

Annual Report 2002



State Trading Organization Plc.



State Trading Organization Plc., 07 Haveeree Hingun, Male' 2002, Rep. of Maldives
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Company Profile

Registered office

Head Office,
No. 7, Haveeree Higon,
Male' 20-02
Rep.of Maldives

STO's main business outlets

- STO People's Choice - Fuel & Lubricants
- STO People's Choice - Staple Foods
- STO People's Choice - Construction Materials
- STO People's Choice - Home Improvement
- STO People's Choice - Electronics
- STO People's Choice - Supermart
- STO People's Choice - Gas
- STO People's Choice - Medicals



STO Peoples Choice - Electronics



STO Peoples Choice - Supermart

Retail Outlets

- STO Shop No. 158, Cement, Male'
- STO Shop No. 122, H.A. Hoarafushi
- STO Shop No. 132, B. Eydhafushi
- STO Shop No. 134, L. Fonadhoo
- STO Shop No. 138, G.Dh. Thinadhoo
- STO Shop No. 136, Gn. Foamulaku
- STO Shop No. 123, S. Feydhoo
- STO Shop No. 137, S. Hithadhoo
- STO Shop No. 159, S. Maradhoo-Feydhoo
- STO Shop No. 141 Gan Oil, S. Gan
- STO Shop No. 154, Oil Shop, S. Hithadhoo
- STO Shop No. 157 Hithadhoo Supermart, S. Hithadhoo



STO Peoples Choice - Home Improvement

Subsidiary Companies

Allied Insurance Company of Maldives Pvt. Ltd.
S.T.O. Maldives Singapore (Pvt) Ltd
Maldivian Gas Pvt Ltd

100% share
100% share
90% share

Company Profile

Joint Venture Companies

Fuel Supplies Maldives Pvt Ltd	66.67% share
Maldives Structural Products Pvt Ltd	50% share
Lafarge Maldives Cement Pvt Ltd	25% share

Share Holding

	No. of shares	%	@ Mrf 50.00
Government	1,040,000	97.56	52,000,000
Public	<u>26,040</u>	<u>2.44</u>	<u>1,302,000</u>
Total	<u>1,066,040</u>	<u>100.00</u>	<u>53,302,000</u>

Authorized Capital	57,777,750
Paid-up Capital	53,302,000
Premium	6,510,000



Maldives Structural Products - Roofing Materials Plant

Company Profile

Board of Directors



Hon. Abdulla Yameen
Chairman



Hon. Anbaree Abdul Sattar
Director



Hon. Ismail Fathy
Director



Hon. Mohamed Jaleel
Director



Mr. Fazeel Najeeb
Director



Mr. Mohamed Ahmed
Director



Mr. Mohamed Maniku
Managing Director

Company Profile



Board meeting

Company Secretary

Mr. Mohamed Maniku

Bankers

- State Bank of India, Male'
- Habib Bank Limited, Male'
- Bank of Maldives Plc, Male'
- Bank of Ceylon, Male'
- Seylan Bank, Colombo
- HSBC, Male'

Auditors

PricewaterhouseCoopers
Chartered Accountants
02-05, STO Trade Centre Building
Orchid Magu,
Male'
Rep. of Maldives

Chairman's Message

I am pleased to present the Annual Report of the State Trading Organization Plc for the year 2002. I am particularly pleased to note that the year 2002 turned out to be another year of record profits for the Organization. As Chairman of the Board of Directors I congratulate the Directors, the management and the staff of the Organization for this success.

This is the second year of operations since the company became public in 2001. The fact that the Organization has been able to achieve record profits for two years in succession has contributed to a substantial increase in shareholder confidence in the company. This is clearly indicated by the fact that the share value of Rf 300 when issued in 2001 now stands at about Rf 600. This is a 100 percent increase in capital gains. This fact is also highlighted by the fact that many are holding their shares as a good long term investment without trading their shares.

As in the previous years, the company continued to restructure its product lines and increase its strength in the market place. Special emphasis was given to repair existing facilities and develop new infrastructure in distribution activities including fuel distribution. The alongside berth at Funadhoo oil terminal was completed and inaugurated in April 2003. This has reduced the turn around time for the chartered vessels and contributed to substantial savings. This has also improved the safety of the fuel operation considerably.

