INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OOREDOO MALDIVES PLC

We have audited the accompanying consolidated and separate financial statements of Ooredoo Maldives PLC (the "Company") and its subsidiary (together with the "Group"), which comprise the consolidated and separate statement of financial position as at 31st December 2018 and 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 94 to 138.

OPINION - GROUP

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 (the "IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

• Accuracy of the revenue recognition and the adoption of IFRS 15
(Refer to the significant accounting policies in note 3.10 and note 6 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
Given the complexity of revenue recognition due to involvement of different IT systems in capturing the revenue generated , high volume of low value transactions processed by the billing systems of the Company and the adoption of IFRS 15 the revenue recognition process of the Company was considered as a matter that require our significant attention.	**Our audit procedures included**
	Understanding the significant revenue processes and identifying the relevant controls.
	Testing of the design and operating effectiveness of key controls, assisted by our in house IT specialists including, among others, those over the input of terms and pricing of different services; accuracy and completeness of the data captured by different systems and linkage between the systems.
	Evaluating the reasonableness of management's key judgements and estimates made in adopting IFRS 15, including selection of methods, models, assumptions and data sources.
	Analysis of revenue and tested the timing of its recognition through focused substantive testing performed based on our industry knowledge and assessed the appropriateness of management's revenue recognition under IFRS 15 across significant revenue streams for a sample of contracts.
	Assessing the adequacy of the disclosures in the financial statements including compliance with the extended disclosures requirements in relation to the adoption of IFRS 15.

KEY AUDIT MATTERS (CONTINUED)

• Provision for impairment over investment in Intangible asset and the investment in subsidiary
(Refer to the significant accounting policies in note 3.6 (ii), notes 13 and 15 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
The review of provision for impairment over intangible asset of the Group and the provision for impairment over the investment in subsidiary of the parent Company is considered to be a key audit matter due to the significant judgments required in determining the assumptions to be used to estimate the recoverable amount which is based on the value in use derived from discounted cash flow model. This model uses several key assumptions, including estimates of future cash flows and discount rate.	**Our audit procedures included**
	Testing the appropriateness assisted by our in house valuation specialists to critically assess the assumptions and methodologies used in the estimation of projected future cash flows of the intangible asset and investment in subsidiary by the management.
	Challenging the reasonableness of key assumptions based on our knowledge of the business and industry.
	Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.

• Transition and adoption IFRS 9
(Refer to the significant accounting policies in note 3.1 and note 38.2 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
Due to the introduction of the new International Financial Reporting Standard 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 included estimates that involves significant judgment of the management and complex computations. Further, the adoption of this standard has resulted in an adjustment of MVR 11,737/- ("000") to the opening balance of equity presented as at 1st January 2018.	**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 judgement and assumptions incorporated into the impairment calculations by using our own KPMG specialists to challenge their rationale and change their assumptions and recalculated where necessary.
	Evaluating the appropriateness and tested the mathematical accuracy of the estimation of provision for impairment.
	Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments.
	Assessing the completeness, accuracy and relevance of the transition disclosures.

KEY AUDIT MATTERS (CONTINUED)

• Provisions and contingent liabilities
(Refer to the significant accounting policies in note 3.9 and note 31 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
The Group has disclosed significant open legal case and other contingent liability in note 31 to the financial statements. The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment requires management's judgment to ensure appropriate accounting or disclosures. Due to the level of judgment relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.	**Our audit procedures included**
	Discussing the significant matters with the legal representatives and obtaining letters regarding the progress of litigation and possible claims, including their views on the likely outcome of each litigation or claim and the magnitude of potential exposure.
	Discussing the assessment with those charge with governance and challenging assumptions and critical judgements made which impact the estimation of the provisions required.
	Engaging our internal tax specialist to assess the potential exposure for tax dispute and reviewing correspondence with the relevant tax authorities to understand the relevant associated risks.
	Examining the correspondences related to the litigations.
	Critically assessing the conclusions reached by the management and the compliance of the related disclosures in accordance with the International Financial Reporting Standards.

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.

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 these 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 these 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 these 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 the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with 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 Mohamed Shameel.

Mohamed Shameel
For and on behalf of KPMG

29th January 2019

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OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company	
FOR THE YEAR ENDED 31ST DECEMBER 2018		**2018**	**2017**	**2018**	**2017**
	Note	**MVR "000"**	**MVR "000"**	**MVR "000"**	**MVR "000"**
Revenue	**6**	1,951,346	1,844,095	1,910,092	1,808,259
Other Income	**7**	3,305	36,714	5,741	36,546
Operating Expenses	**8**	(1,022,415)	(924,957)	(1,024,226)	(940,150)
Depreciation and Amortization		(262,636)	(249,049)	(240,809)	(235,973)
Results from Operating Activities		669,600	706,803	650,798	668,682
Finance Income	**9**	13,054	15,371	9,476	12,009
Finance Costs	**9**	(37,539)	(26,820)	(37,539)	(26,820)
Net Finance Costs		(24,485)	(11,449)	(28,063)	(14,811)
Profit Before Tax		645,115	695,354	622,735	653,871
Income Tax Expense	**10**	(100,343)	(114,927)	(97,001)	(103,869)
Profit (Total Comprehensive Income) for the Year		544,772	580,427	525,735	550,002
Total Comprehensive Income Attributable to:					
Owners of the Company		538,111	558,439	525,735	550,002
Non-Controlling Interest	**23**	6,661	21,988	-	-
Total Comprehensive Income for the Year		544,772	580,427	525,735	550,002
Basic and Diluted Earnings Per Share	**11**	**3.64**	**3.78**	**3.56**	**3.72**

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018	Note	Group 31/12/2018 MVR "000"	Group 31/12/2017 MVR "000"	Company 31/12/2018 MVR "000"	Company 31/12/2017 MVR "000"
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	974,644	1,045,495	963,375	1,032,938
Intangible Assets	13	136,117	137,207	74,500	55,050
Prepaid Lease Rent	14	32,816	33,154	32,816	33,154
Investment in Subsidiary	15	-	-	188,488	188,488
Deferred Tax Assets	10.2	24,301	17,004	24,693	17,397
Total Non-Current Assets		1,167,878	1,232,860	1,283,872	1,327,027
Current Assets					
Inventories	16	52,294	21,255	52,294	21,255
Trade and Other Receivables	17	416,503	248,175	408,688	245,774
Amount Due from Related Party	18	38,585	31,985	-	-
Investments	19	354,936	548,223	212,409	407,000
Cash and Cash Equivalents	20	1,256,531	1,175,773	1,199,385	1,141,266
Total Current Assets		2,118,849	2,025,411	1,872,776	1,815,295
Total Assets		3,286,727	3,258,271	3,156,648	3,142,322
EQUITY AND LIABILITIES					
Equity					
Share Capital	21	1,478,004	1,478,004	1,478,004	1,478,004
Reserve on Translation of Share Capital	22	144,180	144,180	144,180	144,180
Accumulated Losses		(497,622)	(553,621)	(511,672)	(559,540)
Total Equity Attributable to Equity Holders of the Parent		1,124,562	1,068,563	1,110,513	1,062,644
Non-Controlling Interest	23	109,026	104,651	-	-
Total Equity		1,233,588	1,173,214	1,110,513	1,062,644
LIABILITIES					
Non-Current Liabilities					
Loans and Borrowings	24	511,394	426,558	511,394	426,558
Provisions	25	18,785	16,920	18,785	16,920
Deferred Tax Liabilities	10.3	105	122	2,417	3,208
Total Non-Current Liabilities		530,284	443,600	532,596	446,686
Current Liabilities					
Loans and Borrowings	24	146,215	63,633	146,215	63,633
Provisions	25	5,749	-	5,749	-
Amounts Due to Related Parties	26	444,369	717,725	444,369	721,592
Trade and Other Payables	27	875,628	791,031	867,020	781,298
Income Tax Payable		50,894	69,068	50,186	66,469
Total Current Liabilities		1,522,855	1,641,457	1,513,539	1,632,992
Total Liabilities		2,053,139	2,085,057	2,046,135	2,079,678
Total Equity and Liabilities		3,286,727	3,258,271	3,156,648	3,142,322

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

These Consolidated and Separate Financial Statements were approved by the Board of Directors and signed on its behalf by;

