**ADDU MEEDHOO COOPERATIVE SOCIETY**

**STATEMENT OF COMPREHENSIVE INCOME**

| For The Period Ended 31st December 2018 | Note | 2018<br>MVR | 2017<br>MVR |
|---|---|---|---|
| Revenue | 11 | 2,641,255 | 4,028,650 |
| Cost of Revenue | 12 | (2,195,337) | (3,289,508) |
| **Gross Profit** | | **445,918** | **739,142** |
| Other Income | 15 | 472,035 | 162,154 |
| Administrative Expenses | 13 | (513,344) | (756,380) |
| Sales & Marketing Expenses | 14 | (16,075) | (32,339) |
| **Operating Profit/Loss** | | **388,534** | (49,577) |
| **Profit/(Loss) before tax** | | **388,534** | 112,576 |
| Income Tax | 16 | - | 141 |
| **Profit/(Loss) for the year** | | **388,534** | **112,718** |
| Earnings Per Share | 18 | 289 | 84 |

We draw your attention to accounting policies and notes on page 7 through 12, which are an integral part of the financial statements.

**ADDU MEEDHOO COOPERATIVE SOCIETY**

**STATEMENT OF FINANCIAL POSITION**

| **As At 31st December 2018** | **Note** | **2018 MVR** | **2017 MVR** |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant & Equipment | 4 | 1,323,944 | 1,385,450 |
| Deferred Tax Asset | 17 | 2,138 | 1,974 |
| | | **1,326,081** | **1,387,424** |
| **Current Assets** | | | |
| Inventory | 5 | 303,667 | 295,430 |
| Trade & Other Receivables | 6 | 830,454 | 638,453 |
| Cash & Cash Equivalents | 7 | 85,515 | 38,620 |
| | | **1,219,636** | **972,503** |
| **TOTAL ASSETS** | | **2,545,717** | **2,359,927** |
| **EQUITY & LIABILITIES** | | | |
| **Equity & Reserves** | | | |
| Share Capital | 8 | 117,700 | 117,700 |
| Retained Earnings | | 1,012,009 | 742,016 |
| | | **1,129,709** | **859,716** |
| **Non-Current Liabilities** Deferred Grant | 10 | 1,217,513 | 893,205 |
| | | **1,217,513** | **893,205** |
| **Current Liabilities** Deferred Grant | 10 | - | 162,154 |
| Trade & Other Payables | 9 | 198,495 | 444,852 |
| | | **198,495** | **607,006** |
| **TOTAL EQUITY & LIABILITIES** | | **2,545,717** | **2,359,927** |

We draw your attention to accounting policies and notes on page 7 through 12, which are an integral part of the financial statements.

For and on behalf of the Board of Members:

| **Name** | **Signature** |
|---|---|
| ……………………………………………………………………. | ………………………………………… |
| ……………………………………………………………………. | ………………………………………… |

**ADDU MEEDHOO COOPERATIVE SOCIETY**

**STATEMENT OF CASH FLOWS**

| For The Period Ended 31st December 2018 | Note | 2018 MVR | 2017 MVR |
|---|---|---|---|
| **Operating Profit before Working Capital Changes** | 19 | **338,534** | **287,763** |
| Inventory | | (8,237) | 646,188 |
| Trade & Other Receivables | | (192,002) | (6,581) |
| Trade & Other Payables | | (246,357) | 157,357 |
| **Net Cash Generated from (Used in ) Operating Activities** | | **(108,061)** | **1,084,727** |
| **Cash Flows from Investing Activities** | | | |
| Purchase of Property, Plant & Equipment | | (283,504) | - |
| Additions to Work in Progress | | - | (266,742) |
| Deferred Grant Received | | 162,154 | (810,995) |
| **Net Cash Used in Investing Activities** | | **(121,349)** | **(1,077,737)** |
| **Cash flows from Financing Activities** | | | |
| Share Capital | | - | 1,300 |
| Dividend Paid | | - | (4,705) |
| **Net Cash flows from Financing Activities** | | **-** | **(3,405)** |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **(229,411)** | **3,585** |
| Cash and Cash Equivalents at the Beginning of the Year | | 38,620 | 35,034 |
| **Cash and Cash Equivalents at the end of the Year** | | **(190,791)** | **38,620** |

We draw your attention to accounting policies and notes on page 7 through 12, which are an integral part of the financial statements.

