Centurion

ANNUAL REPORT 2016

بسم الله الرحمن الرحيم

ATTENTION

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

Centurion prepares its financial statements in accordance with International Financial Reporting Standards. References to a year in this report are, unless otherwise indicated, references to the Company's financial year ending 31st December 2016.

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

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

CONTENTS

FINANCIAL HIGHLIGHTS 2016

	CENTURION PLC (4 AUG – 31 DEC 2016) (MVR)	CENTURION GROUP (4 AUG – 31 DEC 2016) (MVR)
Performance		
Turnover	-	27,284,440
Gross Profit	-	7,706,235
Net Profit	(2,015,101)	(127,127)
Net Asset	175,564,575	177,537,677
Number of Shares Issued	7,042,200	**7,042,200**
Net Asset Value Per Share	24.93	25.21
Earning Per Share	(0.29)	(0.02)
Dividend Per Share	-	-
Market Value Per Share (Weighted Average)	n/a*	
Highest Traded Value During the Year	n/a*	
Lowest Traded Value During the Year	n/a*	
Value as at End of Financial Year	n/a*	
Financial Position		
Current Assets	1,510,193	25,048,867
Current Liabilities	2,416,636	23,514,210
Total Assets	177,981,211	206,699,264
Total Liabilities	2,416,636	29,161,587
Equity	175,564,575	177,537,677

**IPO not concluded as of 31 Dec 2016*

ABOUT CENTURION PLC

VISION

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

MISSION

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

CORPORATE VALUES

PEOPLE

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

CUSTOMER SUCCESS

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

EXCELLENCE

The pursuit of excellence is not a destination, it’s a journey.

INNOVATION

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

TEAMWORK

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

OPENNESS

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

SOCIAL RESPONSIBILITY

We encourage involvement both inside and outside the company.

SUSTAINABLE PROFITABILITY

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

GOING PUBLIC: THE GREAT LEAP FORWARD

Centurion came into life in 2008 as a strategic business unit and was subsequently registered as a separate business in 2010 as Centurion Transport Solutions Pvt Ltd (CTS). Centurion Transport Solutions specialized in the movement and doorstep delivery of air and sea freight cargo services from all corners of the world to the Maldives. The company's established client and partner networks give it a global reach providing its customers with a wide range of transportation solutions, from overnight air services to doorstep delivery of cargo.

Within a few years of operation, Centurion Transport Solution became one of the most reputed and well-recognized logistic solution providers in the Maldives. And it became evident that, in order to take advantage of the abundant opportunities the market has presented for growth and expansion the Company needs to make substantial investment. In this endeavor the founding owners of the Company decided to take the great leap of going public in order to raise much needed capital for expansion.

Centurion Plc was registered in August 2016 as a public limited company, and the Company made history by becoming the first private local company to go public and list its shares in the Maldives Stock Exchange.

History shows that the road to making history is never an easy one. Centurion faced numerous challenges in its historic journey of taking the Company public. In addition to meeting all statutory requirements and procedures, reaching out to the public was an astounding challenge. Centurion's team travelled to 31 islands across all the Atolls over a period of three months creating awareness and educating the public.

The capital market of Maldives is still at its nascent stages of development. Level of public awareness and confidence in the operations of the capital market is low. Nevertheless, the Company raised MVR 2.38 million in its first IPO, and this is only the first stride in the journey to live up to Centurion's vision of becoming the leading and most reliable logistics and warehousing solution provider in the Indian Ocean.

CORPORATE STRUCTURE OF CENTURION

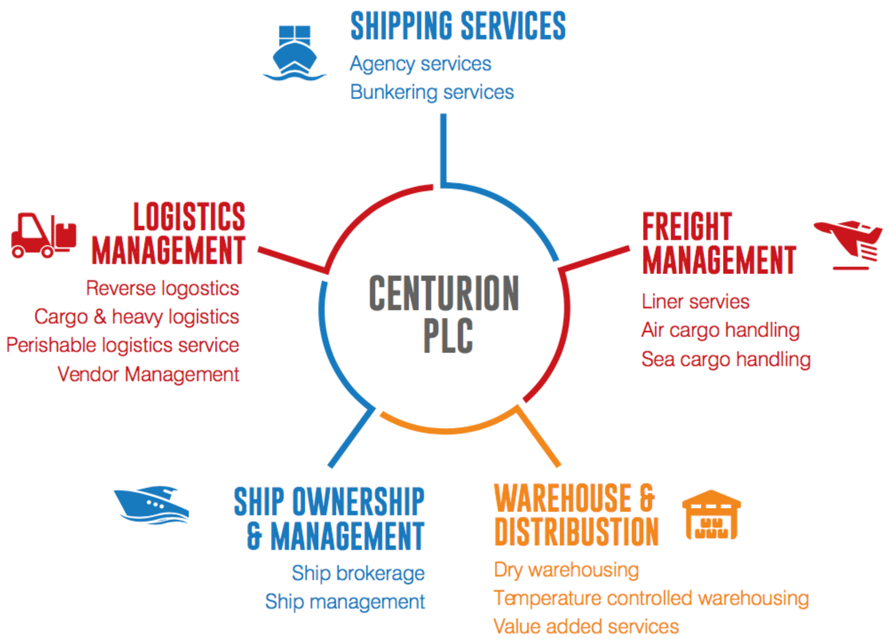
Centurion PLC (CPLC) is a multi-disciplinary business designed to provide a total solution in shipping and logistics services. Centurion Group of companies is made up of CPLC and its three subsidiary companies as stated below. A brief overview of the respective subsidiary companies is provided in the section of this report titled Subsidiary Companies.

Figure 1: Subsidiary Companies of CPLC

NAME OF SUBSIDIARY	MAIN LINE OF BUSINESS	ESTABLISHED	CPLC OWNERSHIP
Centurion Transport Solutions Pvt Ltd	Freight Forwarding & Logistics	2010	99%
Rohoffe Pvt Ltd	Handling Services	2011	99.99%
Equatorial Lines Pvt Ltd	Freight Forwarding	2011	99.99%

Centurion group of companies is engaged in a number of lines of businesses including shipping, ship ownership and management, freight management, logistics management and warehousing.

Figure 2: Business Lines of Centurion Group of Companies



Undertook logistic project of Shangri-La Resort

JUNE 2009

Partnering with ECU, largest non-vessel operating common carrier (NVOCC)

JUNE 2009

Undertook lo
Park Hyatt &
resorts

Established Centurion as a business unit under Stella Pvt Ltd

JUNE 2008

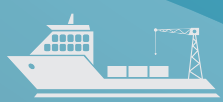
Established Centurion Logistic Addu Pvt Ltd

MARCH 2010

Established Centurion Tra
Solutions Pvt Ltd

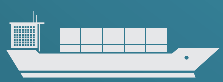
AUGUS

2008 | 2009 | 2010 | 2011



Long Term lease of Reefer boat

FEBRUARY 2011



Established Rohoffe Pvt Ltd

OCTOBER 2011

Became Sole Agent for M
Second largest shipping
company in the world

APRIL 2012

A
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ogistic project of
& Dusit Thani

JANUARY 2011

Undertook logistic project of Sierra Construction Pvt. Ltd & MWSC

JANUARY 2015

Undertook logistic project of Kandimma Holding Pvt Ltd

FEBRUARY 2015

ansport

T 2011

Established Equatorial Lines Pvt Ltd

MARCH 2013

Established Centurion Plc (CPLC)

AUGUST 2016

2012

2013

2015

2016

Launched the first IPO of CPLC

AUGUST 2016

Established Strategic Partnership with S-ems Pvt Ltd

JULY 2013

ISC-

cquired Reefer Boat designed or perishable cargo

CTOBER 2013

OUR JOURNEY

LETTER TO SHAREHOLDERS

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

With the Grace of Almighty Allah, on behalf of the members of the Board of Directors, I take the honor in presenting Annual Report of the Centurion Public Limited for the period ending 31 December 2016.

"Our future is bright with the potential growth in the market and our strategies are well aligned to keep abreast of market transformation..."

NEW BEGINNING

It is with great pleasure, I inform that our company has entered the most exciting phase of its life by going public, and being the first Maldivian private company listed in the Maldives stock exchange market. We embarked on this crucial journey acting as the trailblazer for the other companies to develop the young capital market. It is an idea incepted over a coffee few years ago, but bore flesh and bone on the year 2017 with your interest and faith in our company.

OVERVIEW

Transportation is a precarious task in Maldives, with the vast sea all around us but an industry that is on growth consistently due to our heavy dependency on import. It is a gateway for all the other industries and the efficiency is crucial for the sustenance of the others. Though we operate in a dynamic environment, with much need for adequate infrastructure and capacity built up, we as a company have accomplished tremendous growth since our establishment in 2008. Our primary businesses – Freight, Logistics, and Customs Clearance – has expanded in scope to provide one stop solution to our customers. We are looking for avenues to establish as a fourth party logistics (4PL) company from a 3PL, the one and only 4PL company in the Maldives, that brings efficient supply chain management, immersed in effective process, innovative technology and competent staff. Our history is reminiscent of this decade long journey, that we lead the industry and is a reputed logistic provider of the country.