Khalid Ibrahim A Al-Mahmoud
Chairman

Najib Khan
Chief Executive Officer

Thavabalan Poobalasingam
Chief Financial Officer

29th January 2019

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018

GROUP	Attributable to the Owners of the Company				Non-Controlling Interest	Total Equity
	Share Capital	Reserve on Translation of Share Capital	Accumulated Losses	Total		
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January 2017	1,478,004	144,180	(705,609)	916,575	82,663	999,238
Comprehensive Income for the Year						
Profit for the Year	-	-	558,439	558,439	21,988	580,427
Other Comprehensive Income for the Year	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	558,439	558,439	21,988	580,427
Transactions with Owners Directly Recorded in Equity						
Dividend Declared **(Note 21.5)**	-	-	(406,451)	(406,451)	-	(406,451)
Total Transactions with Owners Directly Recorded in Equity	-	-	(406,451)	(406,451)	-	(406,451)
As at 31st December 2017	1,478,004	144,180	(553,621)	1,068,563	104,651	1,173,214
As at 1st January 2018, as Previously Reported	1,478,004	144,180	(553,621)	1,068,563	104,651	1,173,214
Adjustment Due to Initial Application of IFRS 15 **(Note 38.1)**	-	-	300	300	-	300
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2 (c)**	-	-	(9,451)	(9,451)	(2,286)	(11,737)
Balance as at 1st January 2018 After Adjustments	1,478,004	144,180	(562,772)	1,059,412	102,365	1,161,777
Comprehensive Income for the Year						
Profit for the Year	-	-	538,111	538,111	6,661	544,772
Other Comprehensive Income for the Year	-	-	-	-	-	-
Total Comprehensive Income for the Year	1,478,004	144,180	538,111	538,111	6,661	544,772
Transactions with Owners Directly Recorded in Equity						
Dividend Declared **(Note 21.5)**	-	-	(472,961)	(472,961)	-	(472,961)
Total Transactions with Owners Directly Recorded in Equity	-	-	(472,961)	(472,961)	-	(472,961)
As at 31st December 2018	1,478,004	144,180	(497,622)	1,124,562	109,026	1,233,588

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138.
The Report of the Independent Auditors is given on pages 88 to 93.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018

COMPANY	**Share Capital** MVR "000"	**Reserve on Translation of Share Capital** MVR "000"	**Accumulated Losses** MVR "000"	**Total Equity** MVR "000"
As at 1st January 2017	1,478,004	144,180	(703,091)	919,093
Comprehensive Income for the Year				
Profit for the Year	-	-	550,002	550,002
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	550,002	550,002
Transactions with Owners Directly Recorded in Equity				
Dividend Declared **(Note 21.5)**			(406,451)	(406,451)
Total Transactions with Owners Directly Recorded in Equity	-	-	(406,451)	(406,451)
As at 31st December 2017	1,478,004	144,180	(559,540)	1,062,644
As at 1st January 2018, as Previously Reported	1,478,004	144,180	(559,540)	1,062,644
Adjustment Due to Initial Application of IFRS 15 **(Note 38.1)**	-	-	300	300
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	-	-	(5,205)	(5,205)
Balance as at 1st January 2018 After Adjustments	1,478,004	144,180	(564,445)	1,057,739
Comprehensive Income for the Year				
Profit for the Year	-	-	525,735	525,735
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	525,735	525,735
Transactions with Owners Directly Recorded in Equity				
Dividend Declared **(Note 21.5)**	-	-	(472,961)	(472,961)
Total Transactions with Owners Directly Recorded in Equity	-	-	(472,961)	(472,961)
As at 31st December 2018	1,478,004	144,180	(511,672)	1,110,513

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2018	Note	Group 2018 MVR "000"	Group 2017 MVR "000"	Company 2018 MVR "000"	Company 2017 MVR "000"
Cash Flows from Operating Activities					
Profit Before Tax		645,115	695,354	622,735	653,871
Adjustments for:					
Depreciation on Property, Plant and Equipment	**12**	220,328	216,151	219,040	214,863
Amortization of Intangible Assets	**13**	41,971	32,617	21,431	20,829
Amortization of Lease Prepayment	**14**	338	281	338	281
Gain on Sale of Property, Plant and Equipment	**7**	(92)	-	(92)	-
Provision for Obsolete Inventories	**16.1**	304	10,580	304	10,580
Provision for the Share based payment obligation		1,516	1,756	1,516	1,756
Provision for Expected Credit Losses on Trade Receivables	**17.1**	19,516	20,253	19,516	20,253
Reversal of Provision for Expected Credit Losses on Investments	**19.1**	(2,032)	-	(2,035)	-
Reversal of Provision for Expected Credit Losses on Bank Balances	**20.1**	(1,390)	-	(1,416)	-
Provision for Expected Credit Losses on Amount Due From Related Party	**18.1**	31	-	-	-
Reversal of Provision for Impairement Loss on Investment in Subsidiary	**15.1**	-	(35,003)	-	(32,399)
Interest Expense	**9**	37,539	26,820	37,539	26,820
Operating Profit Before Working Capital Changes		963,144	968,809	918,876	916,854
Working Capital Changes					
Change in Inventories		(30,735)	(19,009)	(30,735)	(19,009)
Change in Trade and Other Receivables		(148,812)	36,152	(143,398)	32,705
Change in Amount Due from Related Party		(6,600)	(10,424)	-	-
Change in Amounts Due to Related Parties		(119,156)	2,910	(123,023)	5,304
Change in Trade and Other Payables		82,932	39,661	90,585	33,569
Cash from Operating Activities		740,773	1,018,099	712,305	969,423
Interest Paid		(1,432)	(25,604)	(1,432)	(25,604)
Tax Paid		(125,829)	(131,663)	(121,369)	(128,293)
Net Cash from Operating Activities		613,512	860,832	589,504	815,526
Cash Flows from Investing Activities					
Purchase and Construction of Property, Plant and Equipment	**12**	(148,539)	(192,763)	(148,539)	(192,769)
Acquisition of Intangible Assets	**13**	(40,881)	(15,991)	(40,881)	(15,991)
Lease Prepayment		-	(33,435)	-	(33,435)
Net movement in Investments	**19**	191,255	234,367	192,556	255,464
Proceeds on Disposal of Property, Plant and Equipment		92	-	92	-
Net Cash from / (Used in) Investing Activities		1,927	(7,822)	3,228	13,269
Cash Flows from Financing Activities					
Dividend Paid During the year		(825,832)	(74,637)	(825,832)	(74,637)
Net movement in Loans and Borrowings	**24**	167,418	(207,722)	167,418	(207,722)
Net Cash Used in Financing Activities		(658,414)	(282,359)	(658,414)	(282,359)
Net (Decrease) / Increase in Cash and Cash Equivalents		(42,975)	570,651	(65,682)	546,436
Cash and Cash Equivalents at Beginning of the Year		833,970	263,319	799,463	253,027
Cash and Cash Equivalents at End of the Year	**20**	790,995	833,970	733,781	799,463

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

1. REPORTING ENTITY

Ooredoo Maldives PLC (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company since 7th December 2004 under the name of "Wataniya Telecom Maldives Private Limited" with its registered office at 2nd Floor, Urban Unit Building, Hulhumale, Republic of Maldives. The Company's name was changed to "Ooredoo Maldives Private Limited and Ooredoo Maldives PLC" respectively with effect from 22nd December 2013 and 6th October 2016 and presently governed under the Companies' Act No. 10 of 1996, with its registered office at P.O. Box 2196, 5th Floor, H. Sunleet, Gadhage' Mohamedfulhu Building, Boduthakurufaanu Magu, Male', Republic of Maldives.

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

The consolidated financial statements of the Company for the year ended 31st December 2018 comprise the Company and its subsidiary WARF Telecom International Private Limited (together referred to as the "Group").

The Company is the immediate holding Company of WARF Telecom International Private Limited, which is engaged in facilitating the bulk sale of international telecommunications and to construct and operate all telecommunications apparatus and or facilities that are required to provide international telecommunications bandwidth in and out of the Republic of Maldives. As at the reporting date, the Company holds 65% shareholding of WARF Telecom International Private Limited.

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

Separate financial statements of the parent Company is presented as a part of the consolidated financial statements of the Group for the purpose of filling the business profit tax return with the Maldives Inland Revenue Authority.

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

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

B. BASIS OF MEASUREMENT

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

C. FUNCTIONAL AND PRESENTATION CURRENCY

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

D. USE OF ESTIMATES AND JUDGEMENTS

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF CONSOLIDATION

i. Subsidiaries

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

ii. Transactions Eliminated on Consolidation

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

iii. Non-Controlling Interest

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

B. TRANSACTIONS IN FOREIGN CURRENCY

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

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

3.1. FINANCIAL INSTRUMENTS

i. Financial Assets (Non-derivative)

Accounting Policy Applied before 1st January 2018

The Group initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

i Financial Assets (Non-Derivative) (Continued)

The Group has the following financial assets (non-derivative):

- Receivables
- Investments
- Cash and Cash Equivalents

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Receivables comprise trade and other receivables and amount due from related party.

Investments

Investments comprise fixed deposits in banks with maturities over three months and investments in treasury bills.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and deposits in banks with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value.

Accounting Policy Applied after 1st January 2018

Classification and initial measurement

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);

- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.
Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

i Financial Assets (Non-Derivative) (Continued)

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

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 assets 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 derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are 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.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

De-recognition

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

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

ii. Financial liabilities (non-derivative)

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

ii Financial Liabilities (Non-Derivative) (Continued)

The Group's non-derivative financial liabilities consist of loans and borrowings, amounts due to related parties and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

A financial liability is derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iii. Share Capital

Ordinary Shares

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

3.2. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

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

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii. Subsequent Costs

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

iii. Capital Work in Progress

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

iv. Depreciation

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

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property, Plant and Equipment (Continued)

iv. Depreciation (Continued)

• Leasehold Improvement	Over 5 Years
• Network Equipment	Over 8 Years
• Network Infrastructure Equipment	Over 14 Years
• Office and Computer Equipment	Over 3 to 5 Years
• Furniture and Fixtures	Over 5 Years
• Power/ Tool and Equipment	Over 3 to 14 Years
• Vessels and Motor Vehicles	Over 5 Years

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

3.3. INTANGIBLE ASSETS

i. Recognition and Measurement

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

The Company's right to receive rentals in exchange for obligation to provide construction service has been recognized as an intangible asset. The rights received as consideration for construction service are recognized at cost, which is the value of consideration received or receivable for the Construction Services.

ii. Subsequent Expenditure

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

iii. Capital Work in Progress

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

iv. Amortization

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

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

• License Fee	Over 15 Years
• IT Software	Over 3 to 8 Years
• Capacity Right	Over 15 years

3.4. PREPAID LEASE RENTAL

Payments made under operating leases are recognized in profit or loss on straight line 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 values

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5. INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

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

3.6. IMPAIRMENT

i. Financial Assets (including receivables)

Accounting policy applied before 1st January 2018

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 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.