**ADDU MEEDHOO COOPERATIVE SOCIETY**

**STATEMENT OF CHANGES IN EQUITY**

**As At 31st December 2018**

*(All amounts are stated in Maldivian Rufiyaa)*

| | Share Capital | Retained Earnings | Total Equity |
|---|---|---|---|
| **Balance as at 1st January 2017** | **117,700** | **635,122** | **752,822** |
| Unreconciled variance | - | 27,221 | 27,221 |
| Dividend Paid | - | (33,045) | (33,045) |
| Net Profit for the year | - | 112,718 | 112,718 |
| **Balance as at 1st January 2018** | **117,700** | **742,016** | **859,716** |
| Unreconciled variance | - | 54,600 | 54,600 |
| Dividend Paid | - | - | - |
| Net Profit for the year | - | 388,534 | 388,534 |
| **Balance as at 31st December 2018** | **117,700** | **1,185,150** | **1,302,850** |

We draw your attention to accounting policies and notes on page 7 through 12, which are an integral part of the financial statements.

**Note 04 - Property, Plant and Equipment**

**Note 04.1 - Cost**

| | Balance as at 01.01.2018 MVR | Additions during the year MVR | Balance as at 31.12.2018 MVR |
|---|---|---|---|
| Buildings | 980,521 | (15,376) | 965,145 |
| Furniture & Fittings | 18,360 | - | 18,360 |
| Office Equipment | 105,154 | 2,070 | 107,224 |
| Other Equipment | 16,770 | 1,800 | 18,570 |
| Motor Vehicle | 580,880 | - | 580,880 |
| | **1,701,685** | **(11,506)** | **1,690,178** |

**Note 04.2 - Depreciation**

| | Balance as at 01.01.2018 MVR | Additions during the year MVR | Balance as at 31.12.2018 MVR |
|---|---|---|---|
| Buildings | 39,221 | - | 39,221 |
| Furniture & Fittings | 7,767 | - | 7,767 |
| Office Equipment | 63,223 | - | 63,223 |
| Other Equipment | 16,642 | - | 16,642 |
| Motor Vehicle | 189,383 | 50,000 | 239,383 |
| | **316,235** | **50,000** | **366,235** |
| | | | |
| **Net Book Value** | **1,385,450** | | **1,323,944** |

**ADDU MEEDHOO COOPERATIVE SOCIETY**
**NOTES TO THE FINANCIAL STATEMENTS**
**As At 31st December 2018**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| **Note 05 - Inventories** | | |
| Inventory for Resale | 303,667 | 295,430 |
| Inventory of Packing Materials | | |
| **Total** | **303,667** | **295,430** |
| **Note 06 - Trade & Other Receivables** | | |
| Accounts Receivable | 929,917 | 728,986 |
| Less: Provision for Doubtful Debts | (100,452) | (100,452) |
| | 829,466 | 628,534 |
| Other Receivables | 988 | 9,918 |
| **Total** | **830,454** | **638,452** |
| **Note 07 - Cash & Cash Equivalent** | | |
| Cash At Bank | 73,559 | 21,630 |
| Cash In Hand | 11,956 | 16,689 |
| **Total** | **85,515** | **38,319** |
| **Note 08 - Share Capital** | | |
| Issued share capital: 1355 Ordinary Shares of MVR 100 each | 135,500 | 135,000 |
| Receivable for Issued Shares | (17,800) | (17,800) |
| **Total** | **117,700** | **117,200** |

The total authorised number of ordinary shares is 50,000 shares (2016: 50,000 shares) with a par value of MVR 100 per share (2016: MVR 100 per share). All issued shares are not fully paid and have equal rights to vote at general meetings and receive dividends.

| | 2018 MVR | 2017 MVR |
|---|---|---|
| **Note 09 - Trade & Other Payables** | | |
| Trade Payables | 198,137 | 366,201 |
| Professional Fee Payable | | - |
| Accrued Expenses | 420 | 39,853 |
| Dividends Payable | | |
| Retainer Payables | | 21,376 |
| GST Payable | (61) | 17,422 |
| **Total** | **198,495** | **444,852** |
| **Note 10 - Deferred Grant** | | |
| **Non Current** | | |
| Deferred Grant received as Property Plant and Equipment | 524,498 | 255,631 |
| Deferred Grant received for Building | 693,015 | 637,574 |
| | 1,217,513 | 893,205 |
| **Current** | | |
| Deferred Grant received as Property Plant and Equipment | | 134,433 |
| Deferred Grant received for Building | | 27,721 |
| Deferred Grant received as Packing Materials | | - |
| | | 162,154 |
| **Total** | **1,217,513** | **1,055,359** |

Grants received from FADIP have been recognized as deferred grant income. The grant income is recognized over the useful life of the asset.

| | | 2018 | 2017 |
|---|---|---|---|
| | | MVR | MVR |

**Note 11 - Revenue**

The breakdown of the revenue is as follows:

| | 2018 | 2017 |
|---|---|---|
| Trading Income | 2,060,712 | 3,423,626 |
| Pickup Income | 1,774 | 1,585 |
| Other Income | 578,768 | 603,439 |
| **Total** | **2,641,255** | **4,028,650** |

The main business of the society is buying agricultural products from farmers at a contracted price and selling the products to hotels and resorts in Addu Atoll. Revenue from sale of goods are recognised when the goods are sold and title has passed. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Maldives.

