisfactory performance during the year under review. The Company maintained a gross profit margin of above 20% with remarkable top line increment of 58% compared to antecedent financial year of 2017. An impressive increase of 100% in profit prior tax was steadily recorded year on year. The Group revenue for the year was MVR 132 MN. Whilst the subsequent profit after tax attributable to owners was MVR 5.5 MN.

Direction for Integrated Reporting

Thanks to our robust operational strategies and holistic sustainability management approach, CPLC Group continues to create value on multiple dimensions. This is what we strive to illustrate through our Integrated Report, which explicitly highlights how different resources are incorporated to build financial, manufactured, intellectual, human, social, and natural capitals in order to deliver value outcomes for our stakeholders. Reporting on our efforts in this manner, quite simply increases transparency and I am convinced that long-term investors will welcome this forward-looking integrated reporting approach. Our effort in this regard is to adopt international level of sustainable legitimate reporting in complying with GRI standard for our group reporting year ahead.

Looking ahead

Provident Short to medium term plans include the consolidation and expansion of our core business with sustainability while diversifying. Further, consolidations can be expected in backward integration through the expansion in to full-fledged air cargo and flight handlings. The value added services of ship handling including STS operation is expected to add shareholder value in the coming financial year ahead.

Appreciations

I would like to take this opportunity to express immense gratitude towards my colleagues on the Board for their unwavering support and on behalf of the Board of Directors; I wish to articulate my sincere appreciation to the management and staffs of the Centurion Group, for their wholehearted commitment in ensuring the Groups' success, in the past year. My inbounded gratitude goes to our valued customers across the world, for their loyal patronage and finally to our shareholders: I thank you for your unweathering loyal association with Centurion PLC and seek your succor in taking the Group forward in the years ahead.

Aimon Jameel
Managing Director

BOARD OF DIRECTORS

Capt. Ahmed Maumoon
Chairman / Non-Executive Director

Mr. Aimon Jameel
Managing Director/ Executive Director

Ms. Juwairiya Saeed
Non-Executive Director

Mr. Abdulla Hassan, ACCA
Non-Executive Director

Mr. Abdulla Nafiz
Non-Executive Director

Dr. Ahmed Ranesh
Non-Executive Director

Mr. Naheez Ahmed Saeed
Non-Executive Director

BOARD OF DIRECTORS

Capt. Ahmed Maumoon
Chairman / Non-Executive Director

Captain Maumoon brings broad experience of logistics industry experience. He is the visionary leader of the group who sets the direction. The strategy of the company is enabled through his rich insight and knowledge of the industry.

Educated in the United Kingdom and Master Mariner by profession Captain Maumoon started his maritime career in 1990 and came ashore in 1999 with a vision. He holds a Master's Degree in International Shipping from University of Plymouth UK and a Master's Degree in Shipping Trade and Finance from City, University of London UK.

Previously he was the Managing Director of Maldives National Shipping Limited before creating Centurion Transport Solutions in 2008. With his insights in the logistics industry he pioneered the development of 'local logistics' in Maldives and today Centurion Transport Solution is a leading Logistics Firm in the Maldives

Mr. Abdulla Nafiz
Non-Executive Director

Mr Nafiz is the Dean of the Faculty of Business Management at Villa College Maldives. He is a certified assessor and trainer with more than 15 years of business experience including senior management experience in both public and private sectors. He is an Associate Fellow of the Australian Institute of Management.

Educated in Australia, he holds a Master's Degree in Business Administration degree from the University of Adelaide Australia and a Bachelor's Degree in Business degree from the the University of South Australia.

He also served as the Dean of the Faculty of Management and Computing (current Business School) of the Maldives National University for more than 5 years. He was also a member of the Executive Board of the Association of Management Development Institutions in South Asia (AMDISA); an umbrella organizations of business schools in South Asia based in Hyderabad.

Mr Nafiz also served as one of the four directors of the Maldives National Shipping Limited (MNSL) including the position of the Chairman of the Maldives National Shipping Agencies, Singapore, a fully owned subsidiary of the MNSL. In addition, he also served as a small to medium enterprise/trade national consultant to the United Nations Development Programme (UNDP).

Mr. Aimon Jameel
Managing Director/ Executive Director

Mr Jameel is Managing Director of Centurion Public Limited Company. He has more than 35 years' experience in shipping having worked in London and Singapore. He was previously the Managing Director and later the Chairman of Maldives National Shipping Limited. Over the course of his career, he has served as a Board Member of the Maldives Ports Authority. Before joining Centurion Transport Solutions he worked as a consultant in the shipping industry.

Mr Jameel has a broad knowledge of container and break-bulk movement in the Far East and South East Asia. He is a key player in developing the container trade and off shore ship supply service.

Ms. Juwairiya Saeed
Non-Executive Director

Ms. Saeed is the chair of the Executive Committee of the Cancer Society of the Maldives (CSM). CSM is a Non-Government Organisation founded in 2012 with the objective to advocate in the management of cancer in the country.

In addition, she is also an Executive Director of FJS Consulting Private Limited, which provides economic, social, financial and management consulting services to companies doing business in the Maldives. She also served as a member of the Privatization Committee of Maldivian Government from 2009 to 2012 and from 2011 to 2015 served on the Board of Maldives Islamic Bank as an Independent Director of the first Islamic Bank in the Maldives.

Previously Ms. Saeed worked as the head of the Public Enterprises Monitoring and Evaluation Board of the Ministry of Finance and Treasury, which is the body responsible for monitoring and evaluation the performance of all the Public Enterprises of the Maldives. She has also served on the Boards of Island Aviation Services Ltd, Housing Development Finance Corporation Ltd, and Maldives Ports Authority. Ms. Saeed holds a Bachelor's Degree in commerce from the University of Western Australia and a Master's degree in Business with Financial Management from Northumbria University, Newcastle Business School, United Kingdom.

BOARD OF DIRECTORS

Mr. Abdulla Hassan, ACCA
Non- Executive Director

Mr Hassan is an accomplished executive with a proven ability to develop and implement financial strategies that support businesses. He started his career in the tourism industry, working his way up and achieved managerial positions at a very young age with dedication and hard work. Mr Hassan is qualified accountant and a member of the Association of Chartered Certified Accountant (ACCA – UK). He also has over 10 years of managerial experience and served various industries including Airline, Logistics, Pharmaceuticals, General Trading and Construction. He has led key initiatives in providing consultancy in business streamlining and implementing best practices and controls.

Dr. Ahmed Ranesh
Non- Executive Director

Mr Jameel is Managing Director of Centurion Public Limited Company. He has more than 35 years' experience in shipping having worked in London and Singapore. He was previously the Managing Director and later the Chairman of Maldives National Shipping Limited. Over the course of his career, he has served as a Board Member of the Maldives Ports Authority. Before joining Centurion Transport Solutions he worked as a consultant in the shipping industry.
Mr Jameel has a broad knowledge of container and break-bulk movement in the Far East and South East Asia. He is a key player in developing the container trade and off shore ship supply service.

Mr. Naheez Ahmed Saeed
Non-Executive Director

Mr. Naheez is the Managing Director of Danny's Pvt Ltd. Previously Mr. Naheez served as the Manager of Logistics at Centurion Transport Solutions followed by Head of Operations of S-ems Maldives Pvt Ltd. He also served as Customs Officer Grade 1 at Maldives Customs Service.

Mr. Naheez was elected to the board as a Non-Executive Independent Director at the Annual General Meeting held on 25th July 2017.

Mr. Naheez holds a Diploma in Software Development at Wintec, India.

EXECUTIVE TEAM

MR. AIMON JAMEEL
Managing Director

MR. AHMED MANSOOR
Group - Director Operation

MR. KÁNESH JAYASINGHE
Group - Chief Financial Officer

MR. HUSSAIN NIZAR
Group - General Manager

MR. ABDULLA SHAFEEU
SEMS- General Manager

MR. BAR SAIPUDEEN DOLE
MWT- General Manager

CAPT. ADHIL RASHEED
RPL - Managing Director

EXECUTIVE TEAM

Mr. Aimon Jameel
Managing Director

Mr. Aimon Jameel is the first Managing Director of Centurion Plc since the company went public. Refer to profile brief under Board Directors' Profile for additional details on Mr. Jameel.

Mr. Kánesh Jayasinghe
Group Chief Financial Officer

Mr. Kánesh Jayasinghe acts as Group Chief Financial Officer of CPLC. Has overall responsibility to the company in managing group finance, accounting and taxation, lead corporate finance and treasury function, formulating business development strategies and business administration implementations.

Mr. Kánesh commenced his career in management consultancy. He joined Ernst & young- Sri Lankan office during 2011 and subsequently appointed to manage Transactions Advisory affairs at Ernst & young – Maldives office. He was acting as the responsible manager for Transaction Advisory Services division of Ernst & young – Maldives at the time he left the firm. Mr. Kánesh's expertise include deal advisory experience relating to transaction advisory services, such as Project Finance, M & A services and Business valuation services. Furthermore, he was a practicing manager for audit and assurance services and various other business advisory reporting engagements including Corporate Social Responsibility (CSR) reporting services.

Mr. Kánesh has a Bachelor of degree specialized in Financial Management from University of Sri Jayewardenepura. He is currently a finalist of Institute of Chartered Accountants of Sri Lanka and reading for International Certificate in Advanced Wealth Management conducted by Chartered Institute for Securities and Investment –UK.

Mr. Ahmed Mansoor
General Manager (Head of Shipping Services and Logistics Management)

Mr. Ahmed Mansoor has more than 41 years of progressively responsible experience managing as many as 300 employees in two different companies with revenues in excess of approximately MVR 200 million. Mr. Mansoor has led and managed these companies' progress, survival, turn around and growth modes throughout the years.

Mansoor stepped into the shipping world straight after his O levels in 1975, as a telex operator and progressed throughout the 35 years he spent in Maldives National Shipping (MNSL) (Maldives Shipping Ltd (MSL)) finally becoming the general manager in the mid 90's. He has held various other positions like Head of Freight Department and Head of Operations Department. He has experience in agency services, documentation, post chartering, fixation of freight and daily operating cost of vessels, bunkering of vessels and financial services. His extensive understanding of both port and vessel operation led the company in achieving various targets of the company.

Among his significant previous positions Mansoor served as general manager of Maldives National Shipping (Maldives Shipping Ltd), national carrier of Maldives in operating 10 to 50 vessels. His 35 years in the company even during tremulous times is testimonial to his dedication, hard work and his capacity to work with a huge team and manage them effectively.

Mansoor holds a Diploma from Davar College (Mumbai, India) and has also taken part in a distance program of logistic chain management carried out by Australian Maritime College, Tasmania in 2007.

EXECUTIVE TEAM

Mr. Hussain Nizar
Group - General Manager

Mr. Hussain Nizar performs as General Manager of Centurion group. Mr Nizar took over the position during the 1st quarter of financial year 2018 to overlook the company's entire operations and expanding the customer base while tightening the business relationship with them.

Mr. Nizar was one of the leading businessmen in the Maldives before he takes the chair at Centurion. He served as the Director and Shareholder of Marine Coral Maldives Pvt Ltd. During his period the company won President Award for "Biggest exporter" for 6 consecutive years starting from 1997 to 2002.

Also Mr. Nizar was the Founder and Managing Director of Aspac Pvt Ltd which operated as cargo sales agent for Singapore airlines.

After the successful businessman career, Mr. Nizar represented as Director of Maldives Ports Limited and Thilafushi Corporation boards. Also Mr. Nizar was the Chairman of Maldives Ports Limited during the period 2009 – 2012.

Over the years of Mr. Nizar's career, he gained vast experience in port operations, import, export, air freight and sea freight sectors.

Capt. Adhil Rasheed
Rohoffe Pvt Ltd - Managing Director

Capt. Adhil Rasheed is the Managing Director of Rohoffe Pvt Ltd who joined the group during 1st quarter of 2018. Capt. Adhil is a professional Seafarer holding the highest grade "Master (also knowns as Captain).

Capt. Adhil completed HND in Nautical Science at Blackpool, UK followed by Master's degree in Maritime Operations at James Madison University, United Kingdom. Also he is a member of Nautical Institute, United Kingdom.

Capt. Adhil commenced his career as "Deck Cadet" at his first employment at Maldives National Shipping in 1993. During his career he also served as resource lecturer at CMS – Maldives College of Higher Education, New Building Supervisor at Oldendorff Carriers, Germany and Port Captain in Maldives National Shipping Ltd.

Capt. Adhil also active Chief Executive Officer of Maritime Academy of Maldives and General Manager of Triton Consultants & Surveyors.

Mr. Abdulla Shafeeu
SEMS - General Manager

Mr.Abdulla Shafeeu currently serves as General Manager of air cargo clearance sector in Centurion group. Mr. Shafeeu has recorded over 20 years work experience in aviation sector in the Maldives. Air Maldives and Island Aviation were the major two companies where Mr. Shafeeu worked and gained experience in inbound & outbound cargo operations.

Mr. Shafeeu was the Director of Mega Maldives CGSA operations before joining with Centurion group.

Bar Saipudeen Dole
MWT - General Manager

Mr. Dole is one of the General Managers in the Centurion group who is mainly looking after ship handling operations of Rohoffe Pvt Ltd. Mr. Dole also serves as General Manager of MWT Logistics International Pvt Ltd parallelly.

Mr. Dole's career record evinces the comprehensive experience and ship handling and logistics services. Mr. Dole almost served two decades with Maritime Agencies Limited in Sri Lanka. Malship (Ceylon) Limited, Sharaf Shipping Pvt Ltd and Mclarens Container Depot were the companies where Mr. Dole worked throughout his career which commenced as Trainee Cargo Supervisor in 1969.

Mr. Dole was General Manager at Sar Maritime Agencies in Sri Lanka before joining Centurion Group in 2017.


MEDITERRANEA
SHIPPING CO
msc
MAX.GR.
TARE
NET
CU.CAP.


M.G.W.
TARE.
NET.
CU. CAP.
MAX.GR.
TARE
NET
CU.CAP.

MANAGEMENT TEAM

MS. HAWA FAZEEDHA
Chief Accountant

MS. PHILICIA STELLA
Senior Liner Manager

MR. ISMAIL AMITH
Senior Manager Admin & HR

MR. RONALD MÜLLER
Senior Manager

MR. ZAFAR AHMED
Senior Manager

MR. MIROSAAN SUGUMAR
Tax & Sustainability Assurance Manager

MR. NIPUNA WITHANAGE
Financial Reporting & Compliance Manager

DIRECTORS' REPORT

Strategic Direction

The board of Directors (BoD) of Centurion PLC has a vision to operate Centurion PLC as the leading logistic provider in the country and become the international logistic coordinator for the Asian region. Considering this strategic vision, the BoD of Centurion PLC has directed the top management towards the next two-year plan focusing earning acceleration and growth potential focusing local Maldivian market to international trade.
Currently Centurion PLC is the market leader for cargo clearance and supply service along with largest and only perishable supply fleet in the market. Alongside the clearance service, CPLC is the only diversified NVOCC container trader in the market backed by MSC liner representation. Based on these market strengths, the BoD directors has strongly focused on the organic development with international network infrastructure facilitation.

Further to above, the diversification of its logistic business in to the strategic business units is one of salient strategic decision made by the BoD of CPLC. The understanding of the BoD is such a diversification enable respective unit head to independently operate with decision making power to execute each respective SBU's business plan in the market. In this regard proposed S-EMS acquisition and MWT- CWT strategic alliance are notable millstone of Centurion Group.

Further to above, the BoD has understood the market gap as well as the national requirement of having a proper supply chain network system to the country. As a result of group chairman's business concept, the BoD of CPLC has approved the business plan namely "Supply Chain Network" system to the Maldives.

Further to CPLC economic plan, the BoD is with the intention of working tipple bottom-line sustainable approach considering social, environmental and financial framework approach. Managing director of CPLC has implemented several initiatives such as partnering with other PLC companies for environmental cleaning campaigns, use of renewable energy sources and donation campaigns for voluntary contributions. Among these activities, the BoD has directed to adopt integrated reporting system applying Global Reporting Initiative (GRI) standards for group reporting system.

The BoD has critically analysed the challenges in the market, key attributes of Centurion, capital constraints, skill level of internal human resources in order to provide strategic direction to the top management through "Post IPO Strategic Plan" of CPLC. This strategic direction is the road map for Centurion PLC top management implementing their management role for next two-year head to earning acceleration plan.

Furthermore, the company entered in to an agreement with a software solution provider for the installation of an Enterprise Resources Planning (ERP) system for its core business activities and all support services. This is expected to improve the efficiency of the operational activities.

With a record high number of tourist resorts in the pipeline and construction sector growing, demand for logistics services remains high in the medium to long-term. Additionally, government initiated mega projects targeting transport infrastructure including the expansion of international airports and sea ports in a fast developing economy magnifies potential for logistic service providers. This, together with our strong clientele of well-established players in trade, tourism and construction industries will support our business expansion and growth that we have envisaged for CPLC.