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.

The Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, the Group recognises a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost or at FVTOCI;
2. Trade receivables;
3. Cash and bank balances; and
4. Contract assets;

In particular, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The Group applies a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Impairment (Continued)

i. Financial Assets (Including Receivables) (Continued)

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

- The borrower in unlikely to pay its credit obligations to the Group in full.
- The financial asset is more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are presented by deducting from the gross carrying amount of the asset.

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.

ii. Non-financial Assets

The carrying amounts of the Group's non-financial assets except inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets.

3.7. BORROWING COST

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

3.8. EMPLOYEE BENEFITS

A. SHORT TERM EMPLOYEE BENEFITS

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

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

B. DEFINED CONTRIBUTION PLANS - EMPLOYEES' RETIREMENT PENSION SCHEME

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

C. SHARE BASED PAYMENT ARRANGEMENT

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9. PROVISIONS

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

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

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

3.10. REVENUE RECOGNITION

Revenue is recognised net of discounts and represents the amounts receivables in respect of goods and services provided to the customers.

A. SALE OF GOODS

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

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

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

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

B. SERVICES

Revenue from services is recognized as the services are provided. Revenue from service contracts that cover periods of greater than 12 months is recognized in the profit and loss in relation to the level of performance obligations satisfied during the period. In respect of services invoiced in advance, amounts are deferred until provision of the service.

Amounts payable by and to other telecommunications operators are recognized as the services are provided. Charges are negotiated separately and are subject to continual review. Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunication operators for interconnect fees.

Customer revenues from the billing cycle date to the end of each period is accrued. Unearned monthly access charges relating to periods after each accounting period are deferred.

Mobile revenue comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, and the provision of other mobile telecommunications services. Mobile monthly access charges are invoiced and recorded as part of a periodic billing cycle. Airtime, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid cards, is recorded in the period in which the customer uses the service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue Recognition (Continued)

B Services (Continued)

The Company recognizes revenue from the transmission of content and traffic on its network originated by third-party providers. The Company assesses whether revenue should be recorded gross as principal or net as agent, based on the particular features of such arrangements. Revenue arising from the provision of other services, including maintenance contracts, is recognized evenly over the periods in which the service is provided.

Changes to the revenue recognition polices due to adoption of IFRS 15 are disclosed in Note 38.1 to the consolidated and separate financial statements.

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

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

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

3.12. EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

The materiality of the events occurring subsequent to the reporting date has been considered and appropriate adjustments and provisions have been made in the consolidated financial statements wherever necessary.

3.13. FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest on fixed deposits and treasury bills.

Finance costs comprises interest expense on borrowings. 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.

4. 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.

i. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

ii. Financial liabilities (Non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

A number of new standards and amendments are effective for annual periods beginning after 1st January 2018 and early application is permitted. However, the Group / Company has not early adopted the following new or amended standards in preparing these financial statements.

A. IFRS 16 - LEASES

IFRS 16 replaces existing leasing guidance, including IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the substance of Transactions involving the legal form of a Lease".

FRS 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 required to adopt IFRS 16 - "Leases" form 1st January 2019. The Group / Company has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated and separate financial statements, as described below.

i. Leases in which Group / Company is a lessee

The Group / Company will recognize new assets and liabilities for its operating leases of telecommunication towers. The nature of expenses related to those leases will now change because the Group / Company will recognize a depreciation charge for right-of-use asset and interest expense on lease liabilities.

Previously, the Group / Company recognized operating lease expense on straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there were a timing difference between actual lease payments and the expense recognized.

In addition, the Group / Company will no longer recognize provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability. No significant impact is expected for the Group's / Company's finance leases.

Based on the information currently available, the Group / Company estimates that it will recognize additional lease liability of MVR 153,345 ("000") as at 1st January 2019.

ii. Transition

The Group / Company plans to apply IFRS 16 initially on 1st January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings as at 1st January 2019, with no restatement of comparative information.

B. OTHER STANDARDS

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

- IFRIC 23 Uncertainty over Tax Treatment.
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long – term interest in Associates and Joint Venture (Amendments to IAS 28)
- Plan Amendment, Curtailment or settlement (Amendments to IAS 19)
- Annual Improvement to IFRS Standards 2015 -2017 Cycle – various standards.
- Amendments to reference to conceptual Framework in IFRS Standards.

6 REVENUE

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Mobile Telephony	1,596,607	1,663,672	1,596,607	1,663,672
Handsets and Accessories Sales	97,195	18,846	97,195	18,846
Broadband and Other Rental Income	216,290	125,741	216,290	125,741
Capacity Rights	41,254	35,836	-	-
	1,951,346	1,844,095	1,910,092	1,808,259

7 OTHER INCOME

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Management Fee	-	-	2,436	2,436
Gain on Sale of Property, Plant and Equipment	92	-	92	-
Reversal of Impairment Loss on Investment in Subsidiary	-	-	-	32,399
Exchange Gain	1,259	-	1,259	-
Reversal of Impairment Loss on Intangible Asset	-	35,003	-	-
Sundry Income	1,954	1,711	1,954	1,711
	3,305	36,714	5,741	36,546

8 OPERATING EXPENSES

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Direct Cost of Services	604,269	517,775	613,207	529,262
Personnel Costs **(Note 8.1)**	168,726	152,403	168,726	152,403
Management Fees	53,978	51,381	53,978	51,381
Provision for Obsolete Inventories	304	10,580	304	10,580
Provision for Impairment of Trade Receivables	19,516	20,253	19,516	20,253
Marketing Expenses	61,247	61,693	61,247	61,693
Repair and Maintenance Costs	21,845	32,996	21,845	32,996
Operating Lease Rent	6,747	6,651	6,747	6,651
Royalty Expense	28,651	27,124	28,651	27,124
Professional Fees	9,690	10,563	9,597	10,470
Other Operating Costs	47,442	33,538	40,408	37,337
	1,022,415	924,957	1,024,226	940,150

8.1 Personnel Costs

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Salaries and Wages	92,481	86,326	92,481	86,326
Pension Fund Contribution	3,891	3,369	3,891	3,369
Cost of Share Based Payment Awards **(Note 25.2)**	3,993	1,756	3,993	1,756
Other Staff Costs	68,361	60,952	68,361	60,952
	168,726	152,403	168,726	152,403

9 NET FINANCE COSTS

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Finance Income				
Interest Income	13,054	15,371	9,476	12,009
Finance Costs				
Interest Expenses	(36,023)	(25,604)	(36,023)	(25,604)
Unwinding of Discount of Asset Retirement Obligation	(1,516)	(1,216)	(1,516)	(1,216)
	(37,539)	(26,820)	(37,539)	(26,820)
Net Finance Costs	(24,485)	(11,449)	(28,063)	(14,811)

10 INCOME TAX EXPENSE

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Current Tax Expense **(Note 10.1)**	107,657	113,904	105,088	110,182
(Recognition)/ Reversal of Deferred Tax Asset **(Note 10.2)**	(7,297)	901	(7,296)	(5,680)
Recognition/ (Reversal) of Deferred Tax Liability **(Note 10.3)**	(17)	122	(791)	(633)
	100,343	114,927	97,001	103,869

10.1 Reconciliation Between Accounting Profit and Taxable Profit:

	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Accounting Profit Before Tax	645,115	695,354	622,735	653,871
Aggregate Disallowable Items	363,510	375,349	340,394	329,785
Aggregate Allowable Items	(290,411)	(310,846)	(262,294)	(248,863)
Tax Free Allowance	(500)	(500)	(250)	(250)
Total Taxable Profit	717,714	759,357	700,585	734,543
Income Tax @ 15%	107,657	113,904	105,088	110,182

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

10.2 Deferred Tax Assets

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January	17,004	17,905	17,397	11,717
Recognized/ (Reversed) During the Year	7,297	(901)	7,296	5,680
As at 31st December	24,301	17,004	24,693	17,397

The Recognized Deferred Tax Assets are Attributable to the Following;

As at 31st December 2018	Group		Company	
	31/12/2018		31/12/2018	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Property, Plant and Equipment	137,474	20,621	140,085	21,013
Asset Retirement Obligation	18,785	2,818	18,785	2,818
Share Based Payment Arrangements	5,749	862	5,749	862
	162,008	24,301	164,619	24,693

10 TAX EXPENSE (CONTINUED)

10.2 Deferred Tax Assets (Continued)

As at 31st December 2017	Group		Company	
	31/12/2017		31/12/2017	
	Temporary Difference MVR "000"	Tax Effect MVR "000"	Temporary Difference MVR "000"	Tax Effect MVR "000"
Property, Plant and Equipment	96,445	14,466	99,062	14,859
Intangible Assets	15,164	2,275	15,164	2,275
Asset Retirement obligation	1,756	263	1,756	263
	113,365	17,004	115,982	17,397