NETWORK AND PARTNERS

The success of our business emanates from the relationships of global network in logistics with the likes of MSC – world leader in container shipping, EMKAY Lines and a member of HCL Logistics, and A.Hartrodt worldwide network and KERRY Group amongst many other regional agency networks. Domestically, our positive association with local vendors with the reputation we have built and carved our way over the years gives to us competitive advantage in providing economical solution to the customers. Our operations in perishable cargo delivery with a fleet of refrigerated boats fitted with chillers and freezers, transporting temperature-controlled commodity specializing in resort cargo, is a sector flourishing with the growth in tourism industry.

LOOKING INTO THE FUTURE

Our future is bright with the potential growth in the market and our strategies are well aligned to keep abreast of market transformation, and constantly improving on our performances through sophisticated processes and people. Our driving force is undoubtedly the competent staff who breathe life into the company with their immense expertise in the field in planning and executing the logistics movements meticulously.

CORPORATE GOVERNANCE

The Board remains focused on robust risk management and endeavors to improve on existing customer service levels. We also believe that quality Corporate Governance is critical to achieve our organizational goals and set higher benchmarks in our services. The Board members of the Company are eminent individuals with diverse expertise and ample experience to lead the organization. Their appointment meets with the requisite criteria set by Nomination, Remuneration and Corporate Governance Committee. The present day Board comprises of 5 members including 3 independent directors. The upcoming AGM will allow us to appoint two more independent director making it a total of 7 directors. Our policy requirement of having women on the Board has also been complied with. The Board and management of the Company have developed an ethical work environment and established good internal practices and procedures which enable the Company to operate in a compliant manner. The Board has also formulated several policies for effective compliance with regulatory requirements on a sustained basis.

I take this opportunity to express my sincere gratitude to the board of directors who showed us the way; the shareholders for the faith and to the push you have given in the impending future we embark on; to our loyal customers for whom we are here for and to the cogs of our company – our staffs, for their relentless effort in reaching towards our goals.

Thank You.

Capt. Ahmed Maumoon

Chairman

MANAGING DIRECTOR'S MESSAGE

It is my great pleasure to present to you Annual Report and Statement of Accounts on behalf of the board of directors for the period ending December 31, 2016.

Centurion Group has just begun a brand new chapter with its 8 years' history of logistic service experience. Our consolidated corporate brand "Centurion" take care of logistic needs of the country by providing "smart solutions" for freight forwarding, perishable goods management and all inbound logistic solutions as well as ship brokerage.

In welcoming you to the 1st Annual General Meeting of the Group, I am also proud to note that your company has been in the industry as a leading logistic and transport solution provider in the Maldives well before becoming a public listed company. We have come a long way from from our humble beginning and started anew with a fresh corporate establishment adding PLC with the intention of providing multi-disciplinary solutions under one group.

Centurion PLC is strengthened by three subsidiary companies. During the period five months ended 31 December 2016, the group has recorded revenue of MVR 27.2 million. Gross profit for the same period stands MVR 7.7 million. The major topline contributor to the group was Centurion Transport Solution Pvt Ltd with nearly MVR 26 million. During the period the group engaged mainly in freight forwarding and cargo handling services.

THE JOURNEY AHEAD

Ensuring that we constantly improve the industry benchmarks we have set in-house quality standards, KPIs and controls to maintain customer satisfaction and delivery of trusted services. We have set-up three SBUs (subsidiary companies) focusing the development of trustable and stable logistic arms and network. Each SBU will bank on their own strengths and competencies to cater to a specific market need. The main focus of Centurion PLC is to assist major development projects in the country and materialize sizable gains for shareholders in return for their investments in the company. As we have described in our initial public offering (IPO) document, we are focusing on key logistic areas to improve service and attain sustainable growth.

IN APPRECIATION

Our management team has enabled the company to achieve this exciting milestone in our journey by carving an indelible presence in the logistic sector of Maldives. I thank our management and staff for the confidence and due care taken in delivering their top performance to maintain customer satisfaction, stakeholder relationships and investor confidence.

With our vision of becoming the leading and most reliable logistic solution provider in the Indian Ocean, we are confident that our shareholders, customers, valued business partners and the communities we work with will continue to support us to provide 'Smart Solutions' for all logistic needs of the country.

Aimon Jameel

Managing Director

BOARD OF DIRECTORS

Capt. Ahmed Maumoon

Chairman / Non-Executive Director

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

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

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

Mr. Aimon Jameel

Managing Director/ Executive Director

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

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

BOARD OF DIRECTORS

Mr. Abdulla Nafiz
Non-Executive Director

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

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

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

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

BOARD OF DIRECTORS

Mr. Abdulla Hassan
Non- Executive Director

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

Ms. Juwairiya Saeed
Non- Executive Director

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

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

Previously Ms Saeed worked as the head of the Public Enterprises Monitoring and Evaluation Board of the Ministry of Finance and Treasury, which is

BOARD OF DIRECTORS

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

EXECUTIVE TEAM

Mr. Aimon Jameel
Managing Director

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

Mr. K.C.Shiva Manohar
Chief Operating Officer

Mr. Manohar has over 35 years of experience in International shipping and during this period he has served as the senior vice president for nearly 10 years in United Liner Agencies and JM Baxi Group (Chennai) and worked as the Regional head in Samsara Group based in Chennai for more than 3 years.

Mr. Manohar holds an MBA from University of Madras and have completed his Bachelors degree in Mechanical Engineering. Mr. Manohar is a fellow member of the Institute Chartered Shipbrokers. He also holds a professional qualification in Marine Engineering from Ministry of Transport India.

EXECUTIVE TEAM

Mr. Kánesh Jayasinghe
Group Chief Financial Officer

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

Mr. Kánesh commenced his career in management consultancy. He joined Ernst & young- Sri Lankan office during 2011 and subsequently appointed to manage Transactions Advisory affairs at Ernst & young – Maldives office. He was acting as the responsible manager for Transaction Advisory Services division of Ernst & young – Maldives until he left the firm in 2016. Mr. Kánesh's expertise include deal advisory experience relating to transaction advisory services, such as Project Finance, M & A services and Business valuation services. Furthermore, he was a practicing manager for audit and assurance services and various other business advisory reporting engagements including Corporate Social Responsibility (CSR) reporting services.

Mr. Kánesh has a Bachelor of degree specialized in Financial Management from University of Sri Jayewardenepura. He is currently a finalist of Institute of Chartered Accountants of Sri Lanka.

EXECUTIVE TEAM

Mr. Ahmed Mansoor
GENERAL MANAGER
(Head of Shipping Services and Logistics Management)

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

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

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

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

EXECUTIVE TEAM

Mr. Zafar Ahmed
Head of Sea Freight Division

Mr. Zafar is currently the head of agency in Centurion Transport Solutions and as a trained professional he is managing customer relations as well by delivering cost effective solutions and with his core competencies in Sales, business development. During his professional career, he has worked in Kuehne-Nagel (Pvt) Ltd (Karashi, Pakistan) as senior executive sea freight. He has also worked at Map enterprises (Karachi, Pakistan) for a period of 8 years under various capacities and the last post he held was Manager Customer Service.

Mr. Zafar Ahmed holds a bachelor's degree in Commerce from University of Karachi.

DIRECTORS' REPORT

BUSINESS ENVIRONMENT

The dispersed nature of the Maldives islands across the vast sea poses an inordinate logistical challenge, and hence a great opportunity for forward-thinking logistic service providers.

Transport, accounting for 8.5% of GDP in 2015, is the third largest commercial sector besides tourism (23.9%) and communication (9.8%), and is among the fastest growing industrial sectors in the Maldives. Over the past ten years leading to 2015, the average growth rate of transport sector stood at 8%, keeping in par with the growth of tourism sector (8%) and construction sector (8%) over the same period.