Financial Performance

Turnover Performance

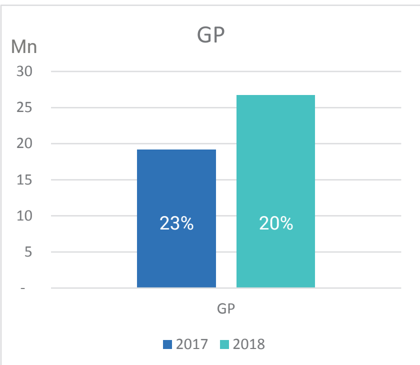
During the financial year 2018, Centurion PLC has reported a remarkable revenue amounting to MVR 132,041,066. This is a 58% of growth compare to the financial year 2017. Overall business activities were improved preliminary due to the volume growth of business activities resulting from new customer additions, business combinations, new entity incorporation and several mega ad-hoc projects handled by the group.

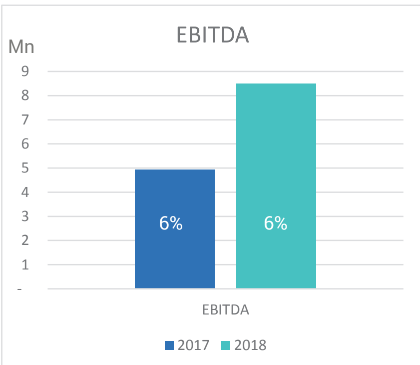
It also noted the emerging revenue growth trend shown from subsidiary entity of CTS and RPL. Newly incorporated entity MWT also commenced the operation recording a revenue for 42 days of the financial year. Below diagram shows entity level financial performance for last two complete financial years.

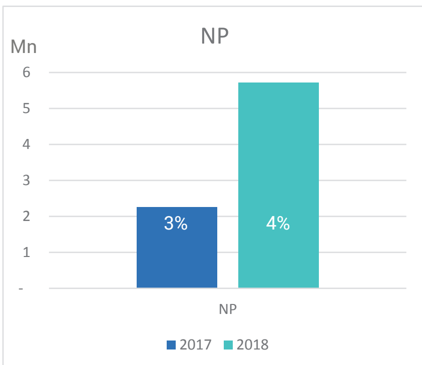
	2018	2017
Centurion Transport Solutions Pvt Ltd	122,945,937	82,747,885
Rohoffe Pvt Ltd	9,749,058	765,731
Equatoril Lines Pvt Ltd	1,613,822	97,557
MWT Logistics Iternationa Pvt Ltd	1,958,823	-
S-EMS Maldives Pvt Ltd	1,565,410	1,076,423

Profitability Performance

The group has reported 20% of gross profitability and 4.4% of net profitability after tax. EBITDA margin stood 6.4% for the financial year 2018 showing 42% of growth trend. Below diagram shows trend of group profitability movement for last two complete financial years.



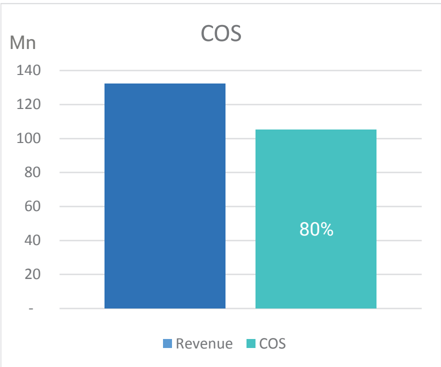


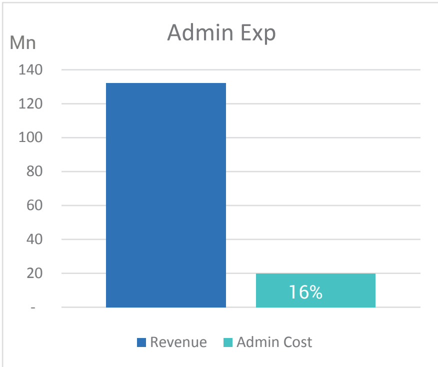


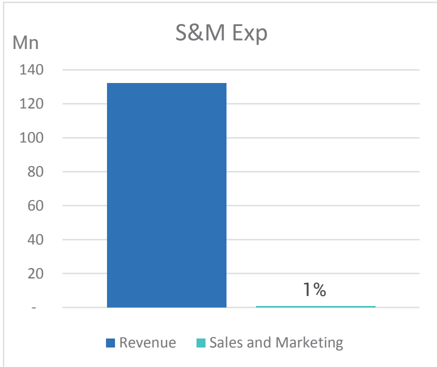
Operating cost structure

Below diagram shows operating cost structure and its behavioral changes for last consecutive periods. Currently, the group is operating on rental asset model resulting to record significant cost of sales to the business model. It is noted that during the financial year MVR 20Mn. of administration cost were incurred which predominantly consist payroll related expenses nearly 62.5% within the administration cost. The increment noted in the administration cost is preliminary resulting from increased payroll cost added from new recruitments during 2018.

Since the company is not engaged long term debt infusion in to the capital structure, there were no interest capitalizations occurred during the financial year 2018.







Shareholders Structure

The sharholding structure of the company as at 31 December 2018 stood as follows. During the financial year the company has not involved issuing additional share or any capital reductions.

Shareholder	Status	No. of Shares	% owned
Stella Holding Pvt Ltd	Founding member	3,379,786	47.35%
Aimon Jameel	Founding member	3,379,786	47.35%
Abdulla Maumoon	Founding member	70,557	0.99%
Jana Ibrahim	Founding member	70,557	0.99%
Liya Maumoon	Founding member	70,557	0.99%
Mohamed Yaniu Maumoon	Founding member	70,557	0.99%
Muruthala Musthafa	Founding member	100	0.00%
Ismail Amith	Founding member	100	0.00%
Ahmed Mansoor	Founding member	100	0.00%
Ali Ikram	Founding member	100	0.00%
General public holdings	IPO subscribers	95,252	1.34%
Total		**7,137,452**	**100%**

Trading Highlights

	2018	2017
Highest Traded Price	MVR 30	MVR 30
Lowest Traded Price	MVR 25	MVR 27
Last Traded Price	MVR 25	MVR 30
Number of Shares Traded	445	115
Number of Trades	4	3
Earning per share	0.78	0.31
Dividend declared	3	-
Weighted Average Traded Price	MVR 25	MVR 28
Market Capitalization	MVR 178,436,300	MVR 214,123,560

The company's shares were officially listed at the Maldives Stock Exchange and opened for trade on 30 March 2017.

STAKE HOLDER ENGAGEMENT

Being responsive to the concerns of our stakeholders, and advancing their interests is integral to our ability to effectively allocate resources and manage the relationships necessary to operate sustainably and achieve our strategic aspirations. We continue to deepen our stakeholder focus and have implemented a coordinated and constructive engagement approach, which informs strategic decision-making at the highest levels of the Group.

External Stakeholders

Shareholder	Customers
Suppliers	Communities
Environment	Government
Media	Regulators

Internal Stakeholders

Employees	Management
Directors	Owners

Stakeholder Engagement

Web	Survey
Workshop	Dialogue
Forum	

STAKEHOLDER VALUE CREATION

The capital structure of the Group as at 31 December 2018 stood as follows. During the financial year the company has not involved issuing additional share or any capital reductions.

	Capital	Definition	Inputs	Outcomes
External Stakeholders	Financial	Economic resources to fund the business	Equity Capital - MVR 178 Mn Debt Capital -MVR 3 Mn	Revenue - MVR 132 Mn Revenue Growth - 58% Gross Profit Margin - 20%
	Manufactured	Infrastructure that generates income	Largest Vessel fleet operator to Maldives economy Largest NVOCC operator in the country International network representation for major networks	End-to-end solutions for the customer Efficient globle transport solutions to local community
Social Dimension	Intellectual	The knowledge and intellectual property people use to gain a competitive advantage and grow the business	Know-how and Competency Investing in ERP Systems and Processes Strategic Partnerships Best Practices	Consistent long-term Returns to shareholders Best in-class experience for customers
	Human	The knowledge, skills, talents and experience of people that determines the capacity of an organisation to accomplish its goals	Recruitment and Retention Remuneration and Benefits Diversity and Inclusion Human Rights Compliance Training and Development Employee Engagement Employee Health, Safety and Well-being	Job Satisfaction Higher Remuneration Better Benefits Opportunities for career growth Share in the intangible benefits associated with corporate growth Better work life balance Ability to upgrade lifestyle
	Social and Relationship	The value an organisation builds through engagement and informationsharing with stakeholders to achieve mutual well-being	Customer Relationship Management Supplier integration Corporate Social Responsibility	Access to the best in-class solutions (customer) Sustainable long-term business relationships (Supplier) Elimination of Social inequalities (Community)
Economic Dimension	Natural	The world's stocks natural ecosystems and assets, including geology, soil, air, water and all forms of life	Energy and Fuel Management through renewabale energy system for vessele fleet Avoid elimination of waste to sea Paper & material resource use	Conservation of the environment for future generations

SUBSIDIARY COMPANY REVIEW

Centurion Transport Solutions Pvt Ltd

Business Overview

Centurion Transport Solutions Private Limited (CTS) is a limited liability company incorporated in the Republic of Maldives on 26th August 2010 bearing registration no. C-0510/2010. Its parent and ultimate holding company is Centurion Plc with 99% shareholdings. CTS offers a reliable and effective transport solution to the shipping and airline industry. It has a strong network within Maldives and provides liner agency services, logistics, freight forwarding and related services. CTS is a premium service provider for Maldives Custom Brokerage Services, handling all aspects of importation, exportation, custom clearance and compliance. CTS operates out of Ibrahim Nasir International Airport for all air clearance and sea clearance is handled through Male' head office.

CENTURION TRANSPORT SOLUTIONS

External and Internal Audit Mechanism

The external auditor of the Company was KPMG. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director. Internal auditor addresses the adequacy and strength of operational control and compliance control to the reporting to the group managing director on periodic basis.

Human Capital Employment

The company's employees consist of Licensed Custom Brokers, Certified Customs Specialists and Professional Logistics Specialist with more than 40 years of trade experience. During the financial year 2018 there were 92 staff served.

Financial Performance

The annual revenue of Centurion Transport Solutions Pvt Ltd for the year 2016, 2017 and 2018 are consecutively MVR 31 Mn, MVR 82 Mn and MVR 122 Mn.

SUBSIDIARY COMPANY REVIEW

Rohoffe Pvt Ltd

Business Overview

Rohoffe Private Limited is a limited liability company incorporated in the Republic of Maldives on 16th October 2011 bearing registration no. C-0675/2011. Its parent and ultimate holding company is Centurion PLC with 99.99% shareholdings.

The company specialises in providing agency services including ship supply service and serves all Maldivian ports including the international shipping traffic lanes off the northern and southern tip of Maldives. In addition, Rohoffe provides support services to maritime security companies' anti-piracy operations by providing embarkations and disembarkation for personnel and storage facilities for weapons in the Maldives.

ROHOFFE

External and Internal Audit Mechanism

The external auditor of the Company was KPMG. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director. Internal auditor addresses the adequacy and strength of operational control and compliance control to the reporting to the group managing director on periodic basis

New Developments

During the financial 2018, RPL extended its operational activities by mobilizing its operational activities in to new office premises. New appointment of managing director was made by the BoD of Centurion PLC. It is noted, during the financial year 2018 the company significantly involved for expanding its ship handling business in to the international market.

Financial Performance

The annual revenue of Rohoffe Pvt Ltd for the year 2016, 2017 and 2018 are consecutively
MVR 0.12 Mn, MVR 0.76 Mn and MVR 9.7 Mn.

SUBSIDIARY COMPANY REVIEW

Equatorial Lines Pvt Ltd

Business Overview

Equatorial Lines Private Limited is a limited liability company incorporated in the Republic of Maldives on 23rd March 2011 bearing registration no. C-0177/2011. Its parent and ultimate holding company is Centurion Plc with 99.99% shareholdings.

The company is engaged in providing freight forwarding services and has collaborations with major freight networks which enhance value to its services provided. The services offered include ocean freight, air freight and door to door shipping.

EQUATORIAL LINES

External and Internal Audit Mechanism

The external auditor of the Company was KPMG. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director. Internal auditor addresses the adequacy and strength of operational control and compliance control to the reporting to the group managing director on periodic basis.

SUBSIDIARY COMPANY REVIEW

MWT Logistics International Pvt Ltd

Business Overview

MWT Logistic International Private Limited is a limited liability company incorporated in the Republic of Maldives on 28th October 2018 bearing registration no. C-0177/2011. Its parent and ultimate holding company is Centurion Plc with 99.99% shareholdings.

The company is engaged in providing freight forwarding services and has collaborations with major freight networks which enhance value to its services provided. The services offered include ocean freight. The entity is specialized in handling LCL cargo imports to Maldives.

External and Internal Audit Mechanism

The external auditor of the Company was KPMG. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director. Internal auditor addresses the adequacy and strength of operational control and compliance control to the reporting to the group managing director on periodic basis.

Positive outlook

The BoD of Centurion PLC has taken initiatives to form MWT is preliminary due to the market expansion for LCL cargo movements to Maldives. The company is equipped with skilled employees who are available on 24-hour basis to cater to the market requirements.

MWT entity was in operation during last financial quarter of 2018 with 64 days of operation and reported nearly MVR 2 Mn. of Turnover.

SUBSIDIARY COMPANY REVIEW

S-EMS Maldives Pvt Ltd

Business Overview

S-EMS Maldives Private Limited is a limited liability company incorporated in the Republic of Maldives on 04th March 2008 bearing registration no. C-0177/2011. Its parent and ultimate holding company is Centurion PLC with 99.99% shareholdings.

The company is engaged in providing freight forwarding services and has collaborations with major freight networks which enhance value to its services provided. The services offered include air freight and door to door shipping.

External and Internal Audit Mechanizam

The external auditor of the Company was KPMG. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director. Internal auditor addresses the adequacy and strength of operational control and compliance control to the reporting to the group managing director on periodic basis.

Strategic rationale for S-EMS acquisition

Centurion PLC's intention to extend its logistic activities in to air cargo clearance and warehouse solutions is proposed to achieve through acquisition of S-EMS Maldives Pvt. Ltd. This strategic acquisition will assist Centurion PLC stepping to 3 PL stage of logistic service provider in the Maldives. S-EMS Maldives Pvt. Ltd. holds valid air cargo brokerage license to act as cargo brokerage agent.

Currently, S-EMS is operating at MACL premises with nearly 20 number of staff carder for air cargo clearance operations. The government of Maldives has allowed only three companies to operate in MACL premises and S-EMS is one of among them. The company holds the head lease right of greater Male' island of Sq. Ft. 10,000 for the purpose of constructing a warehouse project. The management wishes to invest nearly USD 56K to acquire basic warehouse structures by the end of financial year 2018 while negotiating the terms with a potential investor (Hemas PLC – SL) to jointly invest on this project. Basic due-diligence activities are expected to carry out by the mid of 2019.

The board of directors of Centurion PLC has approved the proposal presented by the management to purchase controlling power of S-EMS Maldives Pvt. Ltd. This transaction enables to strengthen Centurion group logistic activities in order to cater wide range of customer base starting mid of 2019 financial year since the designated air cargo operation unit will be adding to the Centurion group operations.

CORPORATE SOCIAL RESPONSIBILITY

Stemming from the Materiality Assessment Process outlined, we determine our strategic sustainability imperatives in cognizance with the Group's sustainability vision "to be a leader in enhancing the long term sustainability of all stakeholders". Having embraced the concept of transformative sustainability, our approach is based on a holistic view, where sustainability is integrated into all business decisions, strategies and processes to help us create value for all our stakeholders.

Our work is surrounded by the belief that the responsibility of the Company does not end at maximizing returns for its shareholders. We are also motivated by the principles of a good corporate citizen and we continuously work to expand our efforts of corporate social responsibility.

Our corporate social responsibility policy focuses primarily on three areas, namely our employees, environment and community. The Company adheres to conduct its business in an ethical and environmentally responsible manner by empowering its employees and extending support to our society.

Empowered People

As the most valuable asset of the Company, our utmost priority is to provide our employees a good work environment and opportunity to develop personally and professionally.

At the end of 2018, the Company had a total workforce of 90 employees, of which 58 were Maldivians demonstrating our commitment to local talent development. Our team is comprised of 12 women and 78 men. This gender gap is mainly due to the nature of the industry we are operating in with the dhoni fleet and labour gang were being all male.

Centurion provides competitive remuneration and incentives as well as a safe and enjoyable work environment to employees in order to attract and retain a productive and an enthusiastic workforce. This has resulted the Company achieve and maintain a staff retention rate of 95% since 2016.

Diversity and Inclusion

Centurion values diversity among its staff and strives for inclusion. The Company's Gender Policy obligates women's representation on the Board and offers employment opportunities for individuals from marginalized groups and people with special needs.

Equity and Fairness

Centurion maintains equality among staff irrespective of race, sex, age and family relations, as per the Employment Act. Centurion PLC practice to equity, fairness and gender diversification was practiced from the board level to operational department level.