10.3 Deferred Tax Liabilities

	Group		Company	
	31/12/2018 MVR "000"	31/12/2017 MVR "000"	31/12/2018 MVR "000"	31/12/2017 MVR "000"
As at 1st January	122	-	3,208	3,841
Recognized/ (Reversed) During the Year	(17)	122	(791)	(633)
As at 31st December	105	122	2,417	3,208

The Recognized Deferred Tax Assets are Attributable to the Following;

As at 31st December 2018	Group		Company	
	31/12/2018		31/12/2018	
	Temporary Difference MVR "000"	Tax Effect MVR "000"	Temporary Difference MVR "000"	Tax Effect MVR "000"
Intangible Assets	704	105	16,116	2,417

As at 31st December 2017	Group		Company	
	31/12/2017		31/12/2017	
	Temporary Difference MVR "000"	Tax Effect MVR "000"	Temporary Difference MVR "000"	Tax Effect MVR "000"
Intangible Assets	810	122	21,383	3,208

11 BASIC AND DILUTED EARNING PER SHARE

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

	Group		Company	
	2018	2017	2018	2017
Profit for the Year Attributable to Shareholders (MVR. "000")	538,111	558,439	525,735	550,002
Weighted Average Number of Ordinary Shares in Issue ("000")	147,800	147,800	147,800	147,800
Basic and Diluted Earnings Per Shares (MVR.)	3.64	3.78	3.56	3.72

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12 PROPERTY, PLANT AND EQUIPMENT

12.1 Group

	Leasehold Improvements	Network Equipment	Network Infrastructure Equipment	Office and Computer Equipment	Furniture and Fixtures	Power/ Tool and Equipment	Vessels and Motor Vehicles	Capital Work In Progress	Total 2018	Total 2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost										
As at 1st January	31,660	1,362,720	798,962	61,167	18,679	184,035	13,894	76,134	2,547,251	2,356,382
Additions During the Year	-	-	1,167	4,379	1,495	-	-	141,498	148,539	193,253
Transferred from Capital Work In Progress	1,473	64,575	28,788	-	-	21,621	365	(116,822)	-	-
Transferred from Intangible Assets	-	-	-	-	-	-	-	-	-	6,162
Transferred to Inventory **(Note 32)**	-	-	-	-	-	-	-	-	-	(3,847)
Changes to the Asset Retirement Obligation	-	-	938	-	-	-	-	-	938	(4,699)
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	33,133	1,424,869	829,855	65,546	19,148	205,656	14,259	100,810	2,693,276	2,547,251
Accumulated Depreciation										
As at 1st January	28,599	803,025	442,017	54,279	13,424	149,159	11,253	-	1,501,756	1,285,605
Charge for the Year	1,820	140,310	50,504	5,915	2,195	18,254	1,330	-	220,328	216,151
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	30,419	940,909	492,521	60,194	14,593	167,413	12,583	-	1,718,632	1,501,756
As at 31st December 2018	2,714	483,960	337,334	5,352	4,555	38,243	1,676	100,810	974,644	
As at 31st December 2017	3,061	559,695	356,945	6,888	5,255	34,876	2,641	76,134		1,045,495

12.1.1 The Capital work in progress mainly includes the amount incurred in respect of the Network equipments and Office computer equipment projects. The total cost amount to MVR 72,654,027/- and MVR 12,506,722/- respectively, as at 31st December 2018 (2017: MVR 54,899,180 and MVR 5,742,686/-)

12.1.2 The Group has capitalized the borrowing costs related to the acquisition and construction of Network Equipments and Network Infrastructure equipments amount of MVR.1,587,064/- (2017: MVR. 467,654/-).

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12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.2 Company

	Leasehold Improvement	Network Equipment	Network Infrastructure Equipment	Office and Computer Equipment	Furniture and Fixtures	Power/ Tool and Equipment	Vessels and Motor Vehicles	Capital Work In Progress	Total 2018	Total 2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost										
As at 1st January	31,660	1,362,720	781,342	61,167	18,679	178,546	13,894	76,134	2,524,142	2,333,273
Additions During the Year	-	-	1,167	4,379	1,495	-	-	141,498	148,539	193,253
Transferred from Capital Work In Progress	1,473	64,575	28,788	-	-	21,621	365	(116,822)	-	-
Transferred from Intangible Assets	-	-	-	-	-	-	-	-	-	6,162
Transferred to Inventory **(Note 32)**	-	-	-	-	-	-	-	-	-	(3,847)
Changes to the Asset Retirement Obligation	-	-	938	-	-	-	-	-	938	(4,699)
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	33,133	1,424,869	812,235	65,546	19,148	200,167	14,259	100,810	2,670,167	2,524,142
Accumulated Depreciation										
As at 1st January	28,599	803,025	436,629	54,279	13,424	143,995	11,253	-	1,491,204	1,276,341
Charge for the Year	1,820	140,310	49,330	5,915	2,195	18,140	1,330	-	219,040	214,863
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	30,419	940,909	485,959	60,194	14,593	162,135	12,583	-	1,706,792	1,491,204
As at 31st December 2018	2,714	483,960	326,276	5,352	4,555	38,032	1,676	100,810	963,375	
As at 31st December 2017	3,061	559,695	344,713	6,888	5,255	34,551	2,641	76,134		1,032,938

12.2.1 The Capital work in progress mainly includes the amount incurred in respect of the Network equipments and Office computer equipment projects. The total cost amount to MVR 72,654,027/- and MVR 12,506,722/- respectively, as at 31st December 2018 (2017: MVR 54,899,180 and MVR 5,742,686/-)

12.2.2 The Company has capitalized the borrowing costs related to the acquisition and construction of Network Equipments and Network Infrastructure equipments amount of MVR1,587,064/- (2017: MVR 467,654/-).

13 INTANGIBLE ASSETS

13.1 Group

	License Fee	IT Software	Capacity Right	Capital Work In Progress	Total 2018	Total 2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost						
As at 1st January	15,420	242,831	385,500	4,829	648,580	638,751
Additions During the Year	-	-	-	40,881	40,881	15,991
Transferred from Capital Work in Progress	-	10,978	-	(10,978)	-	-
Transferred to Property Plant and Equipment	-	-	-	-	-	(6,162)
As at 31st December	15,420	253,809	385,500	34,732	689,461	648,580
Accumulated Amortization and Impairment						
As at 1st January	13,204	194,826	303,343	-	511,373	513,759
Amortization for the Year	1,064	20,367	20,540	-	41,971	32,617
Reversal of Impairment loss on Intangible Asset	-	-	-	-	-	(35,003)
As at 31st December	14,268	215,193	323,883	-	553,344	511,373
Net Carrying Values						
As at 31st December 2018	1,152	38,616	61,617	34,732	136,117	
As at 31st December 2017	2,216	48,005	82,157	4,829		137,207

13.1.1 The Group has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Group to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. As such the license is to be expired in December 2021.

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

13.1.3 The Group has entered into an agreement with Reliance Globalcom Limited (Flag Telecom Group Limited) during the year ended 31st December 2005 for use of capacity right of a fiber optic cable for a period of fifteen years. The amount paid by the Group to acquire the capacity right has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition.

13.1.4 The Capital work in progress mainly includes amounts incurred in respect of developing the Oracle ERP and E-Commerce Solution.

13 INTANGIBLE ASSET (CONTINUED)

13.2 Company

	License Fee MVR "000"	IT Software MVR "000"	Capital Work In Progress MVR "000"	Total 2018 MVR "000"	Total 2017 MVR "000"
Cost					
As at 1st January	15,420	242,831	4,829	263,080	253,251
Additions During the Year	-	-	40,881	40,881	15,991
Transferred from Capital Work in Progress	-	10,978	(10,978)	-	-
Transferred to Property Plant and Equipment	-	-	-	-	(6,162)
As at 31st December	15,420	253,809	34,732	303,961	263,080
Accumulated Amortization					
As at 1st January	13,204	194,826	-	208,030	187,201
Amortization for the Year	1,064	20,367	-	21,431	20,829
As at 31st December	14,268	215,193	-	229,461	208,030
Net Carrying Values					
As at 31st December 2018	1,152	38,616	34,732	74,500	
As at 31st December 2017	2,216	48,005	4,829		55,050

13.2.1 The Company has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Company to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition.

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

13.2.3 The Capital work in progress mainly includes amounts incurred in respect of developing the Oracle ERP and E-Commerce Solution.

14 PREPAID LEASE RENT

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January	33,435	-	33,435	-
Addtions During the Year	-	33,435	-	33,435
31st December	33,435	33,435	33,435	33,435
Accumulated Amortization				
As at 1st January	281	-	281	-
Amortization for the Year	338	281	338	281
As at 31st December	619	281	619	281
Net Carrying Values				
As at 31st December 2018	32,816		32,816	
As at 31st December 2017		33,154		33,154

The Company has paid an amount of MVR 33,435,480/- to the Housing Development Corporation Limited as payment for the Land in Hulhumale' aquired for commercial use period for 99 years commencing as per the lease agreement dated 23rd March 2017, entered into between the Company and Housing Development Corporation Limited.