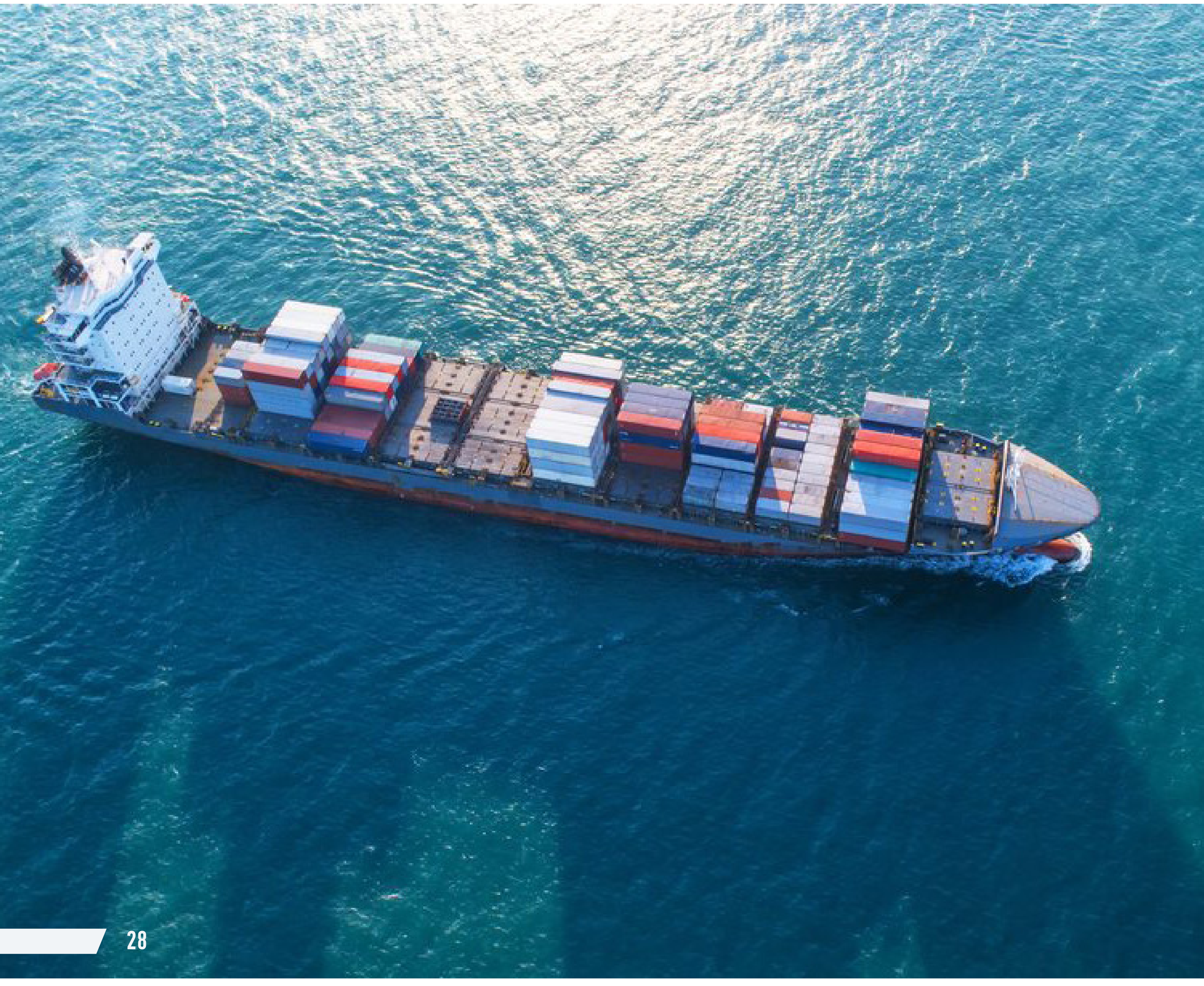
The demand for logistics services is expected to register steady growth in the medium term propelled by the thriving tourism and the construction sector. Maldives has set an ambitious target of increasing annual tourist arrival to 2 million by the year 2020. Government has initiated mega projects targeting transport infrastructure including the expansion of the international airports and sea ports. Being a heavily import depended country, these developments magnifies potential for logistic service providers as vast majority of the goods required for resident and tourist population has to make the journey from the international sea and airports to their final destinations.

In terms of cost of operations, changes in fuel prices have a strong bearing on the cost and profitability of logistics operations. Current trends have been favorable to the company as fuel prices have significantly declined from 2012. Price of crude oil in international markets declined from over USD 120 per barrel in January 2012 to half that price by mid 2015 and has remained under USD 60 per barrel since then. Decline in fuel prices gives a strong to profitability and growth of transport and logistics businesses.

Centurion is making inroads to become the first and only 4PL (Fourth Party Logistics) provider in Maldives by amassing and integrating strategic resources, capabilities and technologies that would allow the company to offer end-to-end logistics and supply chain solution. Centurion is at the brink of achieving this feat as it is already a 3PL (Third Party Logistics) provider offering transport services, warehousing, clearance and freight forwarding services.

Over the past few years, Centurion has developed a strong clientele comprising of well-established players in trade, tourism and construction industries. Moreover, the Company has forged strong relationships with international players in the global logistics network including MSC, EMKAY Lines, HCL Logistics A.Hartrodt and KERRY Group.

2016 marked a momentous year, not only in making history as the first private company to go public, but also transforming and restructuring the company to embark on a successful future.



FINANCIAL PERFORMANCE

COMPANY PERFORMANCE

Established in August 2016 the company had only been in existence for a brief 150 days as at the end of the year. During 2016, the 5-month period since inception, CPLC was preoccupied with the process of going public. For this reason, no operating activities were undertaken during the year. The expenses incurred during the period was towards establishment of the company and IPO related expenses.

As at 31 December 2016, MVR1.5million worth of shares had been subscribed. IPO was still open at the end of 2016.

The overall financial position of the company remained strong with total assets over MVR177m, with the net worth of the company at MVR175m at the year end. The major capital investments undertaken during the year were the acquisitions of three subsidiaries, namely Centurion Transport Solutions Pvt Ltd, Rohoffe Pvt Ltd and Equatorial Lines Pvt Ltd totaling MVR176m. These investments enabled CPLC to immediately benefit from profitable shipping and logistics businesses and establish itself in its targeted market.

Figure 3: Major Investments in 2016

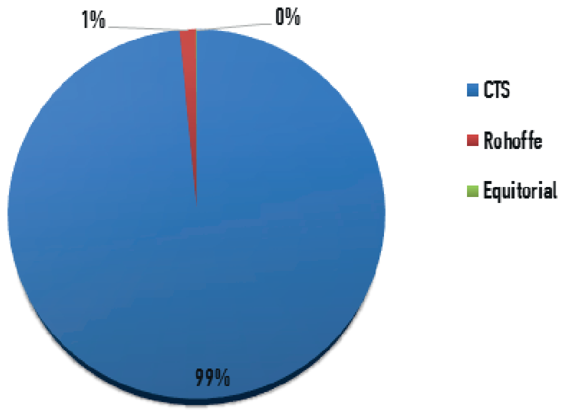
ACQUIRED OVER 99% SHARES IN:	VALUE OF INVESTMENT (MVR)
Equatorial Lines Pvt Ltd	4,900
Rohoffe Pvt Ltd	70,000
Centurion Transport Solution Pvt Ltd	176,055,000
Total	**176,129,900**

The current assets of the company were Rf1.5 million, whilst the current liabilities were maintained at Rf2.4 million during the period creating a current ratio of 0.7:1 during the year. There were no long term borrowing during the period.

GROUP PERFORMANCE

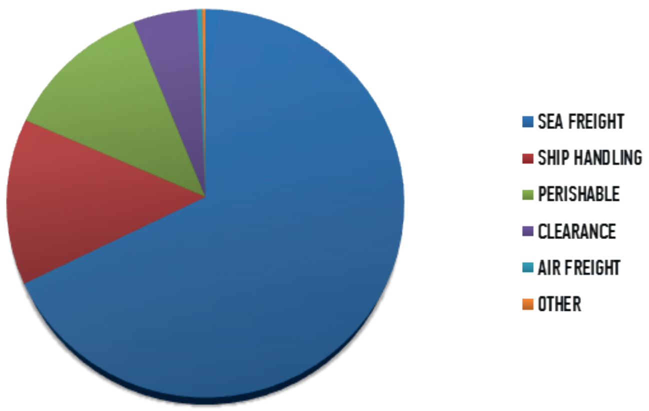
While CPLC was not operating during the period, the group revenue for the short period exceeded MVR27m. CTS contributed the highest to the Group revenue accounting for over 98%. The Figure below shows the revenue contribution of the group companies (excluding CPLC):

Figure 4: Revenue Contribution from Group Companies in 2016



Segment analysis shows that the largest revenue contributor to the group was sea freight contributing over 68% of revenue, followed by ship handing (14%) and handling of perishables (12%). The Figure below shows a breakdown of revenue contribution by segment for the group over the period.

Figure 5: Revenue Contribution from Business Segments in 2016



The group made a gross profit of over MVR7.7 million achieving a gross profit margin of 29%. Except CPLC all group companies made a net profit for the year ended 2016. However, owning to the non-operation of CPLC and the establishment of the company and IPO related expenses of the company, the group made a net loss of MVR0.2 million.

The Group maintained a healthy current ratio of 1.1: 1, and had a total assets of MVR207 million with a net worth of MVR177 million as at the end of the year. Gearing remained minimal at 3%.

SHARE PERFORMANCE

The company's initial public offering was made from 20 October 2016 to 30 January 2017, selling 95,152 shares to the public. The capital structure of the company as at 31 December 2016 (i.e., prior to IPO allotment) stood as follows:

SHAREHOLDER	NO. OF SHARES	% OWNED
Stella Holding Pvt Ltd	3,379,786	48%
Aimon Jameel	3,379,786	48%
Other shareholders	282,628	4%
Total	**7,042,200**	**100%**

The company's shares were officially listed at the Maldives Stock Exchange and opened for trade on 30 March 2017. Hence, no trading of shares was undertaken in 2016.

Earnings per share for the year ended 31st December 2016 was MVR -0.29.

No dividend was declared for the year 2016.

BUSINESS DEVELOPMENT

The most notable achievement the company made in 2016 towards business development was the establishment of Centurion Plc as a public listed company. This strategic move opened the gateway for the company to raise much capital for its business development projects and the implementation of its farsighted business plan.