The company has a policy of maintaining each department with mix of male and female employees.

CORPORATE SOCIAL RESPONSIBILITY

Employ Health, Safety and Well-Being

It is one of our top priorities to ensure the physical and psychological wellbeing of our employees by providing a safe and enjoyable work place. In this regard, we established sound safety management systems in all vessels to ensure safety of crews and provided safety equipment to all clearance staff working in Port.

Additionally, fire extinguishers have been installed in the head office. It is noteworthy to mention that no accidents occurred at work or during any sea transportation in 2018.

We spent approximately MVR 600,000 on staff wellbeing and entertainment activities during the year.

It is the company regular practice arranging staff fishing trip, picnic and annual night. Below presented images shows some of images conducted for staff welfare event and annual picnic event.

Training and Development

A skilled workforce is vital in providing a superior service to our customers and for the staff in terms of career progression, morale and overall work satisfaction. In 2018, the Company spent over MVR 500,000 on technical trainings and soft skills development related activities. Trainings were conducted in Maldives, Sri Lanka and China. The company has contributed for employees' higher education during the financial year 2018.

S.No	Name of training programs	Participants
1	CMDA training programme	Ms. Yumna Ms. Umniyya
2	Internal audit workshop – Maritime Academy	Ms. Hawwa Fazeedha Mr. Ahmed Mansoor
3	Training on International Financial Reporting Framework	Mr. Yasanga Nipuna Ms. Hawwa Fazeedha
4	Train the Trainer programme	Ms. Shaheena
5	SAARC Investment Forum	Mr. Kanesh Jayasinghe
6	Senior Manager Brainstorming Session	Executive Management
7	MSC I-box training	Mr. Vajagath Ms. Hawwa Fazeedha

Ethical Conduct

In order to remain a good corporate citizen, as per our Code of Ethics, our employees, management and directors are given explicit instructions to work honestly and fairly with no discrimination. They are also well-informed on preventing corruption and fraud. The Company also advocates on maintaining transparency and accountability among all the stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

Environmental Responsibility

We continuously strive to mitigate any risk of negative environmental impact resulting from our activities by implementing new technologies, state-of-the-art products and improved processes that are pro-environment.

Our environment policy focuses on the following aspects, which are known to have the biggest impact on environment due to our nature of business.

- **Emission and Fuel Usage** – In 2018, engines of all our fleet of vessels were serviced regularly as per the annual servicing plan to maintain the engines at optimal condition. This reduces both fuel wastage and emission. The Company also utilises high energy efficiency rated modern equipment.

- **Network Optimization** – An efficient logistic network and fleet contributes to both operational efficiency as well as environmental responsibility. During the year, our logistic operation was constantly reviewed and changes were made to optimize efficiency.

- **Facility Energy Efficiency** – All our warehouses and offices use energy efficient lighting and air-conditioning systems. It is the view of top management of Centurion PLC to use renewable energy system for its vessel fleet.

- **Environmental Friendly** – Banned use of single-use plastic in head office. Installed water filteration system in head office for staff drinking water.

CPLC adheres to due safety processes and regulations in delivering ship agency services.

During the financial 2018, Centurion PLC in partnership with Parley Maldives attended costal cleaning campaign as presented in below images. Centurion PLC were the logistic and transport contributor for the event.

Photo: International Coastal Cleanup Day with Parley Maldives

CORPORATE SOCIAL RESPONSIBILITY

Support to Community

Giving back to our society is one key philosophy that Centurion strives to endeavor. In this regard, the Company and its staff participated in community-based activities to extend support to social causes.

The Company has signed a Memorandum of Understanding with Ministry of Gender and Family, to extend financial aid in improving the quality of life of children at Hiyaa – a state-run orphanage.

Furthermore, CPLC partnered with ARC - Advocating the Rights of Children, an NGO, to conduct annual holiday programme for children living in Hiyaa and made financial donations to the NGO. The Company also sponsored a group of students of Vaavu Atoll Education Centre to visit Maldives Ports Limited (MPL).

CORPORATE GOVERNANCE REPORT

Centurion operates in accordance with the Company Law 10/96, Securities Act, Corporate Governance Code (CGC) of the Capital Market Development Authority, Listing Rules of the Maldives Stock Exchange, and the Company's Memorandum of Association and Article of Association.

Centurion strives to uphold highest principles of corporate governance in all its dealings.

Board of Directors

As the governing authority of the Company, the Board undertakes the duties to manage the company responsibility while ensuring sustainable growth and value for its shareholders. The main responsibilities of the Board include: -

- Setting the strategic direction for the Company.
- Advising the Management on pursuing the company's objectives and strategies.
- Making final decision on all major affairs of the Company.
- Approving the Company's policies and financial statements and ensuring compliance
- Safeguarding the rights of the company's stakeholders including its shareholders, employees, customers, suppliers and other stakeholders.

Developing corporate strategies, business and operational plans and budgets and reports may be delegated to the Management by the Board. Such plans and reports will be submitted to the Board for consideration, and implementing these strategies, plans and budgets may also be delegated to the Management to the extent approved by the Board.

Board of Composition

The Board composition is based on the Company's Memorandum and Articles of Association and the shareholding structure. As per the Articles of Association, the Board can have 5-7 members. In this regard, 2 additional directors were appointed during the annual general meeting held in 2017, and at the end of 2017, the Board comprised of 6 non-executive directors and 1 executive director. Newly appointed Directors in 2017 are Dr. Ahmed Ranesh and Mr. Naheez Ahmed Saeed. There were no new appointments or resignations in 2018.

The composition of the Board as at 31 December 2018 is as follows:

Name	Status	Date of Appointment
Mr. Ahmed Maumoon	Non-Executive Director (Chairman)	4 Aug 2016
Mr. Aimon Jameel	Executive Director (Managing Director)	4 Aug 2016
Mr. Abdulla Hassan	Non-Executive Director	4 Aug 2016
Ms. Juwairiya Saeed	Independent, Non-Executive Director	4 Aug 2016
Mr. Abdulla Nafiz	Independent, Non-Executive Director	4 Aug 2016
Dr. Ahmed Ranesh	Independent, Non-Executive Director	25 July 2017
Mr. Naheez Ahmed Saeed	Independent, Non-Executive Director	24 July 2017

As per the Corporate Governance Code of CMDA, office of the Chairman and the Managing Director are held by two different individuals and are assigned different responsibilities. As such, the role of the Chairperson is to advice the Board and convene Board meetings and annual general meetings. The role of the Managing Director is to implement the decisions of the Board and to manage the day-to-day operations of the Company.

CORPORATE GOVERNANCE REPORT

Board Meetings

As the governing authority of the Company, the Board undertakes the duties to manage the company responsibly while ensuring sustainable growth and value for its shareholders. During the year 2018, the board met 6 times. Meeting attended are as follows.

Name	Position	Meetings Attended	% Attended
Mr. Ahmed Maumoon	Chairman	6/6	100
Mr. Aimon Jameel	Managing Director	6/6	100
Mr. Abdulla Hassan	Director	5/6	83
Ms. Juwairiya Saeed	Director	5/6	83
Mr. Abdulla Nafiz	Director	5/6	83
Dr. Ahmed Ranesh	Director	3/3	100
Mr. Naheez Ahmed Saeed	Director	1/3	33

Key Decisions of the Board in 2018

- Incorporation of MWT Logistics International Pvt. Ltd. as a dedicated LCL cargo operator with strategic alliances with an international party.
- Decision were taken with regard to the appointment of senior management of MWT Logistics International Pvt. Ltd.
- Reorganization of the management structure were implemented by positioning a "Operation Director post" and new appointment for "General Manager post"
- Strategic evaluation of S-EMS acquisition proposal was made and necessary approval and advises were in place in order to assure the successful business consolidation.
- Evaluations and approval were provided in order to incorporate Centurion Air operations. Projected financial forecasts and potential business proposals were evaluated with key management related to centurion air operations.
- Evaluation and approval were provided in order to incorporate STS operation and related husbandry services within Maldives and internationally.
- Interim review of performance of General Managers were conducted in light of achieving financial budget approved for 2018.
- Approval were given to operate Rohoffe Pvt. Ltd. and Equatorialline Pvt. Ltd. operations through a separate office premises by implementing diversification strategy of handling major liner agencies.

CORPORATE GOVERNANCE REPORT

Annual General Meeting

The 2nd Annual General Meeting of Centurion PLC was held on 28th May 2018 at Champa Central Hotel, Male'. A total of 85 shareholders attended the AGM, with 50 shareholders being present in person and 35 shareholders being present by proxy.

The following key resolutions were approved:

- Endorsed the recommendation of the Board to appoint KPMG as external auditors for the financial year 2018 and their remuneration
- Approved the Directors' report and Independent Auditors Report for the year 2017.
- A divident of MVR 3 per share was declared.

Annual General Meeting

Nomination, Remuneration and Corporate Governance Committee and Audit Committee are the two sub-committees that function within the Board.

The Board ultimately approves all matters presented and discussed at committees. The Company Secretary also functions as the Secretary for committee meetings.

Refer to reports of the respective committees for their mandates and activities.

Board Evaluation

The evaluation of Board of Directors' performance is carried out through a peer evaluation system with the help of an assessment guide which identifies key areas for evaluation. The Directors are evaluated based on the performance of the Board and Committees in terms of Board effectiveness, participation and contribution to decision making and information flow, and accordingly identifies areas for improvement.

Directors' Remuneration

Remuneration for the Board Directors are occasionally reviewed by the Nomination and Remuneration Committee and presented for board approval.

Directors of Centurion PLC are paid a monthly fixed remuneration. No further remuneration is provided to any Committee members or its Chairpersons.

In 2017, a total of MVR 810,000 was paid as remuneration for Directors and Executives of the group.

CORPORATE GOVERNANCE REPORT

Other Directorships held by the Board

Name	Directorship
Mr. Ahmed Maumoon	Spectra PLC, Stellar, Supper Supply, Life Support, Maldives Tours
Mr. Aimon Jameel	Spectra PLC
Mr. Abdullah Hassan	Spectra PLC

Code of Conduct

The Company's Code of Conduct has been communicated to all staff and board members to ensure that our reputation in the community as a good corporate citizen is maintained. The Code of Conduct sets principles and guidelines to ensure professionalism and ethical behaviour that will garner the support and approval of our valued stakeholders.

Internal Controls

The internal control and risk management systems of the Company are regularly reviewed by the Board. A pragmatic system of internal controls has been maintained in order to protect the resources and interests of the shareholder. The Board relies on the Audit Committee and the Internal Audit Department in discharging its responsibility to establish proper internal controls within the company. Further details on internal controls are discussed in the Audit Committee report.

Internal Audit

Internal Audit Department of the Company carries out internal audits as per the internal audit plan for the year. The Internal Audit Department reports functionally to the Audit Committee and administratively to the Managing Director. Details on internal audit activities are highlighted in the Audit Committee Report and each subsidiaries company level .

External Audit

KPMG was appointed as the external auditors for 2018. The External Auditor was selected by obtaining competitive proposals from qualified services providers.

Communication with Shareholders

It is the objective of the company to provide equal access to information and maintain an open line of communication with shareholders and investors. Our corporate website and a dedicated investor relations webpage ensures that all shareholders are provided with the most up-to-date material information on the Company.

The Company always welcomes feedback from the shareholders; in addition to participation in General Meetings which is the primary platform for shareholder communication, shareholders may also raise concerns and submit queries through the company website, email or letters addressed to the Board. Our dedicated investor relations team ensures that queries from shareholders are resolved in a timely manner.

Mechanism to Raise Concerns

CPLC strives to adhere to all the regulatory framework of a public company. An appropriate mechanism has been implemented to enable employees, management or other stakeholders to raise any concerns that they have, whether on a confidential basis or otherwise, of any non-compliance or fraud or other misdemeanor within the Company.

CORPORATE GOVERNANCE REPORT

Statutory Fees and Taxes

Centurion has paid all fees payable to the pertinent authorities on or before the due dates including company registration fee, annual company fee, annual listing fee, depository fee and taxes to the relevant authorities and regulators.

Declaration by the Board of Directors

As the Board of Directors, we declare that we have discharged our responsibilities to the best our abilities, and that the information presented in this Annual Report is true and accurate to the best of our knowledge.
Utmost care was taken to ensure compliance with the Corporate Governance Code, Listing Rules, Securities Act and the Company's Act.

Every effort was made to bring success to the Company while ensuring transparency, fairness and diligence in all respects with the ultimate purpose of protecting and promoting shareholder interests.

Financial Statements – The consolidated financial statements consist of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Shareholder Equity and Notes to the Consolidated Financial Statements. The financial statements of the year ended 31st December 2018 have been prepared:-

- In accordance with International Financial Reporting Standards;
- Conforming to applicable laws and regulations;
- To provide information that are true and fair; and
- Certified by the Managing Director and Chief Financial Officer, and approved by the Board of Directors

Annual Report – The Annual Report reflects the activities of the Company during past year.

Future Outlook – The Board has reviewed the strategic business plans of the Company, and the Directors are confident that the Company possess the resources to continue the business as a going concern and pursue the objectives set forth in the plans.

Safeguarding Company's Assets – the Board of Directors have engaged an Independent external auditor to review the financial statements, and their impartial opinion and recommendations is welcomed. The Board strives to improve any weaknesses pointed out in the auditors' reports.

Independent Audit– the Board of Directors have engaged an Independent external auditor to review the financial statements, and their impartial opinion and recommendations is welcomed. The Board strives to improve any weaknesses pointed out in the auditors' reports.

CORPORATE GOVERNANCE REPORT

Declaration of Interest – The Directors of Centurion Plc confirm that:

- Subject to information disclosed herein, neither the Directors nor any associates had any significant interest, direct or indirect in the equity or debt securities of Centurion Plc or subsidiaries or had any right to subscribe for equity or debt securities of the Company or its subsidiaries.
- There were no contract of significance subsisting during or at the end of the accounting period in which a Director of Centurion Plc or subsidiaries was materially interested, either directly or indirectly.
- Except for those disclosed in the note 27 of the Audited Financials, there were no substantial or material third party transactions, monetary transactions or relationships between the Company and its Directors, the Management, subsidiaries or relatives.

Dividend – In accordance with the dividend policy of the Company, the Board may declare a dividend and present for shareholders' approval in the Annual General Meeting.

On behalf of the Board of Directors,

Ahmed Maumoon Chairperson	**Aimon Jameel** Managing Director	**Juwairiya Saeed** Director

RISK MANAGEMENT REPORT

BOARD OF DIRECTORS

The board is responsible for maintaining a sound risk management framework and internal control system to safeguard the shareholder's investments and Group's assets, as well as to discharge its leadership responsibility.

In identifying and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with corporate governance principles.

BOARD SUBCOMMITEES

Responsible for overseeing the development and implementation of policies relevant to their area of scope, identification of emerging risks and for monitoring the ongoing effectiveness of our procedures.

Audit Committee

The audit committee represents and assists the Board in fulfilling its oversight responsibility relating to the integrity of the company's Financial Statements and the financial reporting process, the system of internal accounting and financial controls, the internal audit functions, the annual independent external audit, the Company's compliance with legal and regulatory requirements, and its policies and ethics established by the Company.

Remuneration & Nomination Committee

The Remuneration& Nomination Committee assists the Board to discharge its responsibility by overseeing remuneration policies and practices of the Company. Committee's main role is-

- To select, or recommend to the Board of Directors for selection, the individuals to stand for election as directors at the annual meeting or, if applicable, a general meeting.
- To oversee the selection and composition of committees of the Board of Directors and, as applicable, oversee management continuity planning processes.

CORPORATE MANAGMENT

The team reviews operating and financial performance of Group's operational divisions/subsidiaries in accordance with corporate objectives, strategies, policies, key performance indicators and annual budgets as approve by the Board that the Group's risk management and internal control system is operating adequately and effectively, based on the risk management and internal control framework of the Group.

Group Risk Management

The audit committee performs quarterly-based risk management assessments through the Internal Audit Reports and findings of the Company and its subsidiaries and reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The Committee also seeks the observations of the Independent External Auditors of the Group.