Other investments in the year 2002 include the increase of STO's investment in Maldives Gas Pvt Ltd from 50 percent to 90 percent. The construction of the STO new head office also continued during the year and is expected to be complete by June 2004.

Special emphasis was also placed on the development of foreign trade activities. In this regard special contracts were concluded with national oil companies for trading in both refined and crude oil products by STO Maldives(Singapore) Pvt Ltd.

During the year 2002, special emphasis was also placed on the management of the finances. STO plc has therefore, this year, managed to reduce net finance costs from Rf 12 million to Rf 1.6 million.

Although the general trading environment remained somewhat sluggish during 2002 STO made efforts to increase its effectiveness in delivery of services of construction and home improvement products. I am hopeful that these efforts will reap better earnings in the future.

I would like to conclude this short message by thanking the people who have accepted the efforts of STO over the last 10 years to make this organization more successful. I also wish to thank the people of Maldives for having truly accepted STO as their own company. I wish STO all the success .

Abdulla Yameen
Chairman

June 2003

Directors' Report

Board of Directors

Hon. Abdulla Yameen	Chairman
Hon. Anbaree Abdul Sattar	Director
Hon. Ismail Fathy	Director
Hon. Mohamed Jaleel	Director
Mr. Fazeel Najeeb	Director
Mr. Mohamed Ahmed	Director
Mr. Mohamed Maniku	Managing Director & Company Secretary

Introduction

Five meetings of the Board of Directors were held in the past year. Mr Fazeel Najeeb was appointed to the Board of Directors in place of former Board of Directors member, Mr. Ahmed Naseem. Mr. Mohamed Ahmed was elected for a second term in July 2002 by the public shareholders of STO to represent these shareholders. The Directors would like to thank Mr. Ahmed Naseem for his open and frank discussions at the Directors Meetings to make STO a successful organization.

The total revenue for the year 2001 was Rf 1,271.46 million whereas the total revenue for the year 2002 was Rf 1,339.08 million. Following is the breakdown of this revenue.

	Year 2002 (Rf million)	Year 2001 (Rf million)
1 Fuel and Lubricants	875.53	827.78
2 Staple Foods	61.80	72.05
3 Construction Materials	83.21	91.85
4 Home Improvement	52.26	49.54
5 Supermart	51.35	46.48
6 Electronics	40.39	42.53
7 Gas	23.87	20.28
8 Government Needs	40.70	18.33
9 Retail Stores	109.97	102.62
Total	1,339.08	1,271.46

As in previous years, STO continued to import and distribute essential commodities and petroleum products at reasonable prices. STO also continued to import requirements for government departments and agencies.

Effective December 31, 2002, the services of STO People's Choice Gas, of distributing gas cylinders was handed over to Maldives Gas Pvt. Ltd. This change was brought about as the company would be in a position to carry out this operation much more effectively.

Directors' Report

Operating Cost

	Year 2002	Year 2001
	Rf('000)	Rf('000)
1. Administrative Expense	90,105	80,687
2. Selling and Distribution expenses	53,981	42,785
	144,086	123,472

Administrative expenses increased during this year. The increased cost was mainly due to the implementation of a major human resource development plan and the additional expenses incurred in marketing STO's products and services in a difficult economic situation. Under STO's human resource plan, staff were not only trained in the Maldives, but were also sent abroad for higher studies including Diploma, Degree and Masters courses. Staff costs also increased during the year.



Lafarge Maldives Cement Plant

Selling and distribution expenses had also increased when compared to the previous year. After the events of

September 2001, some plans for that year had been postponed. As a result, the implementation of some of these plans was executed in 2002. Additionally, sales promotion expense had been increased to better promote STO's products and services. Further, the discounts offered to regular and wholesale customers also increased during the year.

Selling and distribution expenses increased also as a result of a bad debts provision that had to be made during the year.

Even after these additional expenses, the profit for the year increased compared to the previous year.

Other Income

Income for this category totaled Rf 31.679 million. This income is mainly comprised of the rent that STO receives for its properties and the dividends STO received from its subsidiaries and joint venture companies. STO received rent mainly from the STO Trade Center, STO Aifaanu Building and the STO Umar Shopping Arcade.

Interest Cost

In 2002, the economy faced some difficulty in obtaining foreign currency. However, more prudent financial management contributed to

Directors' Report

Substantial reduction in interest costs. The interest amount paid for 2002 was Rf9.505 million whereas the interest paid for the previous year was Rf 15.742 million.