During 2016, in preparation for going public, an exercise was conducted to prioritize the Company's business interests and subsequently a 10-year strategic business plan was developed through deliberations at board and executive level and through involvement of key staff from all areas of work. The Plan identifies the Company's business priorities for the immediate and intermediate future and refines the strategic focus.

Furthermore, exploratory research and feasibility assessments were conducted to gauge the opportunities and their potential in its strategic business areas.

In 2016, Centurion added yet another vessel to its domestic transport network fleet, bringing the total number of vessels to eight.

Business development undertakings also included initiatives to bring about internal efficiency through a major review of corporate structure and the enterprise level resource planning exercise.

The Company used the IPO not only as an exercise to raise capital, but used this opportunity to travel to 31 islands across the country to understand the market potential in inter atoll logistics as well as to educate potential customers and improve brand image of the company.

HUMAN RESOURCE DEVELOPMENT

Employees are the most valuable asset the company has, and hence, Centurion strives to provide its employees a good work environment and the opportunity for professional and personal development.

At the end of 2016 the company had a total workforce of 34 employees, of which 25 were Maldivians. The staff team is comprised of 13 women and 21 men.

Centurion strives to attract and retain a productive and an enthusiastic workforce. The company ensures competitive remuneration and incentives as well as a safe and enjoyable work environment. As a result, the company enjoys a staff retention rate of well over 95%.

Moreover, the company organizes recreational activities for its staff including staff picnics and retreats and celebration of festivals and company anniversary.

CORPORATE GOVERNANCE REPORT

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

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

BOARD OF DIRECTORS

The Board is the governing authority of the company assuming the duties to manage the company responsibly while ensuring sustainable growth and value for its shareholders. The main responsibilities of the Board include: -

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

The Board may delegate to the Management developing corporate strategies, business and operational plans and budgets and reports for consideration by the Board and, to the extent approved by the Board, implementing these strategies, plans and budgets.

BOARD COMPOSITION

The Board composition is determined by the Company's Memorandum and Articles of Association and the shareholding structure. As per the Article of Association, Board shall comprise of 5-7 Directors. Presently the board comprise of 5 Directors, of which 5 are non-executive directors and 2 are executive directors. The number of Directors will be increased to 7 in the upcoming annual general meeting.

The present composition of the Board is as follows:

NAME	STATUS	DATE OF APPOINTMENT
Mr. Ahmed Maumoon	Non-Executive Director (Chairman)	4 Aug 2016
Mr. Aimon Jameel	Executive Director (Managing Director)	4 Aug 2016
Mr. Abdulla Hassan	Non-Executive Director	4 Aug 2016
Ms. Juwairiya Saeed	Independent, Non-Executive Director	4 Aug 2016
Mr. Abdulla Nafiz	Independent, Non-Executive Director	4 Aug 2016

Office of the Chairman and the Managing Director are held by two different individuals and they are assigned different responsibilities in accordance with the Corporate Governance Code. The role of the Chairman is to advice the Board and convene Board meetings and annual general meetings. The role of the Managing Director is to implement the decisions of the Board and to manage the day to day operations of the Company.

BOARD MEETINGS

During the year 2016, a total of eleven board meetings were held. Directors' attendance for the meetings is as follows:

NAME	POSITION	MEETINGS ATTENDED	%
Mr. Ahmed Maumoon	Chairman	11/11	100%
Mr. Aimon Jameel	Managing Director	11/11	100%
Mr. Abdulla Hassan	Director	11/11	100%
Ms. Juwairiya Saeed	Director	9/11	82%
Mr. Abdulla Nafiz	Director	9/11	82%

The Board has complete authority to question the Management and call in expert advice and assistance as needed. The Management has provided the Board with all required information for Board decisions on a timely basis.

BOARD COMMITTEES

The two sub-committee that functions within the Board are Nomination, Remuneration and Corporate Governance Committee and Audit Committee.

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

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

BOARD EVALUATION

The Board of Directors undertakes the evaluation of their performance through a peer evaluation system carried out with the help of an assessment guide which identifies key areas for evaluation. The evaluation looks at the performance of the Board, Committees and Directors in terms of Board effectiveness, participation and contribution to decision making and information flow and identifies areas for improvement.

DIRECTORS' REMUNERATION

The Nomination, Remuneration and Corporate Governance intermittently reviews remuneration for the Board Directors and presents for board approval.

Directors are paid a monthly fixed remuneration. No further remuneration is provided to any Committee members or its Chairmans.

In 2016, a total of MVR550,000.00 was paid as remuneration for Directors and Executives of the group. Board directors of CPLC were paid a monthly salary of MVR 5,000 whereas the Managing Director was paid gross monthly salary of MVR 25,000

DECLARATION OF INTEREST

A register of Directors' business and ownership interests is kept at the Company. Directors and Executives are required to declare any actual or potential conflict of interest.

SHARES HELD BY THE DIRECTORS

Shares held by the directors as at 31 December 2016 is as follows.

NAME	NO. OF SHARES
Mr Aimon Jameel	3,379,786

CODE OF CONDUCT

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

INTERNAL CONTROLS

The Board conducts regular reviews of the internal control and risk management systems of the Company. In order to protect the resources and interests of the shareholder a pragmatic system of internal controls have been maintained. The Board relies on the Audit Committee and the Internal Audit Department in discharging its responsibility to establish proper internal controls within the company.

INTERNAL AUDIT

Internal audits are carried out by the Company's Internal Audit Department. The Internal Audit Department reports functionally to the Audit Committee and administratively to the Managing Director. Details on internal audit activities are highlighted in the Audit Committee Report.

EXTERNAL AUDIT

Crowe Horwath LLP was appointed as the external auditors for 2016 for a fee of MVR 23,320.00 by obtaining competitive proposals from qualified services providers.

COMMUNICATION WITH SHAREHOLDERS

It is the objective of the company to provide equal access to information and maintain an open line of communication with shareholders and investors. Moreover, mechanisms are in place to meet the continuous disclosure requirements of the Maldives Securities Act and the listing rules of the Maldives Stock Exchange.

The Company always welcomes feedback from the shareholders; in addition to participation in General Meetings, shareholders may also raise concerns and make queries through the company website, email or letters addressed to the Board.

Most up-to-date information regarding the Company can be obtained from the corporate website centurion.mv.

MECHANISM TO RAISE CONCERNS

An appropriate mechanism is in place to enable employees, management or other stakeholders to raise any concerns that they have, whether on a confidential basis or otherwise, of any non-compliance or fraud or other misdemeanor within the Company.

STATUTORY FEES AND TAXES

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

DECLARATION BY THE BOARD OF DIRECTORS

As the Board of Directors, we declare that we have discharged our responsibilities to the best our abilities, and that the information presented in this Annual Report is true and accurate to the best of our knowledge.

Utmost care was taken to ensure compliance with the Corporate Governance Code, Listing Rules, Securities Act and the Company's Act.

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

Financial Statements – The consolidated financial statements consist of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Shareholder Equity and Notes to the Consolidated Financial Statements. The financial statements of the year ended 31st December 2016 have been prepared:-

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

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

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

Safeguarding Company's Assets – In order to protect Company's resources and the interest of shareholders' the Company constantly strives to improve the internal controls.

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

Dividend – In accordance with the Listing Rules of Maldives Stock Exchange and the Dividend Policy of the Company, the Board declared no dividend for 2016.

On behalf of the Board of Directors,

Ahmed Maumoon	Aimon Jameel	Juwairiya Saeed
Chairman	Managing Director	Director

REPORT OF THE NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

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

MANDATE

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

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

The Board of Directors shall determine whether the Committee shall make determinations as a committee or shall make recommendations to the Board of Directors.

NOMINATION

- Establish criteria for the selection of new directors to serve on the Board of Directors.
- Identify individuals believed to be qualified as candidates to serve on the Board of Directors and select, or recommend that the Board of Directors select, the candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee may take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity, and the extent to which the candidate would fill a present need on the Board of Directors.

- Review and make recommendations to the full Board of Directors, or determine, whether members of the Board should stand for re-election and consider matters relating to the retirement of Board members, including term limits or age caps.
- In the case of a director nominated to fill a vacancy on the Board of Directors due to an increase in the size of the Board, recommend to the Board of Directors the class of directors in which the director-nominee should serve.
- Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. In that connection, the Committee shall have sole authority to retain and to terminate any search firm to be used to assist in identifying candidates to serve as directors of the Company, including sole authority to approve the fees payable to such search firm and any other terms of retention.
- Consider questions of independence and possible conflicts of interest of members of the Board of Directors and executive officers.
- Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.
- Oversee the evaluation, at least annually, and as circumstances otherwise dictate, of the Board of Directors and management.

REMUNERATION

- Analyze, review and propose remuneration packages for Executive Directors and Executives of the Senior Management
- In determining the Executive Directors Remuneration, the committee shall assess industry benchmarks and propose packages aiming to retain Executive Directors and Executives of the Senior Management.
- Remuneration packages shall be reviewed once in every two years
- Committee shall also propose remuneration packages for Non-Executive Directors
- Committee shall at all times consider packages that is reflective of performance of the Directors (Performance based packages)
- Committee shall ensure disclosure of Directors remuneration in the Annual report

CORPORATE GOVERNANCE

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

Consider policies relating to meetings of the Board of Directors. This consideration may include meeting schedules and locations, meeting agendas, and procedures for delivery of materials in advance of meetings.