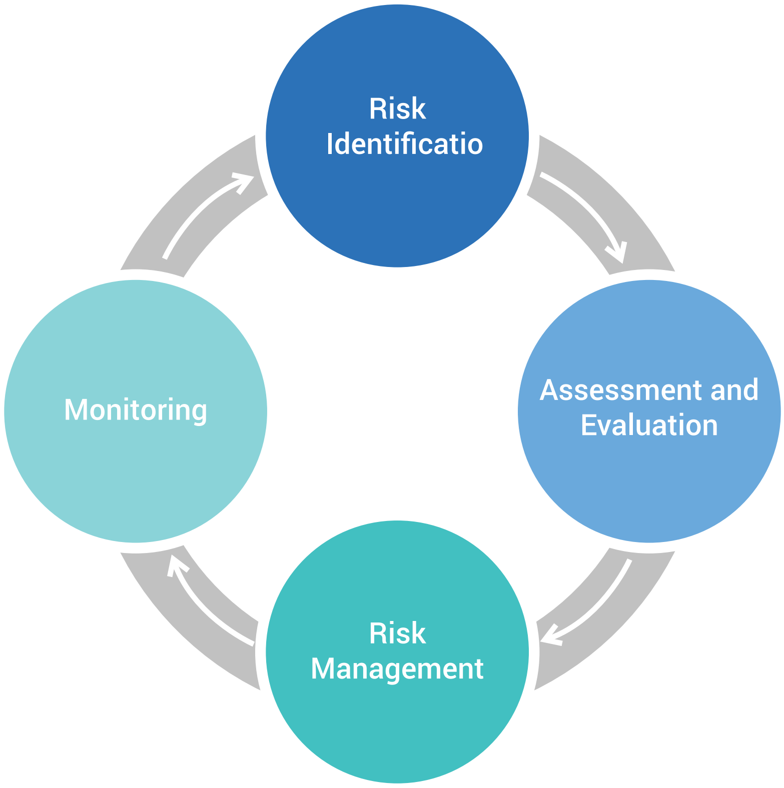
OPERATIONS

Board

The ultimate responsibility for setting the risk appetite for the effective managements of the risk resets with the Board. Acting within the authority delegated by the board, the Audit Committee review specific risk profiles and receives regular reports on risk management, which include the Company's portfolio trends, policies, standards and soundness of internal control, infrastructure and regulatory compliance. These Committees are authorized to investigate or seek any information relating to an activity within the terms of reference.

OUR RISK MANAGEMENT FRAMEWORK

Management Approach



Risk Identification

Risk Identification is the process of determining risks that could potentially prevent the program, enterprise or investment from achieving its objectives. It includes documenting and communicating the concern.

Assessment and Evaluation

Risk notification memo which are standardised across the Group of companys are used to assess and evaluate risks. All identified risks are assessed at three levels (high/medium/low) with reference to the likelihood of occurrence and the potential impact.

Risk Management

Based on the risk factors identified by the internal auditor, the respective functions formulate strategies to curtail and mitigate these risk exposures.

Monitoring

Risks are monitored at multiple levels in the Organization including at functional level, Board Sub Committee and Board level. Identified risks, the risk registers, mitigation plans and performance of each identified risk are evaluated at these levels throughout the year.

REPORT OF THE NOMINATIONS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Nominations, Remuneration and Corporate Governance Committee is comprised of 3 members who are non-executive, independent Directors of the Board. The Company Secretary acts as the secretary for Audit Committee.

Mandate

The purpose of the Nominations, Remuneration and Corporate Governance Committee is as follows:

- To select, or recommend to the Board of Directors for selection, the individuals to stand for election as directors at the annual meeting or, if applicable, a general meeting.
- To oversee the selection and composition of committees of the Board of Directors and, as applicable, oversee management continuity planning processes.

The Board of Directors shall determine whether the Committee shall make determinations as a committee or shall make recommendations to the Board of Directors. The rationale behind combining the three functions is to improve efficiency as the Board is relatively small.

Nomination committee mandates and process

- Establish criteria for the selection of new directors to serve on the Board of Directors.
- Identify individuals believed to be qualified as candidates to serve on the Board of Directors and select, or recommend that the Board of Directors select, the candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee may take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity, and the extent to which the candidate would fill a present need on the Board of Directors.
- Review and make recommendations to the full Board of Directors, or determine, whether members of the Board should stand for re-election and consider matters relating to the retirement of Board members, including term limits or age caps.
- In the case of a director nominated to fill a vacancy on the Board of Directors due to an increase in the size of the Board, recommend to the Board of Directors the class of directors in which the director-nominee should serve.
- Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. In that connection, the Committee shall have sole authority to retain and to terminate any search firm to be used to assist in identifying candidates to serve as directors of the Company, including sole authority to approve the fees payable to such search firm and any other terms of retention.
- Consider questions of independence and possible conflicts of interest of members of the Board of Directors and executive officers.
- Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.

- Oversee the evaluation, at least annually, and as circumstances otherwise dictate, of the Board of Directors and management.

Remuneration committee mandates

- Analyze, review and propose remuneration packages for Executive Directors and Executives of the Senior Management

  In determining the Executive Directors Remuneration, the committee shall assess industry benchmarks and propose packages aiming to retain Executive Directors and Executives of the Senior Management.

  Remuneration packages shall be reviewed once in every two years

  Committee shall also propose remuneration packages for Non-Executive Directors

  Committee shall at all times consider packages that is reflective of performance of the Directors (Performance based packages)

  Committee shall ensure disclosure of Directors remuneration in the Annual report

Corporate Governance committee mandates

- To the extent deemed appropriate by the Board of Directors and the Committee, the Committee will do as follows:
- Consider the adequacy of the certificate of incorporation and by-laws of the Company and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the certificate of incorporation and by-laws for consideration by the shareholders.
- Develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board of Directors in light of such developments as may be appropriate.
- Consider policies relating to meetings of the Board of Directors. This consideration may include meeting schedules and locations, meeting agendas, and procedures for delivery of materials in advance of meetings.

CORPORATE GOVERNANCE REPORT

Meetings

The Committee held two meeting during the year. Committee membership and attendance for the year 2018 are as follows:

Name	Position	Meetings Attended	% Attended
Ahmed Maumoon	Chairperson	2/2	100
Abdulla Hassan	Member	2/2	100
Abdulla Nafiz	Member	2/2	100

Board Appointments

All the shareholders of Centurion PLC have the right to nominate suitable candidates for the position of Board Directors. Once the shareholders nominate candidates, the candidates are evaluated, and shortlisted candidates are called for an interview by the Nominations, Remuneration and Corporate Governance Committee. The names of shortlisted candidates are presented to the shareholders at the AGM to be elected.

Key Activities in 2018 and progress

- Reviewed and recommended the criteria for new board nominations for the AGM and presented it to the Board.
- Evaluate the adequacy of qualification and industry experience of board and committee members to continue the service.
- Oversaw the evaluation of Board Directors, Committees and Executives for the year 2018.
- Approved the CEO's role defined in a separate mandate approved through a board meeting approval.

Gender Diversity

All the shareholders of Centurion PLC have the right to nominate suitable candidates for the position of Board Directors. Once the shareholders nominate candidates, the candidates are evaluated, and shortlisted candidates are called for an interview by the Nominations, Remuneration and Corporate Governance Committee. The names of shortlisted candidates are presented to the shareholders at the AGM to be elected.

Executive Directors Serving Elsewhere

Managing Director Mr. Aimon Jameel serves on the board of S-EMS Pvt Ltd until the acquisition of S-EMS Maldives Pvt. Ltd. to the Centurion PLC group. He receives no remuneration from S-EMS as a board director of the company.

Remunerations status

During the financial year 2018 total director remunerations and emoluments includes MVR 900,000. The company follows remuneration system directly liked with the performance of top management. Necessary periodic appraisals are conducted by the HR department and process for the approval of board members.

CORPORATE GOVERNANCE REPORT

Other reporting matters

Given the operating model of the entity, the decision to appoint CEO and Executive directors were taken through internal mechanism adopted through remuneration committee and no external consultation and advertising were made to appoint CEO and any other non-executive directors.

The progress of each meeting and committee decisions are methodically documented through board papers and minutes. The progress of each activities is evaluated prior to beginning of next meeting conducted by the members.

During the period 2018, there were no stock options or stock dividend related transactions performed by the Centurion PLC.

The Nominations, Remuneration and Corporate Governance Committee is satisfied with the activities carried out by the Committee during the past year.

On behalf of Nominations, Remuneration and Corporate Governance Committee,

Ahmed Maumoon
Chairperson

AUDITED COMMITTEE REPORT

In compliance with the CGC of CMDA, the Audit Committee is comprised of 3 members who are non-executive Directors of the Board. The Company Secretary acts as the secretary for Audit Committee.

Mandate

The purpose of the Audit Committee is as follows:

- Assist the Board to establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.
- Oversee the selection and composition of committees of the Board of Directors and, as applicable, oversee management continuity planning processes.
- The Board of Directors shall determine whether the Committee shall make determinations as a committee or shall make recommendations to the Board of Directors.

Role of the Committee

The purpose of the Audit Committee is as follows:

- to review effectiveness of company's internal risk controls and risk management systems;
  to monitor the integrity of annual and interim financial statements of the company, the clarity of disclosure and the context in which statements are made;
- to review and challenge where necessary the consistency of, and any changes to, accounting policies;
- to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- to review the internal and external audit functions;
- to evaluate the independence and effectiveness of the work of the external auditors.

Meetings

The Committee held 10 meetings during the year. Committee membership and attendance are as follows:

Name	Position	Meetings Attended	% Attended
Ms. Juwairiya Saeed	Chairperson	8/10	80
Mr. Abdhulla Hassan	Member	8/10	80
Dr. Ahmed Ranesh	Member	9/10	90

AUDITED COMMITTEE REPORT

Key Activities involved during 2018

- **Reviewing financial statements** – Quarterly financial reports of 2018 were reviewed at the end of the respective periods. Annual financial statement of 2017 was reviewed.

- **Risk management and internal controls** – Reviewed the effectiveness of the company's internal controls and strengthened enterprise risk management. Approved the Internal Audit Plan and risk mitigation mechanism for 2019 to be adopted by the management.

- **External audit affairs** – Reviewed proposals received from the external auditors and made recommendations to the Board on the re- appointment of external auditors. The Audit Committee is satisfied with the independence and objectivity of the External Auditor. The audit committee does not wish to involve external auditors for any other non-audit services for Centurion PLC.

  Audit committee members reviewed the time plan and audit methodology presented by the external auditors.

- **Independent valuation appointment** – Decision was made to appointment of independent valuation expert for the purpose of various valuation requirement of Centurion PLC group. The members of the audit committee evaluated various proposals received from international parties considering the independency, market experience, technical skills and fees quotations.

- **Internal audit** – Internal Audit Department reports to the Audit Committee. A total of 4 internal audits were conducted during the year. The findings of the audits were presented along with recommendations to the Board.

- **Compliances for regulatory affairs** – The members of the audit committee emphasized the role of CFO and Managing Director in terms of managing the affairs and timely communication with CMDA and MSE in relation to the regulatory compliances.

Audit Committee is satisfied with the activities carried out by the Committee during the past year.

On behalf of the Audit Committee,

Juwairiya Saeed
Chairperson

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS 2018

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Independent Auditors' Report
To the Shareholders of
Centurion Public Limited Company

Opinion

We have audited the accompanying consolidated and separate financial statements of Centurion Public Limited Company (the "Company") and its Subsidiaries (together with the "Group"), which comprise the consolidated and separate statement of financial position as at 31st December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated and separate financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 64 to 103.

Opinion – Group

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

Opinion – Company

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Group as at 31st December 2018, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRSs.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (Continued)

Recoverability of Goodwill in the Consolidated Financial Statements

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 4.7 and 13 of the financial statements)

Risk Description	***Our Response***
As at 31st December 2018, the Group has recognised goodwill in the amount of MVR 173,684,747 /-. The majority of the goodwill has been allocated to Centurion Transport Solutions Private Limited cash generating unit. The annual impairment review of goodwill is considered to be a key audit matter due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount which is based on value in use derived from discounted cash flow model. This model uses several key assumptions, including estimates of future cash flows, discount rates and the growth rate.	Our audit procedures included; • assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based; • evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry; • assessing the consistency of the forecast cash flows assumptions, including analysis of major client contracts incorporated into the forecasts, for alignment to the Group's budget and our inquiries with the Group; • engaging our internal valuation specialists to assist us in assessing the impairment assessment methodology adopted and discount rates used in the discounted cash flow forecasts by management expert; • performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the current estimated headroom for the cash generating units to which the goodwill is allocated; • evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Key Audit Matters (Continued)

Transition impact with the Initial Application of IFRS 9 ("Financial Instruments") in the Consolidated Financial Statements

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 4.1(ii) and 15.2 of the financial statements)

Risk Description	***Our Response***
Due to the introduction of the new International Financial Reporting Standard 9 ("IFRS 9") relating to the financial instruments, the Group evaluated its existing accounting policies involving the classification, measurement and recognition of impairment over financial instruments. These new accounting policies include estimates that involves significant judgment of the management and complex computations. Further, the adoption of this standard has resulted in an adjustment of MVR 6,442,850/- to the opening balance of equity presented as at 1st January 2018. In determining the allowance for trade receivables and related party balances, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.	Our audit procedures included; • evaluating the appropriateness of the accounting policies based on the requirements of IFRS 9 with our business understanding and industry practice; • assessing the reasonableness of key judgments and assumptions incorporated into the calculations of impairment allowances for trade receivable and related party balances by using our own KPMG specialists to challenge the management; • obtaining an understanding of how allowance for doubtful debts is estimated by the management and testing the key controls of the Group relating to the preparation of the aging analysis of trade receivables; • reviewing the aging analysis of the trade receivables throughout the year to understand the settlement patterns by the customers; • testing the aging analysis of the trade receivables, on a sample basis, to the source documents; • evaluating the completeness, accuracy and relevance of data used in preparation of the transition adjustments, and • assessing the completeness, accuracy and relevance of transition disclosures.

Recoverability of Investments in Subsidiary Companies in the Separate Financial Statements

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 4.8 (ii) and 14 of the financial statements)

Risk Description	***Our Response***
As at 31st December 2018, the Company carries a balance of investment in Subsidiaries amounting to MVR 176,979,899/-. The impairment review over the investments in subsidiaries is considered to be a key audit matter due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount which is based on value in use derived from discounted cash flow model. This model uses several key assumptions, including estimates of future cash flows, discount rates and the growth rate.	Our audit procedures included; • assessing the Group's budgeting review and approval procedures upon which the cash flow forecasts are based; • evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry; • assessing the consistency of the forecast cash flows assumptions, including analysis of major client contracts incorporated into the forecasts, for alignment to the Group's budget and our inquiries with the Group; • engaging our internal valuation specialists to assist us in assessing the impairment assessment methodology adopted and discount rates used in the discounted cash flow forecasts by management expert; • performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the current estimated headroom for the cash generating units; • evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Other Information

The Board of Directors (the "Board") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

Other Information (Continued)

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

Responsibilities of the Board of Directors for the Consolidated and Separate Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditors' report is R.W.M.OW.D.B Rathnadiwakara.

kpmg.

Chartered Accountants

24th April 2019
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CENTURION PUBLIC LIMITED COMPANY
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2018

		GROUP		COMPANY	
	Note	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Revenue	6	132,041,066	83,611,173	-	-
Cost of Sales		(105,310,644)	(64,432,939)	-	-
Gross Profit		26,730,422	19,178,234	-	-
Other Income	7	66,285	462,357	-	-
Administrative Expenses		(20,090,494)	(14,976,311)	(959,376)	(793,328)
Sales and Marketing Expenses		(671,545)	(1,227,502)	(7,600)	(162,510)
Impairment Loss on Trade Receivables and Related Parties	15.2	(44,019)	(389,071)	-	-
Profit / (Loss) from Operating Activities		5,990,649	3,047,707	(966,976)	(955,838)
Finance Income	8	682,800	433,261	-	-
Finance Costs	8	(204,652)	(247,723)	-	-
Net Finance Income		478,148	185,538	-	-
Profit / (Loss) before Tax	9	6,468,797	3,233,245	(966,976)	(955,838)
Tax Expense	10	(824,776)	(977,205)	-	(341,118)
Profit / (Loss) (Total Comprehensive Income) for the Year		5,644,021	2,256,040	(966,976)	(1,296,956)
Profit Attributable to:					
Owners of the Company		5,587,293	2,219,009		
Non-controlling Interest		56,728	37,031		
		5,644,021	2,256,040		
Earnings Per Share (EPS) / Loss per Share (LPS)					
Basic and Diluted Earnings per Share / (Loss per Share)	11	0.78	0.31	(0.14)	(0.18)

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Group and the Company set out on pages 64 to 103. The Report of the Independent Auditors is given on pages 53 to 58.