15 INVESTMENT IN SUBSIDIARY

	Company	
	31/12/2018	31/12/2017
	MVR "000"	MVR "000"
WARF Telecom International Private Limited	255,587	255,587
Impairment of Investment **(Note 15.1)**	(67,099)	(67,099)
	188,488	188,488

15.1 Provision for Impairment of the Investment in Subsidiary

	31/12/2018	31/12/2017
	MVR "000"	MVR "000"
As at 1st January	67,099	99,498
Reversal of Provision for Impairment Loss During the Year	-	(32,399)
As at 31st December	67,099	67,099

16 INVENTORIES

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Inventories	66,119	34,776	66,119	34,776
Less: Provision for Obsolete Inventories **(Note 16.1)**	(13,825)	(13,521)	(13,825)	(13,521)
	52,294	21,255	52,294	21,255

16 INVENTORIES (CONTINUED)

16.1 Provision for Obsolete Inventories

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
As at 1st January	13,521	2,941	13,521	2,941
Provision Made During the Year	304	10,580	304	10,580
As at 31st December	13,825	13,521	13,825	13,521

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Trade and Billing Receivables	390,066	285,208	385,882	285,208
Advances and Prepayments	13,584	13,994	13,584	13,994
Refundable Deposits	4,282	3,902	4,175	3,795
Advances Paid to Contract Services	2,889	2,889	2,749	2,749
Other Receivables	109,064	25,304	105,540	23,010
	519,885	331,297	511,930	328,756
Less: Provision for Expected Credit Loss of Trade Receivables **(Note 17.1)**	(103,382)	(83,122)	(103,242)	(82,982)
	416,503	248,175	408,688	245,774

17.1 Provision for Expected Credit Loss of Trade Receivables

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
As at 1st January	83,122	62,869	82,982	62,729
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	744	-	744	-
Provision Made During the Year	19,516	20,253	19,516	20,253
As at 31st December	103,382	83,122	103,242	82,982

18 AMOUNT DUE FROM RELATED PARTY

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Focus Infocom Private Limited	44,930	31,985	-	-
Provision for Expected Credit Losses **(Note 18.1)**	(6,345)	-	-	-
	38,585	31,985	-	-

18.1 Provision for Expected Credit Losses

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	6,314	-	-	-
Provision Made During the Year	31	-	-	-
As at 31st December 2018	6,345	-	-	-

19 INVESTMENTS

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Investments in Treasury Bills	-	50,000	-	50,000
Investments in Fixed Deposits	355,310	498,223	212,603	357,000
	355,310	548,223	212,603	407,000
Provision for Expected Credit Losses **(Note 19.1)**	(374)	-	(194)	-
	354,936	548,223	212,409	407,000

19.1 Provision for Expected Credit Losses of Investments

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	2,406	-	2,229	-
Reversal of Provision During the Year	(2,032)	-	(2,035)	-
As at 31st December	374	-	194	-

Investments in fixed deposits with maturities exceeding 3 months measured at amortized cost. the Interest rate of the deposits are ranging from 1.75% to 4% per annum and mature within one year.

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Cash in Hand	2,909	2,331	2,909	2,331
Balances with Banks **(Note 20.2)**	1,254,506	1,173,442	1,197,292	1,138,935
	1,257,415	1,175,773	1,200,201	1,141,266
Provision for Expected Credit Losses of Bank Balances **(Note 20.1)**	(884)	-	(816)	-
	1,256,531	1,175,773	1,199,385	1,141,266
Less : Balance not belonging to the Group/ the Company **(Note 20.2)**	(466,420)	(341,803)	(466,420)	(341,803)
Cash and cash equivalents for the purpose of cash flow	790,995	833,970	733,781	799,463

20.1 Provision for Expected Credit Losses of Bank Balances

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	2,274	-	2,232	-
Reversal of Provision During the Year	(1,390)	-	(1,416)	-
As at 31st December	884	-	816	-

20.2 The above balance with banks represents MVR 446,420/- ("000") held by the Group / Company on behalf of its share holder Wataniya International Fz-LLC.

21 SHARE CAPITAL

21.1 Authorized

Authorized share capital comprises of 155,202,000 (2017: 155,202,000) ordinary shares. All shares are at par value of MVR. 10/- (2017 : MVR 10/-) each.

21.2 Issued Share Capital

Issued share capital comprises of 147,800,401 (2017: 147,800,401) ordinary shares. All shares are at par value of MVR 10/- (2017: MVR 10/-) each.

21.3 Fully Paid Share Capital

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January	1,478,004	1,478,004	1,478,004	1,478,004
As at 31st December	1,478,004	1,478,004	1,478,004	1,478,004

21.4 Dividends and Voting Rights

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

The Company has paid a dividend of MVR. 3.20/- (2017: 2.75/-) per share amounting to MVR. 4,729,613/- (2017 : MVR. 4,064,511/-) the year ended 31st December 2018.

22 RESERVE ON TRANSLATION OF SHARE CAPITAL

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

23 NON-CONTROLLING INTEREST

	Group	
	31/12/2018	31/12/2017
	MVR"000"	MVR"000"
As at 1st January	104,651	82,663
Adjustment Due to Initial Application of IFRS 9 **(Note 38.2)**	(2,286)	-
Share of Net Result of the Subsidiary	6,661	21,988
As at 31st December	109,026	104,651

The following table summerizes the information relating to WARF Telecom International Private Limited which is the subsidiary of the Company that has material Non-Controlling Interest (NCI), before any intra group eliminations,

	31/12/2018	31/12/2017
	MVR"000"	MVR"000"
Non-Controlling Interest %	35%	35%
Non-Current Assets	75,199	97,800
Current Assets	246,075	213,982
Non-Current Liabilities	(392)	(393)
Current Liabilities	(9,321)	(12,332)
Net Assets	311,561	299,057
Net Assets Attributable to NCI	109,026	104,651

23 NON-CONTROLLING INTEREST (CONTINUED)

	31/12/2018 MVR"000"	31/12/2017 MVR"000"
Non-Controlling Interest %	35%	35%
Revenue	77,346	84,663
Profit After Tax	19,037	62,820
Total Comprehensive Income	19,037	62,820
Profit Related to NCI	6,661	21,988
Net Cash from Operating Activities	21,884	42,214
Net Cash Used in Investing Activities	824	(18,000)
Net Increase in Cash and Cash Equivalents	22,708	24,214

24 LOANS AND BORROWINGS

	Group		Company	
	31/12/2018 MVR"000"	31/12/2017 MVR"000"	31/12/2018 MVR"000"	31/12/2017 MVR"000"
As at 1st January	490,191	543,713	490,191	543,713
Borrowings During the Year	262,140	46,260	262,140	46,260
Repayments During the Year	(94,722)	(99,782)	(94,722)	(99,782)
As at 31st December **(Note 32)**	657,609	490,191	657,609	490,191

24.1 Sources of Finance

Term Loan I	-	30,840	-	30,840
Term Loan II	-	13,371	-	13,371
Demand Loan II	-	1,946	-	1,946
Wataniya International Fz-LLC **(Note 24.4)**	403,942	403,942	403,942	403,942
Term Loan III **(Note 24.5)**	22,623	40,092	22,623	40,092
Term Loan IV **(Note 24.6)**	154,200	-	154,200	-
Term Loan V **(Note 24.7)**	38,936	-	38,936	-
Term Loan VI **(Note 24.8)**	24,415	-	24,415	-
Term Loan VII **(Note 24.9)**	13,493	-	13,493	-
	657,609	490,191	657,609	490,191

24.2 Non - Current Liabilities (Note 32.1)

Non - Current Liabilities (Note 32.1)	511,394	426,558	511,394	426,558

Repayment of non-current liabilities schedule is as follows:

More Than One Year, Less Than Two Years	480,554	359,841	480,554	359,841
More Than Two Years, Less Than Three Years	30,840	3,084	30,840	3,084
	511,394	362,925	511,394	362,925

24.3 Current Liabilities

Current Liabilities	146,215	63,633	146,215	63,633

24 LOANS AND BORROWINGS (CONTINUED)

24.4 Wataniya International Fz-LLC

This loan was obtained to facilitate working capital requirements of the Group. The Principal has to be repaid in full no later than 31st December 2020. The total value of this loan facility is US$ 62,396,000/-. Annual interest is LIBOR + 5% . In accordance with the resolution dated 22nd April 2014, an amount of US$ 36,200,000/- (1 US$ = MVR 15.42) out of this loan is transferred as advance for share capital.

24.5 Term Loan III

In accordance with the loan agreement dated 7th June 2016, the Company has obtained the term loan facility amounting to US$ 2,000,000/- and loan agreement dated 1st August 2017 , the Company has obtained the term loan facility amounting to US$ 3,000,000/- at an interest rate of 3% per annum or one month LIBOR + 3% (whichever is higher) for the purpose of working capital requirement. The loan capital is repayable within 30 equal monthly installments of US$ 66,667/- and US$ 100,000/- each (1 US$ = MVR. 15.42) respectively. The facility is secured by a current account deposit amounting to MVR. 15,777,932/- in the name of the Company.