STO's Net Profit

In the year 2002, like other regional economies, the Maldivian economy was also affected by the threat of terrorism and other destabilizing factors. However, with the successful steps that STO took to protect business interests, the net profit made by STO increased to Rf 146.1 million from Rf 133.6 in the previous year.



STO Peoples Choice - Supermart

Non-Current Assets

Year 2002 saw further investments being made to expand STO's business. Notable investments include increasing the share held by STO in its subsidiary, Maldive Gas Pvt Ltd, from 50% to 90% and increasing the share capital of STO's subsidiary, STO Maldives (Singapore) Private Limited, from Rf 184,000.00 to Rf 1,460,000.00.

STO's expenditure on development projects had decreased in 2002. Primarily, two major projects as "works in progress" from the previous year were completed and are now in operation. They are the Funadhoo alongside berth project at K. Funadhoo, completed early in 2002, and the warehouse and shop at GDh Thinadhoo, completed in July, 2002.



STO Aifaanu Building

Directors' Report

Capital & Reserves

No significant changes had been made to STO's capital & reserves. In 2002, the public's interest and confidence in STO had increased resulting in improved demand for STO's shares. No additional STO shares were issued to the public during the year. Together with the retained earnings of 2001, the shareholders reserve is now worth Rf 451.6 million.

Performance of STO over last 4 years

	1999	2000	2001	2002
	Rf ('000)	Rf ('000)	Rf ('000)	Rf ('000)
Turnover	1,042,152	1,271,219	1,271,461	1,339,083
Gross Profit	190,692	190,975	239,141	262,045
GP%	18.30%	15.02%	18.81%	19.57%
Net Profit	116,411	70,932	133,565	146,088
Dividend	87,308	65,000	111,934	-

Group Performance for the last 4 years

	1999	2000	2001	2002
	Rf ('000)	Rf ('000)	Rf ('000)	Rf ('000)
Turnover	1,126,402	1,373,486	1,514,416	3,519,166
Gross Profit	193,234	201,939	274,503	315,193
Operating Profit	120,275	81,882	161,410	173,154
Profit After Tax	113,547	70,106	140,035	161,493
Total Capital & Reserves	353,110	358,216	505,963	555,222



STO Peoples Choice - Electronics

Directors' Report

Company's Future

STO's goal in 2003, with the blessing of Almighty Allah, will be to provide new and better services to the public, services that would bring a higher return to STO's shareholders.

Major obstacles to achieving these goals include the delicate state of economies after the events of September 2001, the Gulf War (of 2003) and the unrest and turmoil in the Middle East. Despite these barriers, STO will continue to explore new avenues that will contribute to shareholder benefits. These include new investments in business development and expansion, providing better and more efficient services to the public and modernization of STO.

Furthermore, STO is committed to explore areas in which STO has competitive advantages and enhance these areas; STO will continue to streamline its product groups concentrating on brand promotion and the quality of its products.



STORC's Volley team in action

Conclusion

Praise and gratitude be to Allah for having made 2002 a successful year for STO. The success of STO is clearly the result of the trust and faith that the public have in STO. STO regards this trust and faith with the utmost respect and pledges to continue to work hard not only to keep this trust and faith but to also reinforce it.



Maldivian Gas Plant



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2nd Floor
STO Trade Centre
Orchid Magu
Male'
Republic of Maldives
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Facsimile : (960) 314601

Report of the Auditors

To the members of State Trading organization Plc

1 We have audited the accompanying balance sheet of State Trading Organization Plc and its subsidiaries (the Group) as of 31 December 2002, and the related income, changes in equity and cash flow statements for the year then ended, together with accounting policies and notes as set out on pages 14 to 47.

Respective responsibilities of directors and auditors

2 These financial statements, set out on pages 14 to 47, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

3 We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Disagreement

4 An investee company, in which the Company has invested a sum of Rf 38,100,000 has continued to make losses during the past five years. Due to the trend of losses and the magnitude of accumulated losses at the balance sheet date, we are of the view that a provision is required for the permanent diminution in the value of this investment. Accordingly profit for the year and investments at 31 December 2002, are overstated by Rf 38,100,000.

Report of Auditors to the shareholders

Opinion

5 In our opinion, except for the matter referred to in paragraph 4 above, the financial statements give a true and fair view, of the financial position of the Company as of 31 December 2002 and of the results of its operations and cash flows for the year then ended in accordance with International Accounting Standards.