CENTURION PUBLIC LIMITED COMPANY
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

		GROUP		COMPANY	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
	Note	MVR	MVR	MVR	MVR
ASSETS					
Non-current Assets					
Property, Plant and Equipment	12	16,712,684	14,894,282	3,765,700	2,458,310
Intangible Assets and Goodwill	13	173,960,594	167,875,735	-	-
Investment in Subsidiaries	14	-	-	176,979,899	176,129,900
Deferred Tax Asset	10.3	777,776	-	-	-
Total Non-current Assets		191,451,054	182,770,017	180,745,599	178,588,210
Current Assets					
Trade and Other Receivables	15	9,388,741	16,715,890	245,115	231,108
Amounts due from Related Parties	16	7,886,301	12,346,002	-	-
Amounts due from Directors	17	2,578,276	309,751	-	-
Cash and Cash Equivalents	18	3,485,618	1,418,362	8,882	101,741
Total Current Assets		23,338,936	30,790,005	253,997	332,849
Total Assets		214,789,990	213,560,022	180,999,596	178,921,059
EQUITY AND LIABILITIES					
Equity					
Share Capital	19	178,433,770	178,433,770	178,433,770	178,433,770
Retained Earnings / (Accumulated Losses)		384,846	2,067,581	(5,170,656)	(3,312,056)
Equity Attributable to Owners of the Company		178,818,616	180,501,351	173,263,114	175,121,714
Non-controlling Interest		138,751	146,461	-	-
Total Equity		178,957,368	180,647,812	173,263,114	175,121,714
Non-current Liabilities					
Loans and Borrowings	20.2	388,200	772,318	-	-
Lease Liability	21.2	1,190,000	2,030,000	-	-
Deferred Tax Liability	10.3	164,382	110,027	-	-
Total Non-current Liabilities		1,742,582	2,912,345	-	-
Current Liabilities					
Loans and Borrowings	20.3	526,713	609,255	-	-
Lease Liability	21.3	1,776,002	1,776,002	-	-
Trade and Other Payables	22	29,862,710	25,866,751	739,297	720,960
Amounts due to Related Parties	23	-	283,112	6,873,435	3,023,385
Amounts due to Directors	24	186,305	193,361	123,750	55,000
Current Tax Liabilities		419,124	692,798	-	-
Bank Overdraft	25	1,319,186	578,586	-	-
Total Current Liabilities		34,090,040	29,999,865	7,736,482	3,799,345
Total Liabilities		35,832,622	32,912,210	7,736,482	3,799,345
Total Equity and Liabilities		214,789,990	213,560,022	180,999,596	178,921,059

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Group and the Company set out on pages 64 to 103. The Report of the Independent Auditors is given on pages 53 to 58.

....

Mr. Kanesh Jayasinghe
Chief Financial Officer

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

Name of the Director	**Signature**
Mr. Aimon Jameel	....
Mr. Ahmed Maumoon	....

24th April 2019

CENTURION PUBLIC LIMITED COMPANY
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018 - GROUP

	Equity Attributable to Owners of the Parent Company				Non Controlling Interest	Total Equity
	Share Capital	Advance Received	(Accumulated Losses) / Retained Earnings	Total Equity		
	MVR	MVR	MVR	MVR	MVR	MVR
Balance as at 1st January 2017	176,055,000	1,524,675	(151,428)	177,428,247	109,430	177,537,677
Profit (Total Comprehensive Income) for the Year	-	-	2,219,009	2,219,009	37,031	2,256,040
Transactions with Owners of the Company						
Contributions by the owners						
Advance Received during the Period	-	854,095	-	854,095	-	854,095
Shares Issued during the Year **(Note 19.1)**	2,378,770	(2,378,770)	-	-	-	-
Balance as at 31st December 2017	178,433,770	-	2,067,581	180,501,351	146,461	180,647,812
Adjustment on Initial Application of IFRS 9 **(Note 4.1 (ii))**	-	-	(6,378,421)	(6,378,421)	(64,428)	(6,442,850)
Adjusted balance as at 1st January 2018	178,433,770	-	(4,310,840)	174,122,930	82,033	174,204,962
Profit (Total Comprehensive Income) for the Year	-	-	5,587,293	5,587,293	56,728	5,644,021
Transactions with Owners of the Company						
Contribution by and Distributions to the owners						
Dividend Paid During the Year **(Note 19.4)**	-	-	(891,607)	(891,607)	(17)	(891,624)
Acquisition of subsidiary	-	-	-	-	8	8
Balance as at 31st December 2018	178,433,770	-	384,846	178,818,616	138,751	178,957,368

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Group and the Company set out on pages 64 to 103.The Report of the Independent Auditors is given on pages 53 to 58.

CENTURION PUBLIC LIMITED COMPANY
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018 - COMPANY

	Share Capital	Advance Received for Shares	Accumulated Losses	Total Equity
	MVR	MVR	MVR	MVR
Balance as at 1st January 2017	176,055,000	1,524,675	(2,015,100)	175,564,575
Loss (Total Comprehensive Loss) for the Year	-	-	(1,296,956)	(1,296,956)
Transactions with Owners of the Company				
Contributions by the owners				
Advance Received during the Period	-	854,095	-	854,095
Shares Issued during the Year **(Note 19.1)**	2,378,770	(2,378,770)	-	-
Balance as at 31st December 2017	178,433,770	-	(3,312,056)	175,121,714
Balance as at 1st January 2018	178,433,770	-	(3,312,056)	175,121,714
Loss (Total Comprehensive Loss) for the Year	-	-	(966,976)	(966,976)
Transactions with Owners of the Company				
Distributions to the owners				
Dividend Paid During the Year **(Note 19.4)**	-	-	(891,624)	(891,624)
Balance as at 31st December 2018	178,433,770	-	(5,170,656)	173,263,114

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Group and the Company set out on pages 64 to 103. The Report of the Independent Auditors is given on pages 53 to 58.

CENTURION PUBLIC LIMITED COMPANY
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2018		GROUP		COMPANY	
	Note	Year Ended 31-Dec-2018 MVR	Period Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Period Ended 31-Dec-2017 MVR
Cash Flows from Operating Activities					
Profit / (Loss) before tax		6,468,797	3,233,245	(966,976)	(955,838)
Adjustments for;					
Negative Goodwill	7	-	(462,357)	-	-
Depreciation	12	1,412,061	1,407,527	733	733
Amortization	13	45,298	49,857	-	-
Loss on Disposal of Property, Plants and Equipment	12	-	42,010	-	-
Provision for Impairment Loss on Trade Receivable and Related Parties	15.2	44,019	389,071	-	-
Operating Profit before Working Capital Changes		7,970,175	4,659,353	(966,243)	(955,105)
Changes In:					
Trade and Other Receivables		1,279,503	(5,829,461)	(14,007)	(231,108)
Amounts due from Related Parties		4,459,701	(1,438,843)	-	-
Amounts due from Directors		(442,274)	(215,483)	-	-
Amounts due to Related Parties		(8,479,652)	90,527	3,850,050	674,336
Amounts due to Director		(7,056)	82,876	68,750	35,000
Trade and Other Payables		3,165,584	5,027,362	18,337	673,373
Cash Flows Generated from Operating Activities		7,945,981	2,376,331	2,956,887	196,496
Tax Paid		(1,102,737)	(918,798)	-	-
Net Cash from Operating Activities		6,843,244	1,457,533	2,956,887	196,496
Cash Flows from Investing Activities					
Investment in Subsidiaries **(Note A and B)**	14	(686,129)	-	(849,999)	-
Acquisition of Property, Plant and Equipment and Intangible Assets	12/13	(2,632,176)	(2,634,184)	(1,308,123)	(2,459,043)
Dividend Paid	19.4	(891,624)	-	(891,624)	-
Net Cash used in Investing Activities		(4,209,929)	(2,634,184)	(3,049,746)	(2,459,043)
Cash Flows from Financing Activities					
Advance Received for Shares	19	-	854,095	-	854,095
Loan Repayments during the Year	20	(466,660)	(413,455)	-	-
Lease installments paid during the Year	21	(840,000)	(770,000)	-	-
Net Cash (used in) / from Financing Activities		(1,306,660)	(329,360)	-	854,095
Net Increase / (Decrease) in Cash and Cash Equivalents		1,326,656	(1,506,011)	(92,859)	(1,408,452)
Cash and Cash Equivalents at the beginning of the Year		839,776	2,345,787	101,741	1,510,193
Cash and Cash Equivalents at the End of the Year	18	2,166,432	839,776	8,882	101,741

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Group and the Company set out on pages 64 to103. The Report of the Independent Auditors is given on pages 53 to 58.

FOR THE YEAR ENDED 31ST DECEMBER 2018

Note - Acquisition of S-EMS Maldives Private Limited

On 26th December, the Group has acquired 99.99% of shares and voting interest in S-EMS Maldives Private Limited for a purchase consideration of MVR. 750,000/-.

A. Identifiable Assets Acquired and Liabilities assumed

The acquisition had the following effects on the Group assets and liabilities:

	MVR
Assets	
Property, Plant and Equipment	868,572
Deferred Tax Assets	719,133
Trade and Other Receivable	439,223
Amount due from Directors	1,826,251
Cash and Cash Equivalent	63,871
	3,917,050
Liabilities	
Amounts due to Related Parties	8,196,540
Trade and Other Payables	830,375
	9,026,915
Non Controlling Interest	(8)
Net Asset Acquired	(5,109,873)
Net Cash Consideration	750,000
Goodwill on Acquisition **(Note 13)**	(5,859,873)

B. Analysis of net outflow of cash and cash equivalents in respect of the acquisition of subsidiary:

	MVR
Net Cash Consideration	750,000
Cash and cash equivalents at the time of acquisition	(63,871)
Net cash outflow on acquisition of subsidiary	686,129

1. REPORTING ENTITY

1.1 Parent Company

Centurion Public Limited Company (the "Company") is a Company incorporated and domiciled in the Republic of Maldives since 04th August 2016 as a public limited liability company under the Companies Act No. 10 of 1996, with its registered office M.Heenavill, 2nd floor, Buruzu magu, Male', Republic of Maldives. The consolidated financial statements of the Company as at and for the year ended 31st December 2018 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities").

The Company is engaged in a business of shipping services, freight management, logistic utilization, ship ownership and management services.

1.2 Subsidiaries

Centurion Transport Solutions Private Limited

The Company is engaged in a business of shipping services, freight management, logistic utilization, ship ownership and management services.

Equatorial Lines Private Limited

The Company is engaged in a business of provision of freight handling services.

Rohoffe Private Limited

The Company is engaged in a business of provision of freight handling services.

MWT Logistic International Private Limited

The Company is engaged in the business of provision of freight handling services and ship handling services.

S-EMS Maldives Private Limited

The Company is engaged in the business of provision of freight handling services and ship handling services.

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

This is first set of financial statements in which IFRS 15 "Revenue from Contract with Customers" and IFRS 9 "Financial Instrument" have been applied. Changes to significant accounting policies are described in the in Note 4.1.

(b) Basis of Measurement

The consolidated and separate financial statements have been prepared on the historical cost basis, except freehold wooden marine vessels.

Freehold wooden marine vessels are valued at its fair value less accumulated depreciation.

2. BASIS OF PREPARATION (CONTINUED)

(c) Going Concern Basis of Accounting

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

(d) Functional and Presentation Currency

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

(e) Use of Estimates and Judgements

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

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

3. BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements comprise the financial statements of the Centurion Public Limited Company and its subsidiaries.

(b) Non-controlling Interest

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

(c) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Changes in Significant Accounting Policies

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

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

i.) IFRS 15 Revenue from Contracts with Customers

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

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

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

ii.) IFRS 9 Financial Instruments

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

As result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss. Previously, the Group's approach was to include the impairment of trade receivables in sales and marketing expenses. Consequently, the Group reclassified impairment losses amounting to MVR 389,071/-, recognized under IAS 39, from other sales and marketing expenses to impairment loss on trade receivables in the statement of profit or loss for the year ended 31st December 2017.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Changes in Significant Accounting Policies (Continued)

ii.) IFRS 9 Financial Instruments (Continued)

	Impact of Adopting IFRS 9 as at 1st January 2018 MVR
Retained Earnings	
Recognition of Expected Credit Losses Under IFRS 9	6,442,850
Related Tax	-
Impact as at 1st January 2018	6,442,850

Classification and Measurement of Financial Assets and Financial Liabilities

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

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

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

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

	Original Classification Under IAS 39	New Classification Under IFRS 9	Original Carrying Amount Under IAS 39 MVR	New Carrying Amount Under IFRS 9 MVR
Financial Assets				
Trade Receivables	Loans and Receivables	Amortised Costs	16,363,975	9,921,125
Staff Loan and Other Receivables	Loans and Receivables	Amortised Costs	271,015	271,015
Amounts due from Related Parties	Loans and Receivables	Amortised Costs	12,346,002	12,346,002
Amounts due from Directors	Loans and Receivables	Amortised Costs	309,751	309,751
Balances with Bank	Loans and Receivables	Amortised Costs	960,844	960,844
Total Financial Assets			**30,251,587**	**23,808,737**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Changes in Significant Accounting Policies (Continued)

Classification and Measurement of Financial Assets and Financial Liabilities (Continued)

	Original Classification Under IAS 39	New Classification Under IFRS 9	Original Carrying Amount Under IAS 39 MVR	New Carrying Amount Under IFRS 9 MVR
Financial Liabilities				
Trade and Other Payables	Other Financial Liabilities	Other Financial Liabilities	23,877,241	23,877,241
Interest-bearing Loans and Borrowings	Other Financial Liabilities	Other Financial Liabilities	1,381,573	1,381,573
Lease Liability	Other Financial Liabilities	Other Financial Liabilities	3,806,002	3,806,002
Amount due to Related Party	Other Financial Liabilities	Other Financial Liabilities	283,112	283,112
Amounts due to Directors	Other Financial Liabilities	Other Financial Liabilities	193,361	193,361
Bank Overdraft	Other Financial Liabilities	Other Financial Liabilities	578,586	578,586
Total Financial Liabilities			**30,119,875**	**30,119,875**

Trade receivables and amounts due from related parties that were classified as loans and receivables under IAS 39 are now classified at amortized cost. An increase of MVR 6,442,850/- in the allowance of impairment over these receivable were recognized in opening retained earnings as at 1st January 2018 on transition to the IFRS 9.

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

	IAS 39 Carrying Amount as at 31st December 2017 MVR	Remeasurement MVR	IFRS 9 Carrying Amount as at 1st January 2018 MVR
Financial Assets			
Amortized Cost			
Trade Receivables and Amounts due from Related Parties:			
Brought Forward Loans and Receivables	16,363,975		
Remeasurement		6,442,850	
Carried Forward Amortized Cost			9,921,125

There was no material impact on the Company's financial statements due to the adoption of IFRS 9.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Changes in Significant Accounting Policies (Continued)

ii.) IFRS 9 Financial Instruments (Continued)

Impairment of Financial Assets

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

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

	Amount MVR
Loss Allowance as at 31st December 2017 Under IAS 39	848,781
Additional Impairment Recognized as at 1st January 2018 on;	
- Trade Receivables as at 31st December 2017	4,343,185
- Amounts due from Related Parties as at 31st December 2017	2,099,665
Loss Allowance as at 1st January 2018	7,291,631

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

Transition

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

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

4.2 Transactions in Foreign Currencies

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Financial Instruments

i. Recognition and Initial Measurement

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

ii. Classification and Subsequent Measurement

Financial Assets – Policy Applicable from 1st January 2018

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

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

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

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

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

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

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

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

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

Financial Assets – Business Model Assessment: Policy Applicable from 1st January 2018

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Financial Instruments (Continued)

ii. Classification and Subsequent Measurement (Continued)

Financial assets – Business Model Assessment: Policy Applicable from 1st January 2018 (Continued)

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

Financial Assets - Assessment whether Contractual Cash flows are solely Payments of Principal and Interest: Policy Applicable from 1st January 2018

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

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

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

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

Financial Assets – Subsequent Measurement and Gains and Losses Policy Applicable from 1st January 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial Assets at Amortized Cost	These are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Debt Investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Financial Instruments (Continued)

ii. Classification and Subsequent Measurement (Continued)

Financial Assets - Policy Applicable before 1st January 2018

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

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

Financial Assets – Subsequent Measurement and Gains and Losses: Policy Applicable before 1st January 2018 (Continued)

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

Financial Liabilities – Classification, Subsequent Measurement and Gains and Losses

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

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

iii. Derecognition

Financial Assets

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

Financial Liabilities

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Financial Instruments (Continued)

iii. Derecognition (Continued)

Financial Liabilities (Continued)

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

4.4 Share Capital

Ordinary Shares

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

4.5 Property, Plant and Equipment

(i) Recognition and Measurement

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

Freehold wooden marine vessels are valued at its fair value less accumulated depreciation.

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

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

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

(ii) Subsequent Costs

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

(iii) Depreciation

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

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

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Property, Plant and Equipment (Continued)

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

▪ Plant and Equipment	05 Years
▪ Office and Equipment	05 Years
▪ Furniture and Fittings	05 Years
▪ Motor Vehicles	10 Years
▪ Freehold Marine Vessel	20 Years
▪ Leasehold Marine Vessel	20 Years

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

4.7 Intangible Assets and Goodwill

(i) Recognition and Measurement

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization and any impairment losses.

Goodwill arising on the acquisition of subsidiaries is presented with intangible assets. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is charged to the Profit or Loss on a straight line basis over the estimated useful lives of assets unless such lives are indefinite. Goodwilll is not amortised.