**Note 12 - Cost of Revenue**

| | 2018 | 2017 |
|---|---|---|
| Cost of Goods Sold | 2,168,288 | 3,289,508 |
| Carriage Inward | 27,050 | - |
| **Total** | **2,195,337** | **3,289,508** |

Cost of goods sold includes all the directly attributable costs including purchase costs and other costs incurred to bring the goods to a salable condition.

**Note 13 - Administrative Expenses**

| | | 2018 | 2017 |
|---|---|---|---|
| Bank Charges | | 1,725 | 1,795 |
| Bad debts written off | | - | - |
| Depreciation | | 50,000 | 176,306 |
| Fine and Penalties | | - | 2,490 |
| Management Committee Allowance | | 1,000 | - |
| Professional Fees | | 14,886 | - |
| Provision for Doubtful Debts | | - | - |
| Rent | | 7,500 | 23,175 |
| Repairs & Maintenance | | - | 8,750 |
| Meals and Entertainment | | 1,992 | 5,776 |
| Utilities | | 36,162 | 91,044 |
| Telephone Expense | | 14,240 | 15,581 |
| Transportation | | 16,235 | - |
| Office Expenses | | 12,210 | 10,272 |
| Carraige Expense | | 105,841 | 100,426 |
| Salary & Other Benefits | Note 13.1. | 233,504 | 286,233 |
| Other Expense | | | 15,082 |
| Labour Charges | | 17,750 | 17,450 |
| Fees & License | | 300 | 2,000 |
| **Total** | | **513,344** | **756,380** |

**Note 13.1 - Salary & Other Benefits**

| | 2018 | 2017 |
|---|---|---|
| Salary & Wages | 233,504 | 257,968 |
| Staff Travels | | - |
| Ramazan Allowance | | 12,000 |
| Pension costs | | 16,265 |
| **Total** | **233,504** | **286,233** |

| | 2018 MVR | 2017 MVR |
|---|---|---|

**Note 14 - Sales & Marketing Expenses**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Marketing Expnse | 16,074.90 | 32,339 |
| Sales Commission | | |
| **Total** | **16,074.90** | **32,339** |

**Note 15 - Other Income**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Grant Received as Property Plant and Equipment | 472,035.46 | 162,154 |
| **Total** | **472,035.46** | **162,154** |

Co-operative Society received a total contribution of 2,000,787 from FADIP in the year 2016. The contribution includes packing materials, furnitures, freezers, vehicle and cash receipt of 693,015 to construct an office building in S. Meedhoo. The construction of the building was complete and made available for use on March 2017.

**Note 16 - Taxation**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Income Tax Expense | | |
| (Increase)/decrease of deferred tax asset | | (141) |
| **Total** | **-** | **(141)** |

**Note 17 -Deferred Tax Asset**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Deferred tax asset brought forward | | (1,833) |
| Increase/(decrease) of deferred tax asset | | (141) |
| Deferred tax asset carried forward | - | (1,974) |
| **Total deferred tax asset** | **2,138** | **(1,974)** |

**Note 18 -Earnings/(Losses) Per Share**

Basic Earnings/(Losses) Per Share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Profit/(Loss) for the year | 388,534 | 112,718 |
| Weighted Average number of Ordinary Shares | 1,346 | 1,346 |
| **Earnings/(Losses) Per Share** | **289** | **84** |

**Note 19 -Operating Profit before Working Capital Changes**

| | 2018 MVR | 2017 MVR |
|---|---|---|
| Net Profit/(Loss) for the Year | 388,534 | 112,576 |
| Depreciation | (50,000) | 176,306 |
| Unreconciled Retained Earnings Variance | | (1,119) |
| **Total** | **338,534** | **287,763** |

**Note 20 - Events after the end of the reporting period**

There are no significant events after the balance sheet date which warrants disclosure.

**Note 21 - Approval of financial statements**

These financial statements were approved by the members of the board and authorised for issue on 26th June 2019.