24.6 Term Loan IV

The Company has obtained the term loan facility amounting to US$ 10,000,000/- at an interest rate of LIBOR + 6.25% for the purpose of working capital requirement. The loan capital is repayable within 30 equal monthly installments of US$ 333,333/- each (1 US$ = MVR 15.42). The facility is secured by a current account deposit.

24.7 Term Loan V

The Company has obtained the term loan facility amounting to US$ 3,500,000/- at an interest rate of 6% for the purpose of working capital requirement. The loan capital is repayable within 17 monthly installments of US$ 195,000/- each and 1 installment of US$ 185,000/- (1 US$ = MVR 15.42). The facility is secured by a MVR deposit equivalent to 125% of outstanding loan amount in USD and 100% lien over MVR deposit.

24.8 Term Loan VI

The Company has obtained the term loan facility amounting to US$ 2,000,000/- at an interest rate of 1 month USD LIBOR+ 6.1% for the purpose of development of ISP/ Fixed broadband expansion, upgrade projects and working capital requirement. The loan capital is repayable within 24 equal monthly installments of US$ 83,333/- each. (1 US$ = MVR 15.42). The facility is secured by a term deposits equivalent in MVR of 120% of the facility amount.

24.9 Term Loan VII

The Company has obtained the term loan facility amounting to US$ 1,500,000/- at an interest rate of 6 months LIBOR+ 4% p.a for the purpose of finance VAS projects. The loan capital is repayable within 12 equal monthly installments of US$ 125,000/- each. (1 US$ = MVR 15.42). The facility is secured by a non-interest bearing saving account.

25 PROVISIONS

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR"000"	**MVR"000"**	**MVR"000"**	**MVR"000"**
Network and Asset Retirement Obligation **(Note 25.3)**	18,785	15,164	18,785	15,164
Share Based payment arrangements **(Note 25.4)**	5,749	1,756	5,749	1,756
	24,534	16,920	24,534	16,920
25.1 Non - Current Liabilities	18,785	16,920	18,785	16,920
25.2 Current Liabilities - Share Based Payment	5,749	-	5,749	-

25.3 Network and Assets Retirement Obligation

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR"000"	**MVR"000"**	**MVR"000"**	**MVR"000"**
As at 1st January	15,164	18,158	15,165	18,158
Increase Due to Additions	1,167	490	1,167	490
Unwinding of Discount	1,516	1,216	1,516	1,216
Provision / (Reversal) During the Year	938	(4,699)	937	(4,699)
As at 31st December	18,785	15,164	18,785	15,165

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

Lease Period	15 Years	15 Years	15 Years	15 Years
Discount Rate	10%	10%	10%	10%
Expected Future Cost of Escalation	3%	3%	3%	3%

25.4 Share based payment arrangements (Cash settled)

On 1st August 2017, the Company introduced a shadow share scheme as one time IPO incentive to all of its permanent staff members. The amount of cash payment is determined based on the average trading price of the Company's shares on the Maldives Stock Exchange for the 30 days preceding the vesting date of 31st July 2019.

26 AMOUNTS DUE TO RELATED PARTIES

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR"000"	**MVR"000"**	**MVR"000"**	**MVR"000"**
Ooredoo Kuwait	148,219	148,219	148,219	148,219
Wataniya International Fz-LLC	273,028	553,801	273,028	553,801
Ooredoo Group LLC	16,772	3,474	16,772	3,474
Ooredoo IP LLC.	6,350	12,231	6,350	12,231
WARF Telecom International Private Limited	-	-	-	3,867
	444,369	717,725	444,369	721,592

27 TRADE AND OTHER PAYABLES

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR"000"	**MVR"000"**	**MVR"000"**	**MVR"000"**
Trade Payables	85,790	113,782	79,828	108,189
Deferred Revenue	78,015	66,934	78,015	66,934
Equipment Suppliers and Contractors	9,646	3,304	9,646	3,304
Advances from Customers	18,248	14,911	18,248	14,911
Accruals and Provisions	238,300	240,252	238,300	240,252
Dividend Payable	404,252	331,814	404,252	331,814
Other Payables	41,377	20,034	38,731	15,894
	875,628	791,031	867,020	781,298

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

(i) Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

(ii) Risk Management Framework

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

(iii) Credit Risk

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

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

	Group		Company	
	Gross Amount		Gross Amount	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR "000"	**MVR "000"**	**MVR "000"**	**MVR "000"**
Trade and Other Receivables	503,412	314,414	495,597	312,013
Amount Due from Related Parties	44,930	31,985	-	-
Balances with Banks	1,254,506	1,173,443	1,197,292	1,138,935
Investments in Fixed Deposits	355,310	498,223	212,603	357,000
	2,158,158	2,018,065	1,905,492	1,807,948

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit Risk (Continued)

Trade and Other Receivables

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

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

Impairment Losses	**31/12/2018**		**31/12/2017**	
	Gross	**Impairment**	**Gross**	**Impairment**
Group	**MVR"000"**	**MVR"000"**	**MVR"000"**	**MVR"000"**
The aging of trade and other receivables at the reporting date was:				
Not Past Due	294,090	-	183,678	-
Past Due 0-30 days	44,189	-	27,599	-
Past Due 31-120 days	92,087	30,336	45,023	25,009
Past Due 121-180 days	19,055	19,055	11,901	11,901
Past Due more than 181 days	53,991	53,991	46,212	42,246
	503,412	103,382	314,413	79,156

Impairment Losses	**31/12/2018**		**31/12/2017**	
	Gross	**Impairment**	**Gross**	**Impairment**
Company	**MVR"000"**	**MVR"000"**	**MVR"000"**	**MVR"000"**
The aging of trade and other receivables at the reporting date was:				
Not Past Due	287,939	-	181,277	-
Past Due 0-30 days	43,838	-	27,599	-
Past Due 31-120 days	91,514	30,936	45,023	24,869
Past Due 121-180 days	18,903	18,903	11,901	11,901
Past Due more than 181 days	53,403	53,403	46,212	42,106
	495,597	103,242	312,012	78,876

The movement in provision for impairment in respect of trade and other receivables is given in Note 17.1 to consolidated and separate financial statements.

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

(iv) Liquidity Risk

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

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iv) Liquidity Risk (Continued)

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

31st December 2018

Group	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	779,365	797,613	-	-
Loans and Borrowings*	657,609	146,215	480,554	30,840
Amounts Due to Related Parties	444,369	444,369	-	-
	1,881,343	1,388,197	480,554	30,840

31st December 2017 Group	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	709,186	709,186	-	-
Loans and Borrowings*	490,191	63,633	269,274	3,084
Amounts Due to Related Parties	717,725	717,725	-	-
	1,917,102	1,490,544	269,274	3,084

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

31st December 2018 Company	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	770,757	770,757	-	-
Loans and Borrowings*	657,609	146,215	480,554	30,840
Amounts Due to Related Parties	444,369	444,369	-	-
	1,872,735	1,361,341	480,554	30,840

31st December 2017 Company	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	714,364	714,364	-	-
Loans and Borrowings*	490,491	63,633	269,274	3,084
Amounts Due to Related Parties	721,592	721,592	-	-
	1,926,447	1,499,589	269,274	3,084

* Excluding Interest Payments

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(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/ the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

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

	Group		Company	
	Carrying Amount		Carrying Amount	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Variable Rate Instruments				
Financial Liabilities	657,609	335,991	657,609	335,991

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) the profit of the Group and Company by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
100 Basis points increase in interest rate	(6,576)	(3,360)	(6,576)	(3,360)
100 Basis points decrease in interest rate	6,576	3,360	6,576	3,360

(b) Exposure to Currency Risk

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

	31/12/2018		31/12/2017	
Group	US$ "000"	Euro "000"	US$ "000"	Euro "000"
Cash and Cash Equivalents	8,888	141	13,429	1,151
Trade and Other Receivables	2,788	-	3,789	-
Trade and Other Payables	4,036	-	6,394	-
Gross statement of financial position exposure	15,711	141	23,612	1,151

Company

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

	31/12/2018		31/12/2017	
	US$ "000"	Euro "000"	US$ "000"	Euro "000"
Cash and Cash Equivalents	7,153	141	12,174	985
Trade and Other Receivables	2,788	-	3,789	-
Trade and Other Payables	4,036	-	6,394	-
Gross statement of financial position exposure	13,977	141	22,357	985

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(v) Market risk (Continued)

(b) Exposure to Currency Risk (Continued)

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2018	2017	31/12/2018	31/12/2017
1 MVR. : US$	0.065	0.065	0.065	0.065
1 MVR. : Euro	0.056	0.071	0.057	0.062

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

(vi) Accounting Classifications and Fair Values

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

AS AT 31ST DECEMBER 2018

Group	Carrying amount			Fair value		
	Financial assets at amor-tized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and Other Receivables	503,412	-	503,412	-	-	-
Amounts Due from Related Parties	44,930	-	44,930	-	-	-
Investments	354,936	-	354,936	-	-	-
Cash and Cash Equivalents	1,256,531	-	1,256,531	-	-	-
	2,159,809	-	2,159,809	-	-	-
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	657,609	657,609	-	657,609	-
Amounts Due to Related Parties	-	444,369	444,369	-	-	-
Trade and Other Payables	-	779,365	779,365	-	-	-
	-	1,881,343	1,881,343	-	657,609	-