The estimated useful lives are as follows:

▪ Computer Software	Over 03 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.8 Impairment

(i) Non-derivative Financial Assets

Policy applicable from 1st January 2018

Financial Instruments and Contract Assets

The Group recognizes loss allowances for ECLs on:

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

(i) Non Derivative Financial Assets (Continued)

Policy Applicable from 01st January 2018 **(Continued)**

Financial Instruments and Contract Assets (Continued)

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

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

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

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

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

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

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

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

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

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

(i) Non Derivative Financial Assets (Continued)

Policy Applicable from 01st January 2018 **(Continued)**

Financial Instruments and Contract Assets (Continued)

Credit-impaired Financial Assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

Non-derivative Financial Assets (Including Receivables)

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

Policy applicable before 1 January 2018 (Continued)

Non-derivative Financial Assets (Including Receivables) ***(Continued)***

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

(ii) Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

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

4.9 Employee Benefits

(i) Short-term Employee Benefits

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Employee Benefits (Continued)

(ii) Defined Contribution Plans

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

4.10 Provisions

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

4.11 Revenue

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

Sea and air freight, ship Handling, custom clearance sea and air revenue are recognized on providing the service at the time of rendering services on an accrual basis. Dhoni rental revenue is recognized on accrual basis.

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

4.12 Tax Expense

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

Current Tax

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

Deferred Tax

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Expenses

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

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

4.14 Lease Payments

Payments made under operating leases are recognized in profit or loss on accrual basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Determining Whether an Arrangement Contains a Lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair value.

Lease Assets

Lease of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance lease the lease assets. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

4.15 Finance Costs and Finance Income

Finance costs comprise interest expense on borrowings and foreign exchange losses. Borrowings costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

4.16 Determination of Fair Values

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

Level – 01

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 Determination of Fair Values (Continued)

Level – 02

Inputs other than quoted prices included within level that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).This instruments valued using:

(a.) Quoted market in active markets for similar instruments. (b.) Quoted prices for identical or similar instruments in markets that are considered to be less active, or (c.) Other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level – 03

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

4.17 New Standard and Interpretations not yet adopted by the Group

Following new standards, amendments to standards and interpretations applicable to the financial statements of the Group are effective for annual periods beginning after 1st January 2019 and earlier application is permitted.

However the group has not applied the following new or amended standards interpretations in these financial statements.

i. IFRS 16 Leases

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

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard. The Group is in the stage of assessing the impact on its financial statements from adopting IFRS 16 and plans to adopt the standard as at 1st January 2019.

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

ii. Other Standards

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

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

5 OPERATING SEGMENTS

A.Basis of segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they are subject to risk and returns that are different from those of other business segments.

The following summary describe the operations of each reportable segment.

Reportable segments	Operations
Freight and Custom Clearance	Shipping services, freight management, logistic utilization
Ship Ownership	Ship ownership and management services
Ship Handling	Providing husbandry services to ships

The Group's managing director reviews the internal management reports of each division at least quarterly.

B. Information about reportable segments

For the Year Ended 31st December 2018

	Reportable Segments				
	Freight and Custom Clearance	Ship Ownership	Ship Handling	Unallocated	Total
	MVR	MVR	MVR	MVR	MVR
Segment Revenue	95,349,720	12,087,273	24,604,073	-	132,041,066
Segment Profit / (Loss) before Tax	4,623,393	586,097	1,193,022	66,285	6,468,797
Finance Income	542,749	-	140,051	-	682,800
Finance Costs	(18,566)	(181,295)	(4,791)	-	(204,652)
Segment Assets	21,062,841	13,553,717	5,435,063	174,738,370	214,789,990
Segment Liabilities	22,955,434	6,790,925	5,923,428	162,835	35,832,622

For the Period Ended 31st December 2017

	Reportable Segments				
	Freight and Custom Clearance	Ship Ownership	Ship Handling	Unallocated	Total
	MVR	MVR	MVR	MVR	MVR
Segment Revenue	63,484,495	12,089,116	8,037,562	-	83,611,173
Segment Profit / (Loss) before Tax	1,873,429	(250,205)	1,147,664	462,357	3,233,245
Finance Income	328,967	62,645	41,649	-	433,261
Finance Costs	(39,424)	(203,308)	(4,991)	-	(247,723)
Segment Assets	29,461,156	12,194,297	3,450,248	168,454,321	213,560,022
Segment Liabilities	24,289,509	7,175,575	758,513	688,613	32,912,210

6 REVENUE

The effect of initial application of IFRS 15 on the Group's revenue stream from contracts with customers is described in Note 4.1 , comparative information has not been restated to reflect in new requirement.

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Freight Revenue - Sea	59,293,047	46,277,829	-	-
Freight Revenue - Air	1,067,713	536,281	-	-
Customs Clearance Revenue - Sea	24,989,099	13,405,698	-	-
Customs Clearance Revenue - Air	9,423,386	3,078,190	-	-
Dhoni Rental Revenue	12,087,273	12,089,116	-	-
Ship Handling Revenue	24,604,073	8,037,562	-	-
Other Logistics Revenue	576,475	186,497	-	-
	132,041,066	83,611,173	-	-

7 OTHER INCOME

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Negative Goodwill	-	462,357	-	-
Other Income	66,285	-	-	-
	66,285	462,357	-	-

8 NET FINANCE INCOME

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Finance Income				
Foreign Exchange Gain	682,800	433,261	-	-
Finance Costs				
Interest Expense	(204,652)	(247,723)	-	-
Net Finance Cost	478,148	185,538	-	-

9 PROFIT / (LOSS) BEFORE TAX

	GROUP		COMPANY	
Is stated after charging all the expenses including the followings;	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Depreciation	1,412,061	1,407,527	733	733
Amortization	45,298	49,857	-	-
Directors Remuneration	900,000	810,000	300,000	240,000
Office Rent	1,314,700	1,060,760	-	-
Personal Expense **(Note 9.1)**	12,512,009	9,646,158	140,698	140,698

9 PROFIT/(LOSS) BEFORE TAX (CONTINUED)

9.1 Personal Expense

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Salaries and Wages	11,836,728	8,602,110	137,698	137,698
Staff Welfare	276,287	739,498	-	-
Pension Contribution	150,994	99,050	-	-
Ramazan Allowance	248,000	205,500	3,000	3,000
	12,512,009	9,646,158	140,698	140,698

10 TAX EXPENSE

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Current Tax expense **(Note 10.1)**	815,847	505,998	-	-
Under Provision in respect of Previous Years	13,216	-	-	
(Recognition) / Reversal of Deferred Tax Asset **(Note 10.3)**	(57,392)	477,527	-	341,118
Recognition / (Reversal) of Deferred Tax Liability **(Note 10.3)**	53,104	(6,320)	-	-
	824,775	977,205	-	341,118

In accordance with the provisions of the Business Profit Tax Act No. 5 of 2011 and subsequent amendments thereto, the entities in the Group are liable for income tax on its taxable income at the rate of 15%.

10.1 Reconciliation between Accounting Profit / (Loss) and Taxable Income;

	GROUP		COMPANY	
	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR	Year Ended 31-Dec-2018 MVR	Year Ended 31-Dec-2017 MVR
Profit / (Loss) before Tax of the Parent Company	6,468,797	3,233,245	(966,976)	(955,838)
Aggregate Disallowable Items	2,919,619	3,430,600	300,733	245,483
Aggregate Allowable Items	(3,240,268)	(3,165,525)	(800)	(800)
Claim against Accumulated Tax Losses **(Note 10.2)**	(527,889)	-	-	-
Tax Free Allowance	(181,278)	(125,000)	-	-
Total Taxable Income	5,438,981	3,373,320	-	-
Income Tax @ 15%	815,847	505,998	-	-

10.2 Accumulated Tax Losses

	GROUP		COMPANY	
	31-Dec-2018 MVR	31-Dec-2017 MVR	31-Dec-2018 MVR	31-Dec-2017 MVR
Balance as at 1st January	3,220,619	3,220,619	2,311,218	2,311,218
Acquisition of Subsidiary	3,724,210	-	-	-
Loss for the Year	1,745,393	1,196,272	667,043	711,155
Claim against Accumulated Tax Losses	(527,889)	-	-	-
Loss of transferred from / (to) specified subsidiaries during the Year	-	(1,196,272)	-	(711,155)
Balance as at 31st December	8,162,333	3,220,619	2,978,261	2,311,218

FOR THE YEAR ENDED 31ST DECEMBER 2018

10 TAX EXPENSE (CONTINUED)

10.3 Deferred Tax Assets

	GROUP		COMPANY	
	31-Dec-2018 MVR	31-Dec-2017 MVR	31-Dec-2018 MVR	31-Dec-2017 MVR
Balance as at 1st January	-	477,527	-	341,118
Recognised / (Reversed) during the Year	57,392	(477,527)	-	(341,118)
Acquisition of Subsidiary	720,384	-	-	-
Balance as at 31st December	777,776	-	-	-

Deferred Tax Liability

	GROUP		COMPANY	
	31-Dec-2018 MVR	31-Dec-2017 MVR	31-Dec-2018 MVR	31-Dec-2017 MVR
Balance as at 1st January	110,027	116,347	-	-
Recognized / (Reversed) during the Year	53,104	(6,320)	-	-
Acquisition of Subsidiary	1,251	-	-	-
Balance as at 31st December	164,382	110,027	-	-

10.4 Recognized Deferred Tax Assets of the Group is attributable to the following;

	31-Dec-18		31-Dec-17	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Accumulated Tax Losses	5,184,072	777,611	-	-
Property, Plant and Equipment	1,102	165	-	-
	5,185,174	777,776	-	-

10.5 Deferred Tax Liability of the Group is attributable to the following;

	31-Dec-18		31-Dec-17	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Property, Plant and Equipment	1,067,954	160,193	720,438	108,066
Intangible Assets	27,924	4,189	13,072	1,961
	1,095,878	164,382	733,510	110,027

10 TAX EXPENSE (CONTINUED)

10.6 Unrecognised Deferred Tax Assets of the Group is attributable to the following;

	31-Dec-18		31-Dec-17	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Accumulated Tax Losses	2,978,261	446,739	3,220,619	483,093
	2,978,261	446,739	3,220,619	483,093

Unrecognised Deferred Tax Assets of the Company is attributable to the following;

	31-Dec-18		31-Dec-17	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Accumulated Tax Losses	2,978,261	446,739	2,311,218	346,683
	2,978,261	446,739	2,311,218	346,683

Deferred Tax Asset has not been recognized in respect of the above item because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

11 EARNINGS PER SHARE (EPS) / LOSS PER SHARE (LPS)

The Group / Company computes basic EPS / LPS data for its ordinary shares. Basic EPS / LPS is calculated by dividing the Profit / (loss) that is attributable to ordinary shareholders of the Group / Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS / LPS determined by adjusting the Profit / (loss) that is attributable to ordinary shareholders of the Group / Company and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The basic EPS / LPS and diluted EPS / LPS of the Group / Company are same during the reporting date.

	GROUP		COMPANY	
	2018	2017	2018	2017
Amounts used as the Numerator:				
Profit / (Loss) for the Year Attributable to Equity Holders of the Group / Company (MVR)	5,587,293	2,219,009	(966,976)	(1,296,956)
Number of Ordinary Shares used as the Denominator:				
Weighted Average Number of Ordinary Shares **(Refer Note 19)**	7,137,351	7,137,351	7,137,351	7,137,351
Earnings / (Loss) per Ordinary Share (MVR)	0.78	0.31	(0.14)	(0.18)

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12 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Plant and Equipment	Office Equipment	Furniture and Fittings	Motor Vehicles	Freehold Marine Vessel	Leasehold Marine Vessel	Machineries and Equipment	Total 2018	Total 2017
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Cost / Revalued Amount									
Balance as at 1st January	3,354,392	940,415	210,275	267,060	6,452,727	8,521,968	-	19,746,837	19,760,692
Additions during the Year	210,001	267,842	47,787	185,515	242,623	-	-	953,769	179,141
Disposals during the Year	-	-	-	-	-	-	-	-	(192,996)
Acquisition of subsidiary	-	156,487	31,948	-	-	-	8,500	196,935	-
Balance as at 31st December	3,564,393	1,364,744	290,010	452,575	6,695,350	8,521,968	8,500	20,897,541	19,746,837
Accumulated Depreciation									
Balance as at 1st January	2,333,119	710,068	83,607	89,736	1,324,329	2,766,739	-	7,307,598	6,051,057
Charged for the Year	464,060	120,748	47,020	31,444	748,789	-	-	1,412,061	1,407,527
Disposals during the Year	-	-	-	-	-	-	-	-	(150,986)
Acquisition of subsidiary	-	73,277	15,303	-	-	-	224	88,803	-
Balance as at 31st December	2,797,179	904,093	145,930	121,180	2,073,118	2,766,739	224	8,808,463	7,307,598
Carrying Values									
Balance as at 31st December 2018	767,214	460,651	144,080	331,395	4,622,232	5,755,229	8,276	12,089,077	
Balance as at 31st December 2017	1,021,273	230,347	126,668	177,324	5,128,398	5,755,229	-		12,439,239
Capital Work In Progress (**Note 12.1**)								4,623,607	2,455,043
								16,712,684	14,894,282

12.1 Capital Work In Progress

	Total 2018	Total 2017
Balance as at 1st January	2,455,043	-
Additions during the Year	1,408,123	2,455,043
Acquisition of subsidiary	760,441	-
Balance as at 31st December	4,623,607	2,455,043

12.2 Capital Work in Progress represents the cost incurred by the Company for the construction of the Unicorn Dhoni and the construction of warehouse project in Greater Male' Industrial Zone - Gulhifalhu Island..

12.3 Freehold Marine Vessel is mortgaged against the loans and borrowings obtained by the Centurion Transport Solutions Private Limited as disclosed under the Note 20.4 to the financial statements.

12 PROPERTY, PLANT AND EQUIPMENT - GROUP (CONTINUED)

12.4 The Wooden Marine Vessel ("Islander Dhoni" registry no: C8349A-03 10T) was revalued on 4th June 2014 by a qualified Master Mariner with reg no. C-619/2006, "Oceantree Maldives Pvt Ltd" Surveyors and Consultant, Independent Qualified Valuer based in the Republic of Maldives and the revaluation surplus amounting to MVR 3,844,264/- has been recognised in equity.

The carrying amount that would have been recognised had the assets been carried under the cost model;

	Cost MVR	Accumulated Depreciation MVR	Net Carrying Value MVR
Wooden Marine Vessel	2,232,814	587,856	1,644,958

PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Office Equipment MVR	Total 2018 MVR	Total 2017 MVR
Cost			
Balance as at 1st January	4,000	4,000	-
Additions during the Year	-	-	4,000
Balance as at 31st December	4,000	4,000	4,000
Accumulated Depreciation			
Balance as at 1st January	733	733	-
Charged for the Year	733	733	733
Balance as at 31st December	1,466	1,466	733
Carrying Values			
Balance as at 31st December 2018	2,534	2,534	
Balance as at 31st December 2017	3,267		3,267
Capital Work In Progress **(Note 12.5)**		3,763,166	2,455,043
		3,765,700	2,458,310

12.5 Capital Work In Progress

	2018	2017
Balance as at 1st January	2,455,043	-
Additions during the Year	1,308,123	2,455,043
Balance as at 31st December	3,763,166	2,455,043

12.6 Capital Work in Progress represents the cost incurred by the Company for the construction of the Unicom Dhoni.

13 INTANGIBLE ASSETS AND GOODWILL - GROUP

	Goodwill MVR	Computer Software MVR	Total 2018 MVR	Total 2017 MVR
Cost				
Balance as at 1st January	167,824,874	194,815	168,019,689	167,557,332
Additions during the Year	-	80,618	80,618	462,357
Acquisition of Goodwill	5,859,873	-	5,859,873	-
Balance as at 31st December	173,684,747	275,433	173,960,180	168,019,689
Accumulated Amortization				
Balance as at 1st January	-	143,954	143,954	94,097
Amortized during the Year	-	45,298	45,298	49,857
Balance as at 31st December	-	189,252	189,252	143,954
Capital Work In Progress				
Additions during the Year	-	189,666	189,666	-
Balance as at 31st December	-	189,666	189,666	-
Carrying Value	173,684,747	275,847	173,960,594	167,875,735

13.1 Capital Work in Progress represents the costs incurred on ERP system project.

13 INTANGIBLE ASSETS AND GOODWILL - GROUP (CONTINUED)

13.1 Impairment Testing for Cash Generating Unit ("CGU") Containing Goodwill

Goodwill acquired through business combinations have been allocated to cash generating units (CGU's) for impairment testing as follows;

Net Carrying Value of the Goodwill	Amount 2018 MVR	Amount 2017 MVR
Equatorial Lines Private Limited	194,123	194,123
Centurion Transport solution Private Limited	167,630,751	167,630,751
S-EMS Maldives Private Limited	5,859,873	-
	173,684,747	167,824,874

The recoverable amounts of all CGUs have been determined based on the value in use (VIU) calculation.

Accounting Judgements, Estimates and Assumptions

Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model based on EBITDA estimations. The cash flows are derived based on the recent approved budgets for the next years and cash flow projections for future years. These cash flow estimations reflect ongoing development of the business as well as historical growth trends of the business model. Cash flow estimations do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the cash generating units, are as follows;

	2018	2017
Discount Rate	13.20%	16.31%
Terminal Value Growth Rate	2%	2%
Inflation	2% - 2.7%	2%
Budgeted EBITDA Growth Rate	10 % - 35%	10% - 25%

Discount Rate

The discount rate used is the risk-free rate, adjusted by the addition of an appropriate risk premium. In determining the discount rates for each CGU, the entity has considered respective entities capital leveraging structures. Where debt financing is not available, weighted average cost of capital reflects only the cost of equity.