6 In our opinion, except for the matter referred to in paragraph 4 above the consolidated financial statements give a true and fair view, of the financial position of the Group as of 31 December 2002 and of the results of its operations and cash flows for the year then ended in accordance with International Accounting Standards.

Signed
PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS

12 June 2003
Male'



Consolidated Income Statement

For the year ended 31st December 2002
(all amounts in Maldivian Rufiyaa thousands)

	Notes	Group		Company	
		2002	2001	2002	2001
Sales	2	3,519,166	1,514,416	1,339,083	1,271,461
Cost of sales		(3,203,973)	(1,239,913)	(1,077,038)	(1,032,320)
Gross profit		315,193	274,503	262,045	239,141
Other operating income		30,835	33,238	31,679	33,719
Distribution costs		(64,999)	(44,736)	(53,981)	(42,785)
Administrative expenses		(106,235)	(99,853)	(90,105)	(80,687)
Other operating expenses		(1,640)	(1,742)	(1,640)	(1,742)
Operating profit	4	173,154	161,410	147,998	147,646
Finance costs	6	(11,150)	(21,330)	(1,645)	(12,162)
Share of result of joint ventures		-	-	(265)	(1,919)
Profit before tax		162,004	140,080	146,088	133,565
Tax	7	(511)	(45)	-	-
Profit after tax	3	161,493	140,035	146,088	133,565
Earnings per share					
- basic	9	151.49	134.39	137.04	128.18

The accounting policies on pages 19 to 23 and the notes on pages 24 to 47 form an integral part of these financial statements.

Consolidated Balance Sheet

As at 31st December 2002

(all amounts in Maldivian Rufiyaa thousands)

	Notes	Group		Company	
		2002	2001	2002	2001
ASSETS					
Non-current assets					
Property, plant and equipment	10	189,330	146,283	131,216	109,245
Capital work-in-progress	11	43,143	40,711	17,890	29,831
Investments in subsidiaries	13	-	-	63,467	991
Investment in joint ventures	14	-	-	18,445	38,710
Other investments	15	40,489	40,489	40,489	40,489
Non-current receivables	16	3,989	13,340	5,319	28,961
		<u>276,951</u>	<u>240,823</u>	<u>276,826</u>	<u>248,227</u>
Current assets					
Inventories	17	165,286	129,107	157,727	125,483
Receivables and prepayments	18	220,951	250,316	196,477	219,562
Cash and cash equivalents	19	178,543	106,780	131,297	70,580
		<u>564,780</u>	<u>486,203</u>	<u>485,501</u>	<u>415,625</u>
Total assets		<u>841,731</u>	<u>727,026</u>	<u>762,327</u>	<u>663,852</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary shares	20	53,302	53,302	53,302	53,302
Share premium	20	6,510	6,510	6,510	6,510
General and other reserves		178,354	178,354	176,634	176,634
Retained earnings		317,356	267,797	274,968	240,814
		<u>555,522</u>	<u>505,963</u>	<u>511,414</u>	<u>477,260</u>
Minority interest	21	7,384	-	-	-
Non - current liabilities					
Unearned Premium		1,713	1,820	-	-
Borrowings	24	3,958	-	-	-
Deferred tax liabilities	22	16	15	-	-
		<u>5,687</u>	<u>1,835</u>	<u>-</u>	<u>-</u>

Current liabilities

Trade and other payables	23	108,025	89,392	87,326	57,105
Current tax liabilities		536	66	-	-
Borrowings	24	164,577	129,770	163,587	129,487
		<u>273,138</u>	<u>219,228</u>	<u>250,913</u>	<u>186,592</u>
Total liabilities		<u>286,209</u>	<u>221,063</u>	<u>250,913</u>	<u>186,592</u>
Total equity and liabilities		<u>841,731</u>	<u>727,026</u>	<u>762,327</u>	<u>663,852</u>

These financial statements were approved by the Board of Directors on 10th June 2003

(signed)
Hon. Mr. Abdulla Yameen
Director

(signed)
Mr. Mohamed Ahmed
Director

The accounting policies on pages 19 to 23 and the notes on pages 24 to 47 form an integral part of these financial statements.