MEETINGS

The Committee held one meeting during the year since the Company's incorporation as a PLC. Committee membership and attendance are as follows:

NAME	POSITION	MEETINGS ATTENDED/HELD	% ATTENDED
Ahmed Maumoon	Chairman	1/1	100%
Abdulla Hassan	Member	1/1	100%
Abdulla Nafiz	Member	1/1	100%

ACTIVITIES

Main activities undertaken by the Committee during the past year include:

- reviewing of organizational structure following the incorporation as a public limited company.
- Reviewed Company's Gender Policy

GENDER DIVERSITY

The Company has a policy of achieving gender diversity among staff and board members, and the implementation of the policy is monitored by the Committee. The gender policy obligates representation of women on the Board. Presently there are 4 male and 1 female Director on the Board.

EXECUTIVE DIRECTORS SERVING ELSEWHERE

Managing Director Mr. Aimon Jameel serves on the board of S-ems Pvt Ltd. He receives no remuneration from S-ems as a board director of the company.

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

On behalf of Nomination, Remuneration and Corporate Governance Committee,

Ahmed Maumoon

Chairman

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is comprised of 3 members who are non-executive Directors of the Board. The Company Secretary acts as the secretary for Audit Committee.

MANDATE

The purpose of the Audit Committee is as follows:

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

ROLE OF THE COMMITTEE

The role and responsibilities of the Audit Committee are to:

- to review effectiveness of company's internal risk controls and risk management systems;
- to monitor the integrity of annual and interim financial statements of the company, the clarity of disclosure and the context in which statements are made;
- to review and challenge where necessary the consistency of, and any changes to, accounting policies;

- to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- to review the internal and external audit functions; and
- to evaluate the independence and effectiveness of the work of the external auditors.

MEETINGS

The Committee held 3 meetings during the year since the Company's incorporation as a PLC in 2016. Committee membership and attendance are as follows:

NAME	POSITION	MEETINGS ATTENDED/HELD	% ATTENDED
Ms. Juwairiya Saeed	Chairperson	3/3	100
Mr. Ahmed Maumoon	Member	3/3	100
Mr. Abdulla Nafiz	Member	3/3	100

ACTIVITIES

Major focus of the Audit Committee during the past year had been to assess the risks and control issues and strengthen controls in lieu of the Company's decision to go public. Main activities undertaken during the year include:

- Reviewing financial statements – annual and quarterly financial reports were reviewed at the end of the respective periods.
- Risk management and internal controls – Reviewed the effectiveness of the company's internal controls. It is planned to strengthen enterprise risk management and the role of Audit Committee during the coming year.
- External audit – the Committee reviewed proposals received from the external auditors and made recommendations to the Board after negotiations with eligible parties for appointment as external auditors.

- Internal audit – the Internal Audit Department reports to the Audit Committee. The Committee reviews the audit process, reports and recommendations of the Internal Audit Department.

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

On behalf of the Audit Committee,

Juwairiya Saeed

Chairperson

SUSTAINABILITY REPORT

At Centurion we believe that the responsibility of the Company does not end at maximizing returns for its shareholders. As the Company is geared towards expanding its business, it also aims to expand its horizon of corporate social responsibility.

The main fronts the Company works in adhering to its principle of ensuring sustainability in addition to economic enhancement are empowering people and environmental responsibility.

Additionally, Centurion and its staff contributes to and participates in community based activities and extend support to social causes.

EMPOWERED PEOPLE

Ultimately companies exist to improve the life of people, and at Centurion the emphasis is on creating an empowered team of staff and management that enjoys their work and life and helping others to enjoy their lives. The Company ensures this through:

- Diversity and Inclusion – Centurion values diversity among its staff and strives for inclusion. The Company's Gender Policy obligates women's representation on the Board. At present, over 38% of its employees are female. The Company also offers employment opportunities for individuals from marginalized groups and people with special needs.

- Equity and Fairness – In accordance with Employment Act, Centurion maintains equality among staff regardless of their race, sex, age and family relations.

- Employ Health, Safety and Well-Being – A safe and enjoyable work environment is essential to ensure physical and psychological wellbeing of the staff. Centurion not only place a high priority on work place safety through setting and policing safety standards, but also routinely hold staff get-togethers, sports and recreational events for staff.

- Training and Development – A competent workforce is invaluable for the company as well as for the staff in terms of career advancement, morale and overall work satisfaction. Centurion strives to provide on the job and off the job training opportunities for its staff.

- **Ethical Conduct** – Centurion considers maintaining a high standard of conduct as one of its priorities. Staff, management and directors are given explicit instructions to work honestly, fairly with no discrimination. They are sensitized on preventing corruption and fraud and maintaining transparency and accountability.

ENVIRONMENTAL RESPONSIBILITY

Protecting and caring for the environment is a responsibility of every good corporate citizen. The Company keeps a constant watch on any risk of negative environmental impact resulting from its activities, and is continuously looking for technologies, products and processes that are pro environment.

Given then nature of business of the Company, we focus on the following aspects, which have the biggest impact on the environment:

- **Emission and Fuel Usage** – the Company conducts regular and planned servicing of engines of its fleet of vessels to keep the engines at optimal condition, thereby reducing both fuel wastage and emission. In addition, the Company uses modern equipment that has high energy efficiency rating.
- **Network Optimization** – the logistic operation is constantly reviewed to optimize the efficiency of our logistic network and fleet as it contributes to both operational efficiency as well as environmental responsibility.
- **Facility Energy Efficiency** – Warehouses and offices of Centurion uses energy efficient lighting and air-conditioning systems.

SUPPORT TO COMMUNITY

The Company and its staff regularly participates in community based activities and extend support to social causes.

Supporting ARC in their annual calendar sales, which raises funds for their activities. This is our second year in participation.

SUBSIDIARY COMPANIES

CENTURION TRANSPORT SOLUTIONS PVT LTD

BUSINESS OVERVIEW

Centurion Transport Solutions (CTS) was registered in 2010 as a multi-disciplinary business undertaking and today it is well established in the Maldives.

CTS offer a reliable and effective transport solution to the shipping and airline industry. It has a strong network within Maldives and provides liner agency services, logistics, freight forwarding and related services. The company's logistics network within the Maldives guarantees that cargo is delivered to the door to any location. CTS is a premium service provider for Maldives Custom Brokerage Services, handling all aspects of importation, exportation, custom clearance and compliance. CTS operates out of Ibrahim Nasir International Airport for all air clearance and sea clearance is handled through male head office.

BOARD OF DIRECTORS

NAME	POSITION
Mr Aimon Jameel	Managing Director
Mr Ahmed Maumoon	Director

AUDITORS

The external auditor of the Company was Crowe Horwath LLP. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director.

HUMAN RESOURCES

The company's employees consist of Licensed Custom Brokers, Certified Customs Specialists and Professional Logistics Specialist with more than 30 years of trade experience.

ROHOFFE PVT LTD

BUSINESS OVERVIEW

Rohoffe Pvt Ltd, was established in 2011 and is specialized in providing agency services including ship supply service.

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

BOARD OF DIRECTORS

NAME	POSITION
Mr Aimon Jameel	Managing Director
Mr Ahmed Maumoon	Director

AUDITORS

The external auditor of the Company was Crowe Horwath LLP. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director.

EQUATORIAL LINES PVT LTD

BUSINESS OVERVIEW

Equatorial Lines Pvt Ltd was established in 2013.

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

BOARD OF DIRECTORS

NAME	POSITION
Mr Ahmed Maumoon	Managing Director
Mr Aimon Jameel	Director

AUDITORS

The external auditor of the Company was Crowe Horwath LLP. The Company has a functioning Internal Audit Department. The head of Internal Audit is Ms Umniyya Izzath Hussain. The Internal Audit Department reports to the Audit Committee and administratively reports to the Managing Director.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS 2016

Crowe Horwath™

INDEPENDENT AUDITOR'S REPORT

Centurion Public Limited

31st December 2016

Crowe Horwath.

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Member Crowe Horwath International

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS

Centurion Public Limited

We have audited the accompanying consolidated and separate financial statements of Centurion Public Limited and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated and separate statement of financial position as at December 31, 2016, and consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Opinion - Group

In our opinion, the consolidated financial statements of the group have been properly drawn up in accordance with International Financial Reporting Standards and Law of Jurisdiction of Republic of Maldives so as to give a true and fair view of the financial position of the group as at 31st December 2016 and of their financial performance and cash flows for the year then ended.

Opinion - Company

In our opinion, the separate financial statements of the Company have been properly drawn up in accordance with International Financial Reporting Standards and Law of Jurisdiction of Republic of Maldives so as to give a true and fair view of the financial position of the Company as at 31st December 2016 and of their financial performance and cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Maldives, and we have fulfilled our other 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.