Terminal Value of Growth Rate

Terminal value has been decided based on the maturity level of each CGUs factoring the potential developments and growth rates of the business. Where the business performance indicates reasonable level of maturity, it is assumed 5 year-based terminal value where as 10 year based terminal value is considering the startup stag of relevant CGUs.

A long-term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product (GDP) rate for the countries in which the CGU operates and the long-term compound annual EBITDA growth estimated by the management.

Inflation

The basis used to determine the rate assigned to the budgeted cost inflation is the inflation rate based on projected conditions. National inflation rate is used for pricing projections.

Budgeted Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") Growth Rate

Budgeted EBITDA growth rate was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth by considering recent rate changes which took place in mid 2018. Revenue growth was projected taking into account the average growth levels experienced over the past years and estimated sales volume and price growth for next five years and ten year where as CGU which it was recently established under the Centurion PLC. It was assumed that revenue lines would grow at a margin above forecast inflation over forecasted period and considering the national GDP growth rate which forecast provided by the International Monetary Fund ("IMF"). The costs are expected to grow inline with Maldivian inflation forecasted provided by IMF and salary related expenses are expected to grow by 5% year-on-year.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately MVR. 35,228,506/-, 8,982,524/- and 21,678,353/ respectively. Management has identified that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount could cause to carrying amount to exceed the recoverable amount. The following table shows the amount by which these assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Change required for carrying amount to equal recoverable amount	**2018**	
	Discount Rate Increased By	**Budgeted EBITDA Growth Rate Decreased By**
Centurion Transport solution Private Limited	2% - 3%	10% - 15%
Equatorial Lines Private Limited	More than 100%	More than 100%
S-EMS Maldives Private Limited	11% - 12%	More than 100%

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14 INVESTMENTS IN SUBSIDIARIRES

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Rohoffe Private Limited	-	-	4,900	4,900
Equatorial Lines Private Limited	-	-	70,000	70,000
Centurion Transport Solutions Private Limited	-	-	176,055,000	176,055,000
S-EMS Maldives Private Limited	-	-	750,000	-
MWT Logistics International Private Limited	-	-	99,999	-
	-	-	176,979,899	176,129,900

15 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Trade Receivables - Receivables from Outside Customers	12,626,801	14,264,310	-	-
- Receivables from Related Parties **(Note 15.1)**	1,426,566	2,099,665	-	-
Less: Provision for Impairment Loss of Trade Receivables and Related Parties **(Note 15.2)**	(6,237,124)	(848,781)	-	-
	7,816,242	15,515,194	-	-
Deposits and Prepayment	993,687	629,235	170,000	170,000
Receivables from Agents	194,530	300,446	-	-
Staff Loans and Advances	236,057	171,559	-	-
Goods and Services Tax ("GST") Receivable	85,385	-	71,260	61,108
Other Receivables	62,840	99,456	3,855	-
	9,388,741	16,715,890	245,115	231,108

15.1 Trade Receivables from Related Parties

	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
S-EMS Maldives Private Limited	-	1,000	-	-
Life Support Private Limited	261,156	914,912	-	-
Spectra Concepts Private Limited	322,002	855,494	-	-
Spectra Public Limited	596,393	215,971	-	-
Super Supply Private Limited	155,231	112,288	-	-
Maldives Tours Private Limited	91,784	-	-	-
	1,426,566	2,099,665	-	-

15.2 Provision for Impairment Loss on Trade Receivables

	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Balance as at 1st January	848,781	498,333	-	-
Adjustment due to Initial Application of IFRS 9	6,442,850	-	-	-
Acquisition of subsidiary	235,484	-	-	-
Write-off during the Year	(1,334,010)	(38,623)	-	-
Provision made during the Year	44,019	389,071	-	-
Balance as at 31st December	6,237,124	848,781	-	-

16 AMOUNTS DUE FROM RELATED PARTIES

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
S-EMS Maldives Private Limited	-	6,926,377	-	-
Cronus Logistics Private Limited	4,352,474	2,507,624	-	-
Stellar Holdings Private Limited	948,970	953,970	-	-
Pacmar Shipping - Chennai	760,789	455,679	-	-
Spectra Concepts Private Limited	1,359,326	994,110	-	-
Life Support Private Limited	417,425	467,425	-	-
Centurion Logistics (Addu) Private Limited	38,008	36,008	-	-
Centurion Surveyors Private Limited	4,809	4,809	-	-
Centurion Air Private Limited	4,500	-	-	-
	7,886,301	12,346,002	-	-

17 AMOUNTS DUE FROM DIRECTORS

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Mr. Ahmed Maumoon	1,488,591	132,663	-	-
Mr. Aimon Jameel	1,089,685	177,088	-	-
	2,578,276	309,751	-	-

18 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Favorable Balances				
Cash in Hand	535,927	457,518	-	-
Balances with Banks	2,949,691	960,844	8,882	101,741
	3,485,618	1,418,362	8,882	101,741
Unfavorable Balances				
Bank Overdraft **(Note 25)**	(1,319,186)	(578,586)	-	-
Cash and Cash Equivalents for Cash Flow purpose	2,166,432	839,776	8,882	101,741

19 SHARE CAPITAL

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Balance as at 1st January	178,433,770	176,055,000	178,433,770	176,055,000
Issue of Ordinary Voting Shares **(Refer Note 19.1)**	-	2,378,770	-	2,378,770
Balance as at 31st December	178,433,770	178,433,770	178,433,770	178,433,770

19.1 Movement in Number of Shares

	GROUP		COMPANY	
	2018	2017	2018	2017
Balance as at 1st January	7,137,351	7,042,200	7,137,351	7,042,200
Issue of Ordinary Voting Shares	-	95,151	-	95,151
Balance as at 31st December	7,137,351	7,137,351	7,137,351	7,137,351

19.2 Authorized

The authorized share capital comprises13,800,000 (2017: 13,800,000) ordinary shares of MVR 25/- each.

19.3 Issued and Fully Paid

The issued and fully paid share capital comprises 7,137,351 (2017: 7,137,351) ordinary shares of MVR 25/- each.

19.4 Dividend and Voting Rights

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

Dividends have been approved by the directors of the Company for the year ended 31st December 2018 amount of MVR 891,624 (2017: Nil).

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20 LOANS AND BORROWINGS

	GROUP 2018 MVR	GROUP 2017 MVR	COMPANY 2018 MVR	COMPANY 2017 MVR
Balance as at 1st January	1,381,573	1,795,028	-	-
Repayments made during the Year	(466,660)	(413,455)	-	-
Balance as at 31st December	914,913	1,381,573	-	-

20.1 Sources of Finance

Mr. Ahmed Maumoon & Mr. Aimon Jameel **(Note 20.4)**	914,913	1,381,573	-	-

20.2 Non-current

Mr. Ahmed Maumoon & Mr. Aimon Jameel	388,200	772,318	-	-

20.3 Current

Mr. Ahmed Maumoon & Mr. Aimon Jameel	526,713	609,255	-	-

20.4 Mr. Ahmed Maumoon & Mr. Aimon Jameel

The Centurion Transport Solutions Private Limited has obtained a term loan of MVR 2,300,000/- from Mr. Ahmed Maumoon and Mr. Aimon Jameel at a interest rate of 12% per annum. This loan is repayable in 60 monthly installments from the date of disbursement. The loan amount has to be repaid fully in 2020. The loan is secured with a vessel named "Islander" bearing the registration no C8349A-03 10-T own by the Centurion Transport Solutions Private Limited.

21 LEASE LIABILITY

	GROUP 2018 MVR	GROUP 2017 MVR	COMPANY 2018 MVR	COMPANY 2017 MVR
Balance as at 1st January	3,806,002	4,576,002	-	-
Repayments made during the Year	(840,000)	(770,000)	-	-
Balance as at 31st December	2,966,002	3,806,002	-	-

21.1 Sources of Finance

Mr. Abdulla Rasheed and Ms. Sama Solih **(Note 21.4)**	2,966,002	3,806,002	-	-

21.2 Non-current

Mr. Abdulla Rasheed and Ms. Sama Solih	1,190,000	2,030,000	-	-

21.3 Current

Mr. Abdulla Rasheed and Ms. Sama Solih	1,776,002	1,776,002	-	-

21.4 Mr. Abdulla Rasheed and Ms. Sama Solih

The Centurion Transport Solutions Private Limited has obtained lease hold right to vessel named "Moonima" bearing registration no P8166A-03 01-R from Mr. Abdulla Rasheed and Ms. Sama Solih an amount of MVR 8,400,000/-. This facility is repayable in 120 equal monthly installments.

21.5 Repayment of lease liability is schedules as follows - Group:

	1-2 Years MVR	2-5 Years MVR	After 5 Years MVR	Total 31-Dec-18 MVR	Total 31-Dec-17 MVR
Mr. Abdulla Rasheed and Ms. Sama Solih	1,190,000	-	-	1,190,000	3,806,002
	1,190,000	-	-	1,190,000	3,806,002

FOR THE YEAR ENDED 31ST DECEMBER 2018

22 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Trade Payables	26,419,352	23,877,241	565,088	616,947
Salary Payable	1,266,705	1,287,816	93,000	91,500
Accrued Expenses	1,690,609	10,116	-	12,259
Advances Received	354,427	352,927	-	-
Goods and Services Tax ("GST") Payable	123,916	227,235	-	-
Other Payables	7,701	111,416	81,209	254
	29,862,710	25,866,751	739,297	720,960

23 AMOUNTS DUE TO RELATED PARTIES

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
S-EMS Maldives Private Limited	-	66,342	-	-
Stellar Holdings Private Limited	-	191,918	-	-
Spectra Concepts Private Limited	-	24,438	-	-
Life Support Private Limited	-	414	-	-
Rohoffe Private Limited	-	-	625	-
MWT Logistics International Pvt Ltd	-	-	99,999	-
Centurion Transport Solutions Private Limited	-	-	6,772,811	3,023,385
	-	283,112	6,873,435	3,023,385

24 AMOUNTS DUE TO DIRECTORS

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Mr. Ahmed Maumoon	-	118,805	-	-
Mr. Aimon Jameel	111,749	19,556	68,750	-
Mr. Abdulla Nafiz	24,556	5,000	5,000	5,000
Ms. Juweyriya Saeed	5,000	5,000	5,000	5,000
Mr. Abdulla Hassan	15,000	15,000	15,000	15,000
Mr. Naheez Ahmed Saeed	15,000	15,000	15,000	15,000
Dr. Ahmed Ranesh	15,000	15,000	15,000	15,000
	186,305	193,361	123,750	55,000

25 BANK OVERDRAFT

	GROUP		COMPANY	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Mauritius Commercial Bank (Maldives) Private Limited **(Note 25.1)**	1,319,186	578,586	-	-
	1,319,186	578,586	-	-

25.1 Mauritius Commercial Bank (Maldives) Private Limited

The Centurion Transport Solutions Private Limited has obtained an overdraft credit facility of MVR 450,000 for working capital requirements from Mauritius Commercial Bank (Maldives) Private Limited at an interest rate of 12% per annum. The overdraft facility is secured against personal guarantees and indemnity by the Centurion Transport Solutions Private Limited and it's shareholders.

FOR THE YEAR ENDED 31ST DECEMBER 2018

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

26.1 Accounting Classifications and Fair Values

The effect of initial application of IFRS 09 on the company's financial instruments are discribed in note 4.1. Due to the transition method chosen, comparative information has not been restated to reflect the new requirement.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group

31st December 2018	Carrying Amount		
	Financial Asset at Amortised Cost	Other Financial Liabilities	Total
	MVR	MVR	MVR
Financial Assets not measured at Fair Value			
Trade Receivables (Gross)	14,053,366	-	14,053,366
Staff Loan and Other Receivables	298,897	-	298,897
Amounts due from Related Parties	7,886,301	-	7,886,301
Amounts due from Directors	2,578,276	-	2,578,276
Cash and Cash Equivalents	3,485,618	-	3,485,618
	28,302,458	-	28,302,458
Financial Liabilities not measured at Fair Value			
Trade Payables	-	26,419,352	26,419,352
Loans and Borrowings	-	914,913	914,913
Lease Liability	-	2,966,002	2,966,002
Amount due to Related Party	-	-	-
Amounts due to Directors	-	186,305	186,305
Bank Overdraft	-	1,319,186	1,319,186
	-	31,805,758	31,805,758

Comparative Information under IAS 39

31st December 2017	Carrying Amount		
	Loans and Receivables	Other Financial Liabilities	Total
	MVR	MVR	MVR
Financial Assets not measured at Fair Value			
Trade Receivables (Gross)	16,363,975	-	16,363,975
Staff Loan and Other Receivables	271,015	-	271,015
Amounts due from Related Parties	12,346,002	-	12,346,002
Amounts due from Directors	309,751	-	309,751
Cash and Cash Equivalents	1,418,362	-	1,418,362
	30,709,105	-	30,709,105
Financial Liabilities not measured at Fair Value			
Trade Payables	-	23,877,241	23,877,241
Loans and Borrowings	-	1,381,573	1,381,573
Lease Liability	-	3,806,002	3,806,002
Amount due to Related Party	-	283,112	283,112
Amounts due to Directors	-	193,361	193,361
Bank Overdraft	-	578,586	578,586
	-	30,119,875	30,119,875

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

26.1 Accounting Classifications and Fair Values (Continued)

Company

31st December 2018	Carrying Amount		
	Financial Asset at Amortised Cost MVR	Other Financial Liabilities MVR	Total MVR
Financial Assets not measured at Fair Value			
Balances with Banks	8,882	-	8,882
	8,882	-	8,882
Financial Liabilities not measured at Fair Value			
Trade Payables	-	565,088	565,088
Amount due to Related Party	-	6,873,435	6,873,435
Amounts due to Directors	-	123,750	123,750
	-	7,562,273	7,562,273

31st December 2017	Carrying Amount		
	Loans and Receivables MVR	Other Financial Liabilities MVR	Total MVR
Financial Assets not measured at Fair Value			
Balances with Banks	101,741	-	101,741
	101,741	-	101,741
Financial Liabilities not measured at Fair Value			
Trade Payables	-	616,947	616,947
Amount due to Related Party	-	3,023,385	3,023,385
Amounts due to Directors	-	55,000	55,000
	-	3,695,332	3,695,332

26.2 Financial Risk Management

(i) Overview

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

(ii) Risk Management Framework

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

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

26.2 Financial Risk Management (Continued)

(iii) Credit Risk

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

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

	GROUP Carrying Amount		COMPANY Carrying Amount	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Trade Receivables (Gross)	14,053,366	16,363,975	-	-
Staff Loan and Other Receivables	298,897	271,015	-	-
Amounts due from Related Parties	7,886,301	12,346,002	-	-
Amounts due from Directors	2,578,276	309,751	-	-
Balances with Banks	3,485,618	1,418,362	8,882	101,741
	28,302,458	30,709,105	8,882	101,741

Trade Receivables

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

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

Impairment Losses	2018		2017	
	Gross MVR	Impairment MVR	Gross MVR	Impairment MVR
The aging of trade and other receivables at the reporting date was:				
Neither passed due nor impaired	-	-	1,964,432	-
Past due but not impaired	7,816,242	-	13,550,762	-
Past due and impaired	6,237,124	(6,237,124)	848,781	(848,781)
	14,053,366	(6,237,124)	16,363,975	(848,781)

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

Receivables from Related Parties

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2018

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

26.2 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

Comparative Information Under IAS 39

Movement of Provision for Impairment of Trade Receivables	2017 MVR
Balance as at 01st January	459,710
Recognized during the Year	389,071
Balance as at 31st December	848,781

Ageing Analysis of Trade Receivables

	Total	< 30 days	30-60 days	61-90 days	91-180 days	181-365 days	> 365 days
	-	-	-	-	-	-	-
31st December 2017	16,336,481	5,869,031	2,055,526	1,658,714	895,609	717,461	5,140,139

The movement in the provision for impairment in respect of trade and other receivables is given in Note 16.1 to the financial statements.

The Company believes that the unimpaired amounts that are outstanding are still collectible, based on historic payment behavior. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of trade and other receivables.

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

26.2 Financial Risk Management (Continued)

Expected credit loss assessment under IFRS 9

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

The Company incorparates forward looking information in to it's mesurement of ECL such as GDP growth rate.