AS AT 31ST DECEMBER 2017

Group	Carrying amount			Fair value		
	Loans and re-ceivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and other receivable	314,414	-	314,414	-	-	-
Amounts due from Related Parties	31,985	-	31,985	-	-	-
Investments	548,223	-	548,223	-	-	-
Cash and Cash Equivalents	1,175,773	-	1,175,773	-	-	-
	2,070,395	-	2,070,395	-	-	-
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	490,191	490,191	-	490,191	-
Amounts Due to Related Parties	-	717,725	717,725	-	-	-
Trade and Other Payables	-	709,186	709,186	-	-	-
	-	1,917,102	1,917,102	-	490,191	-

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

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(vi) Accounting Classifications and Fair Values (Continued)

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

AS AT 31ST DECEMBER 2018

Company	Carrying Amount			Fair Value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and Other Receivables	495,597	-	495,597	-	-	-
Investments	212,409	-	212,409	-	-	-
Cash and Cash Equivalents	1,199,385	-	1,199,385	-	-	-
	1,907,391	-	1,907,391	-	-	-
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	657,609	657,609	-	657,609	-
Amounts Due to Related Parties	-	444,369	444,369	-	-	-
Trade and Other Payables	-	770,757	770,757	-	-	-
	-	1,872,735	1,872,735	-	657,609	-

AS AT 31ST DECEMBER 2017

Company	Carrying amount			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and other receivable	312,013	-	312,013	-	-	-
Amounts due from Related Parties	-	-	-	-	-	-
Investments in Fixed Deposits	407,000	-	407,000	-	-	-
Cash and Cash Equivalents	1,141,266	-	1,141,266	-	-	-
	1,860,279	-	1,860,279	-	-	-
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	490,491	490,491	-	490,491	-
Amounts Due to Related Parties	-	721,592	721,592	-	-	-
Trade and Other Payables	-	714,364	714,364	-	-	-
	-	1,926,447	1,926,447	-	490,491	-

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

(vii) Capital Management

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

Consistent with others in the industry, the Group / Company monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings, trade and other payables,amounts due to related parties and current tax liabilities as shown in the consolidated and separate statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated and separate statement of financial position plus net debt.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(vii) Capital Management (Continued)

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	MVR"000"	**MVR"000"**	**MVR"000"**	**MVR"000"**
Total Liabilities	2,028,500	2,068,015	2,019,184	2,059,550
Less: Cash and Cash Equivalent	(1,256,531)	(1,175,773)	(1,199,385)	(1,141,266)
Net Debt	771,969	892,242	819,799	918,284
Total Equity	1,233,588	1,173,214	1,110,513	1,062,644
Total Capital Employed	2,005,557	2,065,456	1,930,312	1,980,928
Gearing	38%	43%	42%	46%

29 EVENTS SUBSEQUENT TO THE REPORTING DATE

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

30 INVESTMENT IN SUBSIDIARY

	Country of Incorporation	No. of Shares		Shareholding	
		2018	**2017**	**2018**	**2017**
WARF Telecom International Private Limited	Republic of Maldives	211,331,250	211,331,250	65%	65%

31 CONTINGENT LIABILITIES

31.1 The Maldives Inland Revenue Authority ("MIRA") through their notice of assessment dated 28th June 2018 has instructed the Company to pay an additional business profit tax of MVR 16,775,603/- and accrued interest thereon amounting to MVR 2,641,060/- based on the business profit tax audits carried out for the years of 2013, 2014 and 2015. The Company has filed an objection against the same on 9th September 2018. MIRA has not responded to this objection as of the reporting date.

31.2 A related entity of the Group has filed a case in the Civil Court of Maldives against the Company alleging a breach of contract and claiming damages. The first instance Civil Court has issued a judgment in favor of the related entity, that the Company pay the sum of MVR 67 Million as damages within 4 months from the date of the judgment (i.e. 25th December 2018). The Company has appealed this Civil Court judgment in the High Court of Maldives on 9th January 2019, pursuant to the constitutional right of appeal in Article 56 of the Constitution.

The Board of Directors of the Company is confident that the High Court's judgment in respect of the appeal will be favorable to the Company on the grounds that there are numerous issues relating to jurisdiction of the Civil Court to hear the case, incorrect application of the law (Law of Contracts, Arbitration Act), applicable precedents of higher courts not being followed, incorrect interpretation of the Agreement, reliance on incorrect facts as well as procedural issues. Further, the Civil Court's judgment is subject to appeal at the High Court and finally at the Supreme Court, with the latter having determined in 2011/SC-SJ/04 that stay of enforcement of the judgment being appealed is an accepted principle of civil procedure for exercise of the constitutional right of appeal to the fullest extent, we expect that a stay order will be issued in due course on the judgement of the Civil Court and thus no provision has been made in the financial statements with respect to the Civil Court's judgment.

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

32 COMPARATIVE FIGURES

32.1 The Group had accounted an interest payment amounting to MVR 154,200/- ("000") as a capital repayment of the loan obtained from Wataniya International Fz-LLC during the year ended 31st December 2017. This has been re-classified under amount due to related party.

32.2 The Group had accounted an inventory amounting to MVR 3,847/- ("000") as Capital Work in Progress under Property Plant and Equipement during the year ended 31st December 2017. This has been re-classifying under Inventory.

These reclassifications do not impact the profit for the year ended 31st December 2017 or, to total equity, total assets or total liabilities as at 31st December 2017.

33 COMMITMENTS

33.1 Capital Commitments

The Group/ the Company have entered into contract to purchase / construct property, plant and equipment and intangible assets of MVR. 119,031,011/- as at 31st December 2018 (2017: MVR. 159,727,377/-).

33 COMMITMENTS (CONTINUED)

33.2 Operating lease Commitments

The Group has a number of operating leases over properties for erection of communication towers and offices. The lease expenditure charged to the consolidated statement of profit or loss during the year is disclosed under cost of revenue.

Minimum operating lease commitments under the leases are as follows;

	31/12/2018 MVR"000"	31/12/2017 MVR"000"
Not later than one year	12,279	12,532
Later than one year but not later than five years	46,764	51,282
Later than five years	48,511	50,079
	107,554	113,892

34 RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the Transaction	Amount 31/12/2018 MVR"000"	Amount 31/12/2017 MVR"000"	Balance Outstanding Due from/ (to) 31/12/2018 MVR"000"	Balance Outstanding Due from/ (to) 31/12/2017 MVR"000"
Ooredoo Group LLC	Affiliate Company	Expenses on Behalf	(19,713)	(11,325)	(16,772)	(3,474)
		Repayment	6,415	15,270		
Ooredoo IP LLC	Affiliate Company	Brand license fee	(28,651)	(27,124)	(6,350)	(12,231)
		Withholding Tax paid	2,865	2,712		
		Repayment	31,667	18,354		
Ooredoo Kuwait	Intermediate Parent	No Transactions	-	-	(148,219)	(148,219)
Wataniya International Fz-LLC	Immediate Parent Company	Management Fee	(53,978)	(51,381)	(273,028)	(708,001)
		Withholding Tax paid	5,398	5,138		
		Interest Accrual	(34,591)	(20,288)		
		IPO Proceeds	-	(421,358)		
		Repayment	518,144	153,139		
Focus Infocom Private Limited	Affiliate Company	Lease Line Charges	21,169	23,079	44,930	31,985
		Repayment	(8,224)	(12,655)		

35 Transactions with Key Management Personnel

The Board of Directors of the Company are the members of the key management personnel. The Company has paid MVR 2,867/- ("000") as emoluments to the key management personnel during the year ended 31st December 2018 (for the year ended 31st December 2017: Nil).

36 OPERATING SEGMENTS

The Group's/ the Company's operations are solely providing Telecommunication Services in the Maldives. The operations of the Group/ the Company are looked at as a single operating segment.

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

37 DIRECTOR'S RESPONSIBILITY

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

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The following changes in accounting policies are reflected in Group's / Company's Consolidated and seperate financial statements as at and for the year ended 31st December 2018.

The Group / Company has initially adopted IFRS 15 – "Revenue from contracts with customers" and IFRS 9 "Financial Instruments" from 1st January 2018. The effect of initially applying these standards are as follows.

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers"

In the current year, the Group / Company has applied IFRS 15 – "Revenue from Contracts with Customers" (as amended in April 2016) which is effective for an annual period that begins on or after 1st January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Group's / Company's consolidated and seperate financial statements are described below.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

The Group's / Company's accounting policies for its revenue streams are disclosed in detail in Note 3.10. Apart from providing more extensive disclosures for the Group's / Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group / Company.

The Group / Company has elected modified retrospective approach and the cumulative effect of initially applying IFRS 15 is recognised in opening retaining earnings as at 1st January 2018 and comparative periods are not restated.

(a) Net Impact of adopting IFRS 15

The following table summarizes the net impact from the adoption of IFRS 15 on accumulated losses as at 1st January 2018

Accumulated Losses	Group / Company - MVR"000"
Closing Balance Under IAS 18 (31st December 2017)	(553,621)
Impact on Revenue Recognition between new and old Standard	
Sales of mobile devices	(7,780)
Impact on Cost Recognition between new and old Standard	
Sales of mobile devices	7,480
Opening Balance under IFRS 15 on date of initial application 1st January 2018	(553,321)

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

Multi elements arrangements (Mobile contract plus handset) - accounting policy after 1st January 2018

The Group / Company has concluded that in case of multiple elements arrangements with products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primary relates to the Group's/Company's right on consideration for services and goods provided but not billed at the reporting date.