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Key Audit Matters

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

Impairment Assessment of Goodwill	How our Audit Addressed the Key Audit Matter
We identified the impairment assessment of goodwill for the centurion group as per Note 6 to the consolidated financial statement as a key audit matter due to significant judgment's and assumptions about the future performance of the subsidiaries. As disclosed in Note 6 to the consolidated financial statement, as at December 31, 2016 the carrying value of goodwill was MVR 167,280,755. The major subsidiary (Centurion Transport Solution Pvt Ltd) of the centurion group is profitable but the other 2 subsidiaries and the parent company has incurred loss for the consolidated period and management has made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill. The key assumptions include Inflation, growth rate, discount rates applied, and the forecast performance based on management's view of future business prospects.	Our procedures in relation to management's impairment assessment included: - Assessing the valuation methodology provided by the management; - Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and - Considering the potential impact of reasonably possible downside changes in these key assumptions In performing our audit procedures, we engaged our internal valuation specialists to assess the assumptions applied by benchmarking against independent data.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and Law of Jurisdiction of Republic of Maldives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the consolidated and separate financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Crowe Horwath.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Report on Internal Controls over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

In our opinion, the Company has maintained, adequate internal controls over financial reporting as of December 31, 2016.

Report on compliance to Tax Administration Act Section 27 and Business Profit Tax Regulation Section 16

In our opinion, the Company has maintained adequate accounting records for the period ended 31 December 2016 as required in Section 27 of Tax Administration Act (Law Number 3/2010) and Section 16 of Business Profit Tax Regulation.

Crowe Horwath Maldives LLP

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Agreement of Financial Statements with Underlying Accounting Records

In our opinion, based on our audit procedures the financial statements agree with, the underlying accounting records for the period ended December 31, 2016.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Hassan Mohamed.

10 July 2017

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Hassan Mohamed, FCCA
Managing Partner
MIRA Reg. AF1009A

Crowe Horwath Maldives LLP
Reg no. P-02/2008

CENTURION PUBLIC LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as of 31st December 2016

All amounts are stated in Maldivian Rufiyaa

	Note	CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	-	13,709,635
Intangible Assets	5	-	100,718
Goodwill	6	-	167,362,517
Investment in subsidiary	7	176,129,900	-
Deferred Tax Asset	26	341,118	477,527
		176,471,018	**181,650,397**
Current Assets			
Trade & Other Receivables	8	-	9,188,587
Due from Related Parties	9	-	13,088,340
Cash & Cash Equivalents	10	1,510,193	2,757,815
Current Tax Asset	25	-	14,125
		1,510,193	**25,048,867**
TOTAL ASSETS		**177,981,211**	**206,699,264**
EQUITY & LIABILITIES			
Equity & Reserves			
Share Capital	11	176,055,000	176,055,000
Advance Received for Shares	15	1,524,675	1,524,675
Retained Earnings		(2,015,100)	(151,428)
Total Equity Attributable to Owners of the Parent Company		**175,564,575**	**177,428,247**
Non-Controlling Interest	12	-	109,430
TOTAL EQUITY		**175,564,575**	**177,537,677**
Non-Current Liabilities			
Deferred Tax Liability	27	-	116,347
Borrowings	13	-	1,795,028
Finance Lease	14	-	3,736,002
		-	**5,647,377**
Current Liabilities			
Finance Lease	14	-	840,000
Trade & Other Payables	16	67,587	21,049,569
Due to Related Parties	17	2,349,049	92,890
Bank Overdraft	10	-	412,028
Current Tax Liability	25	-	1,119,723
		2,416,636	**23,514,210**
TOTAL EQUITY & LIABILITIES		**177,981,211**	**206,699,264**

We draw your attention to accounting policies and notes on page 9 through 32, which are an integral part of the financial statements.

For and on behalf of the Board of Directors:

Name	**Designation**	**Signature**
1. Aimon Jameel	Managing Director	--
2. Ahmed Maumoon	Chairman	--

Centurion Public Limited C-0750/2018 Male' - Maldives

Crowe Horwath Maldives LLP Reg no. P-09/2008

CENTURION PUBLIC LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31st December 2016
All amounts are stated in Maldivian Rufiyaa

	Note	CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
Revenue	18	-	27,284,440
Cost of Revenue	19	-	(19,578,205)
Gross Profit		**-**	**7,706,235**
Administrative Expenses	20	(1,152,302)	(6,215,824)
Sales & Marketing Expenses	21	(1,203,916)	(1,475,495)
Operating Profit/(Loss)		**(2,356,218)**	**14,916**
Other Gains/(Losses)	22	-	10,600
Finance Cost	23	-	(132,779)
Loss before tax		**(2,356,218)**	**(107,263)**
Income Tax	24	341,118	(19,864)
Net Loss for the year		**(2,015,101)**	**(127,127)**
Profit for the year attributable to:			
Owners of the Company			**(151,430)**
Non - Controlling Interest			**24,303**
Earnings Per Share	28	(0.29)	(0.02)

We draw your attention to accounting policies and notes on page 9 through 32, which are an integral part of the financial statements.

CENTURION PUBLIC LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

for the period ended 31st December 2016

All amounts are stated in Maldivian Rufiyaa

	Note	CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
Operating Profit/(Loss) before Working Capital Changes	29	**(2,356,218)**	**5,861,078**
Trade & Other Receivables		-	(9,188,587)
Due from Related Parties		-	(16,715,303)
Trade & Other Payables		67,587	21,049,567
Due to Related Parties		2,349,049	3,719,854
Cash Generated from (Used in) Operating Activities		**60,418**	**4,726,609**
Tax Paid		-	(14,125)
Net Cash Generated from (Used in) Operating Activities		**60,418**	**4,712,484**
Cash Flows from Investing Activities			
Purchase of Property, Plant & Equipment		-	(544,562)
Net Book Value of Assets Transferred		-	(13,837,205)
Investments		(176,129,900)	(176,129,900)
Net Cash Used in Investing Activities		**(176,129,900)**	**(190,511,667)**
Cash flows from Financing Activities			
Share Capital		176,055,000	176,265,000
Advance Received for Shares		1,524,675	1,524,675
Share Premium		-	140,000
General Reserve		-	3,844,264
Long Term Loan		-	1,795,028
Finance Lease Commitment		-	4,576,003
Net Cash flows from Financing Activities		**177,579,675**	**188,144,970**
Net Increase / (Decrease) in Cash and Cash Equivalents		**1,510,193**	**2,345,787**
Cash and Cash Equivalents at the Beginning of the Year		-	-
Cash and Cash Equivalents at the end of the Year		**1,510,193**	**2,345,787**

We draw your attention to accounting policies and notes on page 9 through 32, which are an integral part of the financial statements.

CENTURION PUBLIC LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

as of 31st December 2016

All amounts are stated in Maldivian Rufiyaa

GROUP

	Attributable to Owners of the Company				
	Share Capital	Retained Earnings	Total	Non - Controlling Interest	Total
	MVR	MVR	MVR	MVR	MVR
Balance as at 4th August 2016	**176,055,000**	**-**	**176,055,000**	**-**	**176,055,000**
Advance Received for Shares	1,524,675	-	**1,524,675**	-	**1,524,675**
Net Profit/(Loss) for the year	-	(151,428)	(151,428)	109,430	**(41,998)**
Balance as at 31st December 2016	**177,579,675**	**(151,428)**	**177,428,247**	**109,430**	**177,537,677**

CENTURION PLC

	Share Capital	Retained Earnings	Total
	MVR	MVR	MVR
Balance as at 4th August 2016	**176,055,000**	**-**	**176,055,000**
Advance Received for Shares	1,524,675	-	**1,524,675**
Net Loss for the year	-	(2,015,101)	**(2,015,101)**
Balance as at 31st December 2016	**177,579,675**	**(2,015,101)**	**175,564,574**

We draw your attention to accounting policies and notes on page 9 through 32, which are an integral part of the financial statements.

Centurion Public Limited
Accounting Policies for the Period Ended 31st December 2016.

1. General information

1.1. Parent Company

Centurion PLC is a public limited company incorporated in the Republic of Maldives on 4th August 2016 bearing registration no. C-0750/2016. It is the parent company of Centurion Group. The address of its registered office and principal place of business is M. Heenavill, 2nd floor, buruzu magu, Male', Republic of Maldives. Their principal activities are shipping services, freight management, warehousing and Distribution, logistic utilization, ship ownership and management services.

1.2. Subsidiaries

Centurion Transport Solutions Private Limited is a limited liability company incorporated in the Republic of Maldives on 26th August 2010 bearing registration no. C-0510/2010. Its parent and ultimate holding company is Centurion Plc with 99% shareholdings as at 31st December 2016. The address of its registered office and principal place of business is H. Keesfilaa, Male', Republic of Maldives. Their principal activities are provision of freight forwarding and logistics services.

Rohoffe Private Limited is a limited liability company incorporated in the Republic of Maldives on 16th October 2011 bearing registration no. C-0675/2011. Its parent and ultimate holding company is Centurion Plc with 99.99% shareholdings as at 31st December 2016. The address of its registered office and principal place of business is M. Faamudheyrige, Orchid Magu, Male', Republic of Maldives. Their principal activities are provision of handling services.