Measurement of ECL

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

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

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

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

	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance	Credit Impaired
1-30 days past due	12.16%	5,423,587	659,338	No
31-60 days past due	23.48%	1,431,702	336,211	No
61-90 days past due	34.48%	206,977	71,370	No
More than 90 days past due	73.95%	6,991,100	5,170,205	Yes
		14,053,366	6,237,125	

Movements in Allowance for Impairment in Respect of Trade Receivables and Contract Assets

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

	2018 MVR	2017 MVR
Balance as at 1 January under IAS 39	848,781	498,333
Adjusted on initial application of IFRS 9	6,442,850	-
Balance as at 1 January under IFRS 9	7,291,631	498,333
Net measurement of loss allowance	44,019	389,071
Acquisition of subsidiary	235,484	-
Write-off during the Year	(1,334,010)	(38,623)
Balance as at 31 December under IFRS 9	6,237,124	848,781

Cash and cash equivalent

The Company held cash and equivalents of MVR 3,485,618/- as at 31 December 2018 (2017 - MVR 1,418362/-). On the initial application of IFRS 9, the Company has no significant impact on cash and cash equivalent balances as at 1 January 2018.

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

26.2 Financial Risk Management (Continued)

(iv) Liquidity Risk

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

The following are the contractual maturities of financial liabilities.

Group

31st December 2018	Carrying Amount MVR	0 - 12 Months MVR	1 - 2 Years MVR	2 - 5 Years MVR
Financial Liabilities (Non- Derivative)				
Trade Payables	26,419,352	26,419,352	-	-
Loans and Borrowings	914,913	526,713	388,200	-
Lease Liability	2,966,002	1,776,002	1,190,000	-
Amounts due to Directors	186,305	186,305	-	-
Bank Overdrafts	1,319,186	1,319,186	-	-
Total	31,805,758	30,227,558	1,578,200	-

31st December 2017	Carrying Amount MVR	0 - 12 Months MVR	1 - 2 Years MVR	2 - 5 Years MVR
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	23,877,241	23,877,241	-	-
Loans and Borrowings	1,381,573	609,255	526,713	245,605
Lease Liability	3,806,002	840,000	1,776,002	1,190,000
Amounts due to Related Parties	283,112	283,112	-	-
Amounts due to Directors	193,361	193,361	-	-
Bank Overdrafts	578,586	578,586	-	-
Total	30,119,875	26,381,555	2,302,715	1,435,605

Company

31st December 2018	Carrying Amount MVR	0-12 Months MVR
Financial Liabilities (Non- Derivative)		
Trade and Other Payables	565,088	565,088
Amount due to Related Parties	6,873,435	6,873,435
Amounts due to Directors	123,750	123,750
Total	7,562,273	7,562,273

26 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

26.2 Financial Risk Management (Continued)

(iv) Liquidity Risk (Continued)

Company (Continued)

31st December 2017	Carrying Amount MVR	0-12 Months MVR
Financial Liabilities (Non- Derivative)		
Trade and Other Payables	616,947	616,947
Amount due to Related Party	3,023,385	3,023,385
Amounts due to Directors	55,000	55,000
Total	3,695,332	3,695,332

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

(v) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group'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.

(a) Interest rate risk

Profile

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

	GROUP		COMPANY	
	Carrying Amount		Carrying Amount	
	2018 MVR	2017 MVR	2018 MVR	2017 MVR
Fixed Rate Instruments				
Bank Overdraft	1,319,186	578,586	-	-

A change of 100 basis point in interest rates would have increased or decreased profit for the year ended 31st December 2018 by MVR 13,191/- (2017 : MVR 5,786/-). This analysis assumes that all other variables remain constant.

(b) Currency Risk

Exposure to Currency Risk

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

	2018 US$	2017 US$
Cash and Cash Equivalents	40,824	20,286
Trade Receivables	805,699	891,893
Trade and Other Payables	967,996	1,156,250
Gross Statement of Financial Position Exposure	1,814,520	2,068,429

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

FOR THE YEAR ENDED 31ST DECEMBER 2018

27 RELATED PARTY DISCLOSURES

27.1 Transactions with Related Companies - Group

Name of the Related Party	Relationship	Nature of the Transaction	Amount 2018 MVR	Amount 2017 MVR	Balance due from/(to) as at 31-Dec-18 MVR	Balance due from/(to) as at 31-Dec-17 MVR
Cronus Logistics Private Limited	Affiliate Company	Expenses Paid for	1,844,850	2,000	4,352,474	2,507,624
Stellar Holdings Private Limited	Affiliate Company	Expenses Paid for Settlements Service Provided	- (5,000) -	165,827 (1,000) (26,950)	948,970	953,970
Pacmar Shipping - Chennai	Affiliate Company	Expenses Paid for Expenses Incurred	305,109 -	376,142 -	760,789	455,679
Spectra Concepts Private Limited	Affiliate Company	Expenses Paid for Settlements	588,986 (223,770)	136,563 (100,000)	1,359,326	994,110
Life Support Private Limited	Affiliate Company	Expenses Paid for Settlements Service Provided	6,850 (56,850)	84,415 (258,367)	417,425	467,425
Centurion Logistics (Addu) Private Limited	Affiliate Company	Expenses Paid for	2,000	4,383	38,008	36,008
Super Supply Private Limited	Affiliate Company	Settlements Settlements	- (112,288)	(25,936) -	-	112,288
Spectra Public Limited	Affiliate Company	Expenses Paid for Settlements	- (215,971)	249,471 (33,500)	- -	215,971

Transactions with Related Companies - Company

Name of the Related Party	Relationship	Nature of the Transaction	Amount 2018 MVR	Amount 2017 MVR	Balance due from/(to) as at 31-Dec-18 MVR	Balance due from/(to) as at 31-Dec-17 MVR
Centurion Transport Solutions Private Limited	Subsidiary Company	Expenses Incurred	3,749,426	(674,336)	6,772,811	3,023,385
Rohoffe Private Limited	Subsidiary Company	Expenses Incurred	625	-	625	-
MWT Logistics International Private Limited	Subsidiary Company	Expenses Incurred	99,999	-	99,999	-

FOR THE YEAR ENDED 31ST DECEMBER 2018

27 RELATED PARTY DISCLOSURES

27.2 Transactions with Key Management Personnel - Group

Name of the Related Party	Relationship	Nature of the Transaction	Amount 2018 MVR	Amount 2017 MVR	Balance due from/(to) as at 31-Dec-18 MVR	Balance due from/(to) as at 31-Dec-17 MVR
Mr. Ahmed Maumoon	Director	Expenses Paid for Settlements	1,673,186 (317,258)	6,743,782 (6,639,439)	1,488,591	132,663
Mr. Aimon Jameel	Director	Expenses Paid for Settlements	977,114 (64,517)	155,366 (117,102)	1,089,685	177,088

As explained in Note No 20 Mr. Ahmed Maumoon and Mr. Aimon Jameel has granted a loan to Centurion Transport Solutions Private Limited.

Transactions with Key Management Personnel - Company

Name of the Related Party	Relationship	Nature of the Transaction	Amount 2018 MVR	Amount 2017 MVR	Balance due from/(to) as at 31-Dec-18 MVR	Balance due from/(to) as at 31-Dec-17 MVR
Mr. Aimon Jameel	Director	Settlements	-	20,000	-	-

27.3 Emoluments to Key Management Personnel - Group

The Board of Directors of the Group are the members of the key management personnel. The Group has paid an amount of MVR 900,000/- as remuneration to the key management personnel during the year ended 31st December 2018 (2017: MVR 810,000/-).

Emoluments to Key Management Personnel - Company

The Board of Directors of the Group are the members of the key management personnel. The Company has paid an amount of MVR 300,000/- as remuneration to the key management personnel during the year ended 31st December 2018 (2017: MVR 240,000/-).

28 COMMITMENTS

	31-Dec-18 MVR	31-Dec-17 MVR
Approved and Contracted		
ERP Implementation Project	189,666	92,460

Other than above there were no material capital commitments approved or contracted as at the reporting date.

29 CONTINGENT LIABILITIES

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

FOR THE YEAR ENDED 31ST DECEMBER 2018

30 COMPARATIVE FIGURES

Comparative information of the financial statements have been reclassified wherever appropriate to confirm with current period's classifications.

31 EVENTS AFTER THE REPORTING DATE

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

32 DIRECTORS' RESPONSIBILITIES

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

SUMMARY FINANCIAL INFORMATION

Summeriesd Statement of Finacial Performance In MVR	2018 365 Days	2017 365 Days	2016 150 Days
Revenue	132,041,066	83,611,173	27,284,440
Cost of Sales	(105,310,644)	(64,432,939)	(19,578,205)
Gross Profit	26,730,422	19,178,234	7,706,235
Other Income	66,285	462,351	-
Administrative Expenses	(20,090,494)	(14,976,311)	(6,275,824)
Sales and Marketing Expenses	(715,564)	(1,616,573)	(1,475,495)
Profit / (Loss) from Operating Activities	5,990,649	3,047,707	(45,084)
Net Finance Income	478,148	185,538	(62,179)
Profit / (Loss) before Tax	6,468,797	3,233,245	(107,263)
Tax Expense	(824,776)	(977,205)	(19,864)
Profit / (Loss) (Total Comprehensive Income / (Loss))	5,644,021	2,256,040	(127,127)
Earnings per Share / (Loss per Share)	0.78	0.31	(0.02)
Net Assets Per Share	25	25	25

Summeriesd Statement of Finacial Position

In MVR

Total Assets	214,789,990	213,560,022	206,568,792
Equity	178,957,368	180,647,812	177,537,677
Total Liability	35,832,622	32,912,210	29,031,115

Summeriesd Statement of Cash Flow Information

In MVR

Operating Activities	6,843,244	1,457,533	1,608,560
Investing Activities	(4,209,929)	(2,634,184)	(544,562)
Financing Activities	(1,306,660)	(329,360)	947,248

Key Financial Indicators

GP Margin	20%	23%	28%
NP Margin	4%	3%	0%
EBITDA Margin	6%	6%	1%
EPS (In MVR)	0.78	0.31	(0.02)
Dividend (In MVR)	N/A	3 /-	-
Dividend Yield	N/A	11%	-
Highest Trading Price (In MVR)	30/-	27/-	N/A

ACKNOWLEDGEMENTS

Other reporting matters

The Directors take this opportunity to thank all shareholders for their confidence and trust in us. The Directors are indebted to the management and dedicated team of Centurion PLC for their unwavering support during this transformational journey.

The Directors are grateful to the customers, suppliers and partners of the Company for their continued patronage and support.

The Company recognizes the assistance extend by the Ministry of Economic Development, Capital Market Development Authority, Maldives Stock Exchange and Maldives Securities Depository for their support in listing Centurion Plc and the support towards the governance.

SHAREHOLDER INFORMATION

Director Shareholding

Director Shareholding	Position	No. of Shares
Mr. Aimon Jameel	Executive Director	3,379,786
Mr. Ahmed Maumoon	Non – Executive Director	Nil
Mr. Abdulla Hassan	Non – Executive Director	Nil
Ms. Juwairiya Saeed	Non – Executive Director	Nil
Mr. Abdulla Nafiz	Non – Executive Director	Nil
Dr. Ahmed Ranesh	Non – Executive Director	1000
Mr. Naheez Ahmed Saeed	Non – Executive Director	Nil

NOTICE OF MEETING

3rd ANNUAL GENERAL MEETING NOTICE
Centurion Public Limited Company

INVITATION

Centurion Public Limited Company ("The company" or "CPLC") cordially invites our shareholders to attend the Company's 3rd Annual General Meeting (AGM) scheduled to be held on the 16th May 2019 Thursday, at 22:00 at Champa Central Hotel, Male'.

The Agenda of the 3rd Annual General Meeting is as Follows:

1. Recitation of the Holy Qur'an
2. Welcome address by the Company Chairman
3. Approval of the Minutes of 2nd Annual General Meeting.
4. Presentation of Annual Report of the year 2018.
5. Approval of the Dividend for the year 2018.
6. Appointment of Auditors of the Company for the year 2019 and fixing their remuneration.
7. Any other business.
8. Vote of thanks

29th April 2019

Contact information:

Corporate Secretary
Phone: 7969336 / 3005607
Email: corporate.affairs@centurion.mv

FORM OF PROXY

Centurion

PROXY FORM
ޕްރޮކްސީ ފޯމު

ANNUAL GENERAL SHAREHOLDERS MEETING 2018

SHARE HOLDER INFORMATION					ހިއްސާދާރުގެ މައުލޫމާތު
Name: ފުރިހަމަ ނަން					
Permanent Address: ދާއިމީ އެޑްރެސް					
NIC / PP/ Company Registration No.: އައި.ޑީ ކާޑު ނަންބަރު / ކުންފުނީގެ ރަޖިސްޓްރީ ނަންބަރު:		No. of Shares Held: އަތުގައިވާ ހިއްސާގެ އަދަދު:		Contact No: ފޯނު ނަންބަރު	
MSD Account No.: އެމް.އެސް.ޑީ ގައި ހުޅުވާފައިވާ އެކައުންޓު ނަންބަރު:		Certificate No: ސެޓްފިކެޓު ނަންބަރު			

PROXY INFORMATION			ޕްރޮކްސީގެ މައުލޫމާތު
Name: ފުރިހަމަ ނަން			
Permanent Address: ދާއިމީ އެޑްރެސް			
NIC / PP/ Company Registration No.: އައި.ޑީ ކާޑު ނަންބަރު / ކުންފުނީގެ ރަޖިސްޓްރީ ނަންބަރު:		Contact No: ފޯނު ނަންބަރު	

I hereby appoint the proxy as described herein to attend the Annual General Meeting of Centurion Public Limited Company (CPLC) to be held on May 25, 2019 on my behalf. This appointment shall be valid only for the said Meeting and the adjournment thereof. I hereby authorize and grant full power to the proxy attending the said Meeting to speak and to vote on my behalf (either by show of hands or by poll) on matters included in the Agenda of the Annual General Meeting.

އަޅުގަނޑުގެ ބަދަލުގައި މިވަގުތު ބާއްވާ 25 މެއި 2019 ގައި ބޭއްވުމަށް ހަމަޖެހިފައިވާ ސެންޗޫރިއަން ޕަބްލިކް ލިމިޓެޑް ކުންފުނީ (ސީ.ޕީ.އެލް.ސީ)ގެ އަހަރީ އާންމު ޖަލްސާއަށް ހާޒިރުވުމަށް މި ފޯމުގައިވާ ޕްރޮކްސީ ކަނޑައަޅަމެވެ. މި ކަނޑައެޅުމަކީ އެ ޖަލްސާއަށާއި ޖަލްސާ ފަސްކުރެވިއްޖެނަމަ ފަސްކުރާ ޖަލްސާއަށް ވެސް ހުރި ކަނޑައެޅުމެކެވެ. އަހަރީ އާންމު ޖަލްސާގެ އެޖެންޑާގައި ހިމެނޭ ކަންކަމުގައި ވާހަކަދެއްކުމާއި ވޯޓު ދިނުމުގެ ފުރިހަމަ އިޚްތިޔާރު މި ޕްރޮކްސީއަށް ދެމެވެ.

Seal/Stamp (for legal entities only) ކުންފުނީގެ ސިއްކަ/ތައްގަނޑު	Proxy Signature: ޕްރޮކްސީގެ ސޮއި	Shareholder Signature: ހިއްސާދާރުގެ ސޮއި

Name of the Parent/Guardian (For Shareholders who are minors only):		18 އަހަރުން ދަށުގެ ހިއްސާދާރުންނަށް	
Parent/Guardian: ބެލެނިވެރިޔާގެ ފުރިހަމަ ނަން		Contact No: ފޯނު ނަންބަރު	
Parent/Guardian NIC No: ބެލެނިވެރިޔާގެ އައި.ޑީ ކާޑު ނަންބަރު		Signature ސޮއި	

For Office Use Only:
ހަމައެކަނި އިދާރީ ބޭނުމަށް

Received by: ހަވާލުވެގަތް މުވައްޒަފު

Name: ނަން		Designation: މަޤާމު		Date: ތާރީޚު	

CORPORATE INFORMATION

Name of the Company

Centurion Public Limited Company

Company Registration Number

C-0750/2016

Leagal Form

A public listed company with limited laibility, incorporated in the Republic of Maldives under the Company's Act 10/1996 on 4 August 2016.

Ordinary shares of the company are listed in Maldives Stock Exchange as of 30 March 2017.

Company Secretary

Mr. Muruthal Musthafa
Phone: +960 330 9668
Mobile: +960 777 2097

Contact Information

Registered address of the company

Faamudheyrige – 8 A, Orchid Magu
Male' 20209, Rep. of Maldives

Head Office:

Centurion Plc
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Male' 20209, Rep. of Maldives
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Fax: +960 332 1367
Email: info@centurion.mv
Website: www.centurion.mv

Auditors

KPMG Maldives (Chartered Accounts)
H. Mialani, Sosun Magu,
Male', Republic of Maldives

Valuation consultants

Ernst & Young
G. Shafag #2A - 2B, Rahdhebai Magu,
Male', Maldives

Bankers

- Bank of Maldives Plc, Male'
- The Mauritius Commercial Bank, Male'
- State Bank of India, Male'
- Habib Bank Limited, Male'
- Bank of Ceylon, Male'
- Commercial Bank of Maldives, Male'
- Maldives Islamic Bank

Investor relations

Further queries regarding the Investor related should be addressed to the corporate secretary, Centurion PLC at corporate.affairs@centurion.mv

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