Rendering Services – Customer Loyalty Programme

The Group / Company provides loyalty points to its customers and the current accounting practice for this is required to be amended based on IFRS 15 by estimating the likelihood of redemption of the points and defer the revenue based on that estimation.

The Group / Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The following table summarise the impacts of adopting IFRS 15 on the Group's / Company's statements of financial position as at 31st December 2018 and its consolidated and seperate statement of comprehensive income for the year then ended for each of the line items affected. There was no material impact on the Group's / Company's statements of cash flows for the year ended 31st December 2018.

(b) Net impact from adoption of IFRS 15 on consolidated and separate financial statements for the year ended 31st December 2018.

Impact on the Consolidated Statement of Comprehensive Income

Continuing operations	As Reported	Adjustments	Amounts without the adoption of IFRS 15
	MVR"000"	MVR"000"	MVR"000"
Revenue	1,951,346	88,338	1,863,008
Operating Expense	(1,022,415)	(76,290)	(946,125)
Income Tax Expense	(100,343)	(1,807)	(98,536)

Impact on the Separate Statement of Comprehensive Income

Continuing operations	As Reported	Adjustments	Amounts without the adoption of IFRS 15
	MVR"000"	MVR"000"	MVR"000"
Revenue	1,910,092	88,338	1,821,754
Operating Expense	(1,024,226)	(76,290)	(947,936)
Income Tax Expense	(97,001)	(1,807)	(95,194)

Contract assets and liabilities

The following table provides information about receivables, contract assets and contract liabilities from contract with customers.

	GROUP / COMPANY	
	31/12/2018 MVR"000"	1/1/2018 MVR"000"
Contract assets	46,892	300
Contract liabilities	-	-

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

(b) Net impact from adoption of IFRS 15 on consolidated and seperate financial statements for the year ended 31st December 2018 (Continued)

Impact on the Consolidated Statement of Financial Position

	As Reported	Adjustments	Amounts without the adoption of IFRS 15
ASSETS	**MVR"000"**	**MVR"000"**	**MVR"000"**
Non-Current Assets			
Property, Plant and Equipment	974,644	-	974,644
Intangible Assets	136,117	-	136,117
Prepaid Lease Rent	32,816	-	32,816
Investment in Subsidiary	-	-	-
Deferred Tax Assets	24,301	-	24,301
Total Non-Current Assets	1,167,878	-	1,167,878
Current Assets			
Inventories	52,294	-	52,294
Trade and Other Receivables	369,611	-	369,611
Contract Cost and Assets	46,892	(46,892)	-
Amount Due from Related Party	38,585	-	38,585
Investments	354,936	-	354,936
Cash and Cash Equivalents	1,256,531	-	1,256,531
Total Current Assets	2,118,849	(46,892)	2,071,957
EQUITY AND LIABILITIES			
Share Capital	1,478,004	-	1,478,004
Reserve on Translation of Share Capital	144,180	-	144,180
Accumulated Losses	(497,624)	46,892	(544,516)
Non-Controlling Interest	109,028	-	109,028
Total Equity	1,233,588	46,892	1,186,696
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	511,394	-	511,394
Provisions	18,785	-	18,785
Deferred Tax Liabilities	105	-	105
Total Non-Current Liabilities	530,284	-	530,284
Current Liabilities			
Loans and Borrowings	146,215	-	146,215
Amounts Due to Related Parties	444,369	-	444,369
Provisions	5,749	-	5,749
Trade and Other Payables	875,628	-	875,628
Income Tax Payable	50,894	-	50,894
Total Current Liabilities	1,522,855	-	1,522,855

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

(b) Net impact from adoption of IFRS 15 on consolidated and seperate financial statements for the year ended 31st December 2018 (Continued)

Impact on the Separate Statement of Financial Position

Company

	As Reported	Adjustments	Amounts without the adoption of IFRS 15
ASSETS	**MVR"000"**	**MVR"000"**	**MVR"000"**
Non-Current Assets			
Property, Plant and Equipment	963,375	-	963,375
Intangible Assets	74,500	-	74,500
Prepaid Lease Rent	32,816	-	32,816
Investment in Subsidiary	188,488	-	188,488
Deferred Tax Assets	24,693	-	24,693
Total Non-Current Assets	1,283,872	-	1,283,872
Current Assets			
Inventories	52,294	-	52,294
Trade and Other Receivables	361,796	-	361,796
Contract Cost and Assets	46,892	(46,892)	-
Amount Due from Related Party	212,409	-	212,409
Investments	1,199,385	-	1,199,385
Cash and Cash Equivalents	1,872,776	-	1,872,776
Total Current Assets	3,745,552	(46,892)	3,698,660
EQUITY AND LIABILITIES			
Share Capital	1,478,004	-	1,478,004
Reserve on Translation of Share Capital	144,180	-	144,180
Accumulated Losses	(511,672)	46,892	(558,564)
Non-Controlling Interest	-	-	-
Total Equity	1,110,513	46,892	1,063,621
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	511,394	-	511,394
Provisions	18,785	-	18,785
Deferred Tax Liabilities	2,417	-	2,417
Total Non-Current Liabilities	532,596	-	532,596
Current Liabilities			
Loans and Borrowings	146,215	-	146,215
Provision	5,749	-	5,749
Amounts Due to Related Parties	444,369	-	444,369
Trade and Other Payables	867,020	-	867,020
Income Tax Payable	50,186	-	50,186
Total Current Liabilities	1,513,539	-	1,513,539

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments"

In the current year, the Group / Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are mandatorily effective for an accounting period that begins on or after 1st January 2018. Transition provisions of IFRS 9 allow an entity not to restate comparatives. Accordingly, the Group / Company has elected not to restate the comparative figures and the cumulative effect arising from the transition is recognised as an adjustment to the opening balance of equity in the year of initial application, i.e. 1st January 2018.

Details of these IFRS 9 new requirements as well as their impact on the Group's / Company's consolidated financial statements are described below.

(a) Classification and Measurement of Financial Instruments

The Directors of the Group / Company reviewed and assessed the Group's / Company's existing financial assets as at 1st January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has no impact on the Group's / Company's financial assets as regards to their measurement.

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 / Company's financial assets as at 1st January 2018.

Financial assets	Note	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	(i)	Loans and receivables	Amortised cost
Amounts Due from Related Parties	(ii)	Loans and receivables	Amortised cost
Investments	(iii)	Loans and receivables	Amortised cost
Cash and cash equivalents	(iv)	Loans and receivables	Amortised cost

(i).Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

(ii). Amounts Due from Related parties that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

(iii). Investments includes fixed deposits with maturities exceeding 3 months. These were previously classified as loans and receivables under IAS 39 and now as amortized cost.

(iv). Cash and cash equivalents includes cash in hand, balances with banks and fixed deposits with maturities less than 3 months. These were classified as loans and receivables under IAS 39 and now as amortized cost.

** There were no changes to the classification of financial liabilities.*

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments" (Continued)

(b) Impairment of Financial Assets

IFRS 9 requires the Group / Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group / Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also permits a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Group / Company has elected not to restate comparatives, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognised on the date of initial application of IFRS 9 (i.e. 1 January 2018), the Board of Directors have compared the credit risk of the respective financial instruments on the date of their initial recognition to their credit risk as at 1 January 2018.

The result of the assessment was as follows:

Items existing as at 1st January 2018 that are subject to the impairment provisions of IFRS 9	Credit risk attributes as at 1st January 2018	Cumulative additional loss allowance recognised on 1st January 2018	
		Company MVR"000"	Group MVR"000"
Amounts Due from Related Parties	The Group / Company applies the simplified approach and recognises lifetime ECL for these assets.	-	6,314
Trade and other receivables Contract assets	The Group / Company applies the simplified approach and recognises lifetime ECL for these assets.	744	744
Investments	All bank balances and investments in fixed deposits are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions. In identifying the credit risk, the Group / Company has mapped its internal credit rating scale to Moody's rating scale as at 1st January 2018.	2,229	2,406
Cash and bank balances		2,232	2,273

(c) Net Impact of adopting IFRS 9

Particulars	Accumulated Losses *MVR"000"*	Non – Controlling Interest *MVR"000"*	Total *MVR"000"*
Closing balance as at 31 December 2017	(553,621)	104,651	(448,970)
Impact on recognition of Expected Credit Losses			
Trade and Other receivables	(744)	-	(744)
Amount Due from Related Party	(4,104)	(2,210)	(6,314)
Investments	(2,345)	(62)	(2,406)
Bank balance and deposits	(2,260)	(14)	(2,274)
Balance as at 1 January 2018 (after IFRS 9 adjustment)	(563,072)	102,365	(460,707)

The additional loss allowance recognised upon the initial application of IFRS 9 as disclosed above resulted entirely from a change in the measurement attribute of the loss allowance relating to each financial assets.

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments" (Continued)

d) Changes to Groups / Company's financial risk management objectives and policies

Credit risk measurement

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Credit quality assessments

The Group has mapped its internal credit rating scale to Moody's rating scale as at 31st December 2018.