Equatorial Lines Private Limited is a limited liability company incorporated in the Republic of Maldives on 23rd March 2011 bearing registration no. C-0177/2011. Its parent and ultimate holding company is Centurion Plc with 99.99% shareholdings as at 31st December 2016. The address of its registered office and principal place of business is H. Keesfilla, Kalhuhuraa Magu, Male', Republic of Maldives. The company has been engaged in freight forwarding services during the year.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1. Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the consolidated and separate financial statements has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The consolidated and separate financial statements has applied these amendments for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the Company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the consolidated and separate financial statements.

2.2 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 15 Revenue from Contracts with Customers (and the related Clarifications)2
IFRS 16 Leases3
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture4
Amendments to IAS 7 Disclosure Initiative1
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses1

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Company recognises revenue from the following major sources:

- Sale of leisure goods and electronic equipment, including the related loyalty programme 'Maxi-Points Scheme' as disclosed in note 41, servicing fees included in the price of products sold, as well as warranties granted under local legislation as disclosed in note 35;
- Installation of computer software for specialised business applications; and
- Construction of residential properties.

The directors of the Company have preliminarily assessed that the Maxi-Points Scheme and the after-sale services represent two separate performance obligations from the sale of the leisure goods and electronic equipment and accordingly, revenue will be recognised for each of these performance obligations when control over the corresponding goods and services is transferred to the customer. This is similar to the current identification of separate revenue components under IAS 18. Furthermore, even though IFRS 15 requires the transaction price to be allocated to the different performance obligations on a relative stand-alone selling price basis, the directors do not expect that the allocation of revenue to the Maxi-Points, the after-sale services and the leisure goods and electronic equipment sold will be significantly different from that currently determined. The timing of revenue recognition of each of these three performance obligations (i.e. upon redemption of the Maxi-Points taking breakage into account, at a point in time for sale of goods when the goods are delivered to the customer, and over the period the after-sale services are performed) are also expected to be consistent with current practice.

The sales-related warranties cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company will continue to account for the warranty in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with its current accounting treatment.

As regards the construction of residential properties, the directors have specifically considered IFRS 15's guidance on contract combinations, contract modifications arising from variation orders, variable consideration, and the assessment of whether there is a significant financing component in the contracts, particularly taking into account the reason for the difference in timing between the transfer of control of goods and services to the customer and the timing of the related payments. The directors have preliminarily assessed that revenue from these construction contracts should be recognised over time as the customer controls the properties during the course of construction by the Company. Furthermore, the directors consider that the input method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

As regards the installation of software services, the directors have preliminarily assessed that these performance obligations are satisfied over time and that the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15.

The directors are still in the process of assessing the full impact of the application of IFRS 15 on the consolidated and separate financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the directors complete the detailed review. As a result, the above preliminary assessment is subject to change. The directors do not intend to early apply the standard and intend to use the full retrospective method upon adoption.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31st December 2016, the Company has finance lease commitments of MVR 4,576,003. IAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 48. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the consolidated and separate financial statements will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the consolidated and separate financial statements and the directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.

In contrast, for finance leases where the Company is a lessee, as the consolidated and separate financial statements has already recognised an asset and a related finance lease liability for the lease arrangement, and in cases where the Company is a lessor (for both operating and finance leases), the directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the consolidated and separate financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the consolidated and separate financial statements in future periods should such transactions arise.

Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the consolidated and separate financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the consolidated and separate financial statements.

3. Significant accounting policies

3.1. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

• any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3.1. Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

• deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxesand IAS 19 respectively;

• liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see note 3.16.2); and

• assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operationsare measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.6 below.

3.6. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assetsas a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.7.1. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.7.2. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
- Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

3.7.3. Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Co-operarative and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.7.4. Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.8. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.10.1. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.10.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11. Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, plant and equipment (Continued…)

The following annual rates are used for the depreciation of property, plant and equipment:

	Rate
Wooden Marine Vessels	5%
Furniture Fitting	20%
Motor Vehicles	10%
Plant and Equipment	20%
Office Equipment	20%

3.12. Intangible assets

3.12.1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following annual rate is used for the amortisation of intangible asset:

	Rate
Computer Software	33%

3.12.2. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.13. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.15. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

3.16. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.17. Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.17.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3.17.2. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

3.17.3. Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as

(a) loans and receivables,
(b) held-to-maturity investments or
(c) Financial assets at fair value through profit or loss.

Listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as Company financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

3.17.4. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.17.5. Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

3.17.6. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

CENTURION PUBLIC LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
for the period ended 31st December 2016
All amounts are stated in Maldivian Rufiyaa

4 Property, Plant & Equipment

4.1 Cost

	Balance As at 04.08.2016	Additions	Disposals	Balance As at 31.12.2016
Wooden Marine Veesels	14,974,695	-	-	14,974,695
Furniture & Fittings	305,261	1,000	-	306,261
Motor Vehicles	267,060	-	-	267,060
Plant & Equipment	2,893,000	461,392	-	3,354,392
Office Equipment	776,115	82,170	-	858,285
	19,216,132	**544,562**	**-**	**19,760,694**

4.2 Depreciation

	Balance As at 04.08.2016	Charge for the Year	Disposals	Balance As at 31.12.2016
Wooden Marine Veesels	3,026,786	307,699	-	3,334,486
Furniture & Fittings	151,500	16,813	-	168,313
Motor Vehicles	51,809	10,975	-	62,784
Plant & Equipment	1,684,005	182,072	-	1,866,077
Office Equipment	592,231	27,167	-	619,399
	5,506,332	**544,727**	**-**	**6,051,058**
Net Book Value	**13,709,800**			**13,709,635**

5 Intangible Assets

5.1 Cost

	Balance As at 04.08.2016	Additions	Disposals	Balance As at 31.12.2016
Computer Software	194,815	-	-	194,815
	194,815	**-**	**-**	**194,815**

5.2 Amortisation

	Balance As at 04.08.2016	Charge for the Year	Disposals	Balance As at 31.12.2016
Computer Software	67,410	26,687	-	94,097
	67,410	**26,687**	**-**	**94,097**
Net Book Value	**127,405**			**100,718**

		CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
6	**Goodwill**		
	Equatorial Lines Private Limited	-	194,123
	Rohoffe Private Limited	-	(462,357)
	Centurian Transport Solution private Limited	-	167,630,751
	Total	**-**	**167,362,517**
7	**Investment in Subsidiary**		
	Equatorial Lines Private Limited	4,900	-
	Rohoffe Private Limited	70,000	-
	Centurian Transport Solution private Limited	176,055,000	-
	Total	**176,129,900**	**-**
8	**Trade & Other Receivables**		
	Accounts Receivable	-	8,884,350
	Less: Provision for Doubtful Debts	-	(498,333)
		-	8,386,017
	Other Receivables	-	802,570
	Total		**9,188,587**
9	**Due from Related Parties**		
	Aimon Jameel	-	94,268.00
	Cronus Logistics Private Limited	-	2,505,624.00
	S-EMS Maldives Private Limited	-	6,075,780.00
	Centurion Logistics (Addu) Private Limited	-	31,625.00
	Centurion Surveyors Private Limited	-	4,809.00
	Pacmar Shipping - Channai	-	79,537.00
	Stellar Holdings Private Limited	-	789,143.00
	Life Support Pvt Ltd	-	1,556,289.00
	Super Supply Private Limited	-	138,224.00
	Spectra Plc	-	1,813,041.00
	Total	**-**	**13,088,340**

Inter company balances of MVR 1,128,778 due from Equatorial Lines Pvt Ltd, MVR 149,136, due from Rohoffe Pvt Ltd and MVR 2,349,049 due from Centurion Plc are eliminated according to the principles of consolidation in arising the balance sheet figure.

		CENTURION PLC	GROUP
10	**Cash & Cash Equivalent**		
	Cash at Bank	1,510,193	2,407,678
	Cash in Hand	-	350,137
	Total	**1,510,193**	**2,757,815**

Cash, cash equivalents and bank overdrafts includes the following for the purposes of the consolidated and separate cash flow statement:

	CENTURION PLC	GROUP
Cash & Cash Equivalent	1,510,193	2,757,815
Less: Bank overdraft	-	(412,028)
Total	**1,510,193**	**2,345,787**

		CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
11	**Share Capital**		
	Centurion plc (Issued share capital 7,042,200 Ordinary Shares of MVR 25 each)	176,055,000	176,055,000
	Centurion Transport Solution Private Limited		100,000
	Rohoffe Private Limited		100,000
	Equatorial Lines Private Limited		10,000

The net assets of Centurion Transport Solution Pvt Ltd, Rohoffe Pvt Ltd and Equatorial Lines Pvt Ltd has been contributed in consideration for shares issued to shareholder from Centurion Plc.

The total authorised number of ordinary shares of Centurion PLC is 13,800,000 shares with a par value of MVR 25 per share. The total authorised number of ordinary shares of Centurion Transport Solution pvt is 100 shares with a par value of MVR 1,000 per share. The total authorised number of ordinary shares of Rohoffe is 100,000 Ordinary shares with a par value of MVR 1.00 per share. The total authorised number of ordinary shares of Equatorial is 10,000 shares with a par value of MVR 1.00 per share.