Consolidated statement of changes in equity

(all amounts in Maldivian Rufiyaa Thousands)

	Group					Company					
	Notes	Share capital	Share premium	General and other reserves	Retained earnings	Total	Share capital	Share premium	General and other reserves	Retained earnings	Total
Balance at 1 January 2001		52,000	-	176,634	128,202	356,836	52,000	-	176,634	107,249	335,883
Net profit for the year		-	-	-	140,035	140,035	-	-	-	133,565	133,565
Issue of share capital		1,302	6,510	-	-	7,812	1,302	6,510	-	-	7,812
Transfer of deferred revenue to income statement		-	-	-	(440)	(440)	-	-	-	-	-
Capital reserve		-	-	1,720	-	1,720	-	-	-	-	-
Balance at 31 December 2001		53,302	6,510	178,354	267,797	505,963	53,302	6,510	176,634	240,814	477,260
Balance at 1 January 2002		53,302	6,510	178,354	267,797	505,963	53,302	6,510	176,634	240,814	477,260
Net profit for the year		-	-	-	161,493	161,493	-	-	-	146,088	146,088
Dividend for 2001	8	-	-	-	(111,934)	(111,934)	-	-	-	(111,934)	(111,934)
Balance at 31 December 2002		53,302	6,510	178,354	317,356	555,522	53,302	6,510	176,634	274,968	511,414

The accounting policies on pages 19 to 23 and the notes on pages 24 to 47 form an integral part of these financial statements

Consolidated cashflow statement

(all amounts in Maldivian Rufiyaa thousands)

	Notes	Group		Company	
		2002	2001	2002	2001
Operating activities					
Cash generated from operations	27	214,085	94,778	189,975	73,171
Interest paid	6	(14,730)	(20,459)	(14,130)	(19,701)
Interest received	6	5,674	5,762	5,212	5,062
Tax paid		(40)	(28)	-	-
Net cash from / (used in) operating activities		204,989	80,053	181,057	58,532
Investing activities					
Acquisition of subsidiary, net of cash acquired	28	(20,572)	-	-	-
Purchase of property, plant and equipment	10	(4,453)	(26,981)	(13,246)	(15,792)
Sales proceeds from disposal of fixed assets		4,445	7,924	3,340	7,923
Capital work-in-progress	11	(40,563)	(37,239)	(26,190)	(28,557)
Purchase of investments in subsidiaries		-	-	(20,184)	-
Purchase of investments in Joint Ventures		-	-	-	(21,217)
Dividends received	6	517	517	9,887	10,257
Net cash used in investing activities		(60,626)	(55,779)	(46,393)	(47,386)
Financing activities					
Proceeds from short term borrowings		6,599	15,774	1,651	15,774
Finance lease and loan repayments		-	-	3,318	-
Dividends paid	8	(111,365)	(65,000)	(111,365)	(65,000)
Issue of ordinary shares		-	7,812	-	7,812
Net cash (used in) / from financing activities		(104,766)	(41,414)	(106,396)	(41,414)
Increase/(decrease) in cash and cash equivalents		39,597	(17,140)	28,268	(30,268)
Movement in cash and cash equivalents					
At start of year		6,578	23,718	(29,339)	929
Increase / (decrease)		39,597	(17,140)	28,268	(30,268)
At end of year	19	46,175	6,578	(1,071)	(29,339)

The accounting policies on pages 19 to 23 and the notes on pages 24 to 47 form an integral part of these financial statements

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1 Basis of preparation

The financial statements are prepared in accordance with and comply with International Accounting Standards. The financial statements are prepared under the historical cost convention, whereby transactions are recorded at the values prevailing on the dates when the assets were acquired, liabilities incurred or the capital obtained.

2 Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries have been accounted for under the cost method of accounting in the entity financial statements. Provisions are recorded for long-term impairment in value.

A listing of the Company's principal subsidiary undertakings is shown in Note 13

3 Joint ventures

The Groups' interests in jointly controlled entities are accounted for by proportionate consolidation. Under this method the Group includes its share of the joint ventures' individual income and expenses, assets and liabilities in the relevant components of the financial statements.

Investments in jointly controlled entities are shown in the entity financial statements at cost less share of net loss.

A listing of the Groups' interests in jointly controlled entities are shown in Note 14 to the financial statements.

4 Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement

of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at year-end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

5 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

6 Goodwill

The negative goodwill representing the gain on acquisition of assets and liabilities is to be recognised as income in the year of acquisition.