		CENTURION PLC	GROUP
12	**Non-Controlling Interest**		
	Share of Net Assets at Acquisition	-	85,128
	Share of Profit of Subsidiary	-	24,303
	Total	**-**	**109,430**
13	**Borrowings**		
	Non- Current		
	Loan from Directors	-	1,795,028
		-	**1,795,028**
	Current		
	Bank Overdrafts	-	412,028
		-	**412,028**
	Total Borrowings	**-**	**1,795,028**

Loan from Directors

Centurion Transport Solution Pvt Ltd has obtained a Loan facility of MVR 2,300,000 from Ahmed Maumoon and Aimon Jameel which mature until 2020 and bear average fixed-rate of 12% annually. Borrowings are secured with vessel named "Islander" bearing registration no C8349A-03 10-T owned by Centurion Transport Solutions Pvt Ltd. The loan is repayable on monthly basis within a period of 60 months from the date of disbursement.

Bank Overdraft

Centurion Transport Solution Pvt Ltd has obtained a Bank Overdraft facility of MVR 450,000 from Mauritius Commercial Bank (Maldives) Private Limited. The overdraft facility is secured against joint and several personal gurarantee and indemnity by Centurion Transport Solution Pvt Ltd and their shareholders.

		CENTURION PLC	GROUP
14	**Finance Lease Commitments**		
	Non- Current		
	Payable after 12 Months - Moonima Dhoani	-	3,736,002
		-	**3,736,002**
	Current		
	Payable after 12 Months - Moonima Dhoani	-	840,000
		-	**840,000**
	Total Finance Lease Commitments	**-**	**4,576,003**

Finance Lease Commitments

Centurion Transport Solution Pvt Ltd has obtained leasehold rights to vessel named "Moonima" bearing registration no P8166A-03 01-R from Abdulla Rasheed A003172 and Sama Solih A007889 totalling MVR 8,400,000. The lease is payable within a period of 120 months in equal installments.

			CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
15	**Advance Received for Shares**			
	Advance Received for Shares		1,524,675	1,524,675
	Total		**1,524,675**	**1,524,675**
16	**Trade & Other Payables**			
	Trade Payables		-	19,144,560
	Advance Payments Received		-	352,927
	Accrued Expenses		-	1,168,560
	Salaries Payable		10,233	10,233
	Other Payables		254	254
	Director Allowance Payable		20,000	20,000
	GST Payable		-	262,191
	Audit Fee Payables		37,100	90,842
	Total		**67,587**	**21,049,569**
17	**Due to Related Parties**			
	Centurion Transport Solutions Pvt Ltd		2,349,049	-
	Ahmed Maumoon		-	90,485
	S-EMS Maldives Pvt Ltd		-	2,405
	Total		**2,349,049**	**92,890**

Inter company balances of MVR 50,619 due to Rohoffe Pvt Ltd and MVR 3,576,344 due to Centurion Transport Solution Pvt Ltd are eliminated according to the principles of consolidation. Also MVR 2,349,049 included in Centurion Transport Solution Pvt Ltd is due from Centurion Plc which is included in the statement of Financial Position of Centurion Plc.

18	**Revenue**			
	Revenue		-	27,284,440
	Total		**-**	**27,284,440**
19	**Cost of Revenue**			
	Cost of Revenue		-	19,578,205
	Total		**-**	**19,578,205**
20	**Administrative Expenses**			
	Bank Charges		14,736	79,916
	Software Maintenance		-	7,030
	Depreciation		-	571,414
	Telephone & Internet		10,813	143,679
	Salary & Other Benefits	20.1	94,900	3,252,911
	Meals & Entertainment		8,272	25,197
	Printing and Stationary		273,125	273,125
	Travelling		61,978	61,978
	VISA Fee		-	9,920
	Fees & Licenses		251,980	283,895
	Directors Remuneration		45,000	245,000
	Printing and Stationary		-	27,422
	Utilities		-	127,253
	Other Expenses		-	70,704
	Rent		-	580,520
	Business Development		349,235	349,235
	Professional Fees		37,100	89,540
	Repair & Maintenance		5,164	17,085
	Total		**1,152,302**	**6,215,824**

		CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
20.1	**Salary & Other Benefits**		
	Salary & Wages	89,800	3,105,965
	Staff Welfare	-	112,614
	Staff Accomodation	5,100	5,100
	Pension costs	-	29,232
	Total	**94,900**	**3,252,911**
21	**Sales & Marketing Expenses**		
	Business Promotion	1,203,916	1,475,495
	Total	**1,203,916**	**1,475,495**
22	**Other Gains/(Losses)**		
	Gains/(Losses) on Disposal	-	(60,000)
	Exchange Gain	-	70,600
	Total	**-**	**10,600**
23	**Finance Cost**		
	Finance Cost	-	132,779
	Total	**-**	**132,779**
24	**Taxation**		
	Income Tax Expense		
	Current tax payable	(341,118)	7,940
	Increase/(decrease) of deferred tax liability	-	11,924
	Total	**(341,118)**	**19,864**
25	**Current Tax Assets/Liabilities**		
	Current Tax Assets		
	Tax Refunds Receivable	-	14,125
	Total	**-**	**14,125**
	Current Tax Liabilities		
	Current tax payable	-	433,689
	Previous year Under/(over) payments	-	686,034
	Total	**-**	**1,119,723**
	Net Current Tax Liability	**-**	**(1,105,598)**
26	**Deferred Tax Asset**		
	Tax losses brought forward (Rohoffe & Equatorial)	-	(118,876)
	Current year tax loss (Centurion Plc)	(341,118)	(358,651)
	Tax losses carried forward	**(341,118)**	**(477,527)**
	Total deferred tax asset	**(341,118)**	**(477,527)**
27	**Deferred Tax Liability**		
	Deferred tax liability brought forward	-	104,423
	Increase/(decrease) of deferred tax liability	-	11,924
	Deferred tax liability carried forward	**-**	**116,347**

The Business Profit Tax Act (5/2011) of the Maldives was effective from 18 July 2011. As per the tax act, businesses profit is subject to tax of 15% on profits exceeding tax free threshold limit MVR 500,000 for any tax year.

28 Earnings/(Losses) Per Share

Basic Earnings/(Losses) Per Share is calculated by dividing the net profit/(loss) for the year attributable to ordinary

	CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
Profit/(Loss) for the year	(2,015,101)	(127,127)
Weighted Average number of Ordinary Shares	7,042,200	7,042,200
Earnings/(Losses) Per Share	**(0.29)**	**(0.02)**

29 Operating Profit/(Loss) before Working Capital Changes

	CENTURION PLC (150 Days) 31-Dec-16 MVR	GROUP (150 Days) 31-Dec-16 MVR
Profit/(Loss) before Tax	(2,356,218)	(107,262)
Depreciation	-	544,727
Amortisation	-	26,687
Deferred Tax Asset adjustment	-	(51,778)
Opening Retained Earning	-	4,658,247
Current Tax Liability	-	686,034
Deferred Tax Liability	-	104,423
Total	**(2,356,218)**	**5,861,078**

30 Financial Instruments

30.1 Financial risk management objectives

The Company's management co-ordinates access to banks and other financial institutions, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

30.2 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

30.3 Interest rate risk management

The company is not exposed to interest rate risk because the company borrow funds at fixed interest rates.

30.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient guarantee, where appropriate, as a means of mitigating the risk of financial loss from defaults.

30.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

31 Events after the end of the reporting period

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

32 Approval of financial statements

These financial statements were approved by the board of directors and authorised for issue on 29 June 2016.

ACKNOWLEDGEMENTS

The Directors take this opportunity to congratulate and thank all shareholders who have made history and shown their confidence in the Company by partaking in the first ever IPO by a private company that has gone public in the recent history.

The Directors are indebted to the management and dedicated team of staff who have made this journey rewarding and meaningful.

Not the least, the Directors are grateful to the customers, suppliers and partners of the Company for their continued patronage and support.

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

CORPORATE INFORMATION

NAME OF THE COMPANY

Centurion Plc

COMPANY REGISTRATION NUMBER

C-0750/2016

LEGAL FORM

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

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

BOARD OF DIRECTORS

- Mr. Ahmed Maumoon (Chairman)
- Mr. Aimon Jameel (Managing Director)
- Ms. Juwairiya Saeed
- Mr. Abdulla Nafiz
- Mr. Abdulla Hassan

COMPANY SECRETARY

Mr. Muruthala Musthafa

AUDITORS

Crowe Horwath LLP
Male', Republic of Maldives

BANKERS

- Bank of Maldives Plc, Male'
- MCB Maldives, Male'
- State Bank of India, Male'

SHAREHOLDING STRUCTURE (AT 30 MARCH 2017)

	NO. OF SHARES	@ RF. 25/-	%
Stella Holdings Pvt Ltd	3,379,786	84,494,650	47.35%
Aimon Jameel	3,379,786	84,494,650	47.35%
Other	377,780	9,444,500	5.30%
Total Issued	7,137,352	178,433,800	100%
Authorized Capital (Rf)	13,800,000	345,000,000	
Paid-up capital (Rf)		178,433,800	
Premium		0	

CONTACT INFORMATION

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Centurion

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