7 Investments

Fixed asset investments, other than those in subsidiary undertakings and jointly controlled entities, are shown at cost and provision is only made where, in the opinion of the Directors, there is a permanent diminution in the value of such investments. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

8 Property, plant and equipment

All property, plant and equipment which is initially recorded at historical cost is stated at cost less depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset, to their residual values over the estimated useful life as follows:

Buildings	2 – 20 years
Plant and machinery, computers, furniture & fixtures	3 years
Sea transports, vessels and fleet, office and other equip.	5 years
Vehicles	5 years
Dumpers	3 years
Pay loaders	4 years
Air-conditioners	4 years
Other assets	5 years

A full year's depreciation is provided in the year of purchase and no depreciation is provided in the year of sale.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

9 Accounting for leases – where a group company is the lessor

Finance leases

When assets are sold under a finance lease, the present value of the lease payment is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under the operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognized on a straight line basis over the lease term.

10 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Where necessary, provision has been made in the financial statements for obsolete, slow moving and defective stocks.

11 Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

12 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

13 Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Under this method the Group is required to make provision for deferred income taxes on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Provision for taxes, mainly withholding taxes, which could arise on the remittance of retained earnings, principally relating to subsidiaries, is only made where there is a current intention to remit such earnings.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, provisions for pensions and other post retirement benefits and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is possible that future taxable profit will be available against which the unused tax losses can be utilised.

14 Provisions

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

Provisions are made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

15 Defined Contribution Plan

Amounts contributed by the Group to the Employees' Provident Fund or other similar retirement benefit plan under a voluntary or a compulsory scheme, are treated as a staff cost.

16 Taxation

The charge for taxation is based on the results for the year as adjusted for disallowable items and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognized in the accounts. The tax effect of other timing differences as

reduced by the tax benefit of any accumulated losses is treated as a deferred tax liability.

The profits arising in the Republic of Maldives are not liable for Income tax.

17 Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of discounts and after eliminating sales within the Group.

Other revenues earned by the Company are recognised on the following bases:

Interest income – as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

Dividend income – when the shareholder’s right to receive payment is established.

Deposits received – when the parties making the deposits waive their right to it.

18 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. The comparatives have been adjusted to take account of the adoption of certain International Accounting Standards(IAS).

IAS-27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries.
IAS-31	Financial Reporting of Interest in Joint Ventures
IAS-14	Segment Reporting

Notes to Financial Statements

(In the notes all amounts are shown in Maldivian Rufiyaa thousands unless otherwise stated)

1 Reporting entity.

These financial statements relate to the operations of State Trading Organization Plc., which was formed as a Government Company by a decree of the President of the Republic of Maldives and subsequently incorporated as a limited company on the 28th June 1998 under the provisions of the Companies Act, Law No. 10/96. During the year 2001 the Company was converted to a Public Limited Company and accordingly the name was changed to State Trading Organization Plc.

The group consists of the Company's interests in subsidiary undertakings and jointly controlled entities as follows:

Name of the Company	Status
Allied Insurance Company of the Maldives Private Limited	Subsidiary
STO Maldives (Singapore) Pte Limited	Subsidiary
Maldivian Gas Private Limited	Subsidiary
Lafarge Maldives Cement Private Limited	Jointly controlled entity
Maldives Structural Products Private Limited	Jointly controlled entity
Fuel Supplies Maldives Private Limited	Jointly controlled entity

2 Sales

Sales represent income from goods sold and services provided and is stated after accounting for sales returns and eliminating inter company transaction. The aggregate value of sales are made up as follows:

	Group	
	2002	2001
Retail and wholesale	3,129,860	1,243,746
Cement	1,137	Nil
Insurance	23,886	21,923
Gas	10,231	1,659
Structural products	8,816	892
Fuel and lubricants	<u>345,236</u>	<u>246,196</u>
	<u>3,519,166</u>	<u>1,514,416</u>

3 Segment information

Year ended 31 December 2002

	Retail and wholesale	Cement	Gas	Insurance service	Fuel and lubricants	Structural products	Group
Revenues	3,129,860	1,137	10,231	23,886	345,236	8,816	3,519,166
Segment Results							
Operating (loss) / profit	58,316	(5,920)	2,486	5,295	111,548	1,429	173,154
Finance (Costs)/income	(10,819)	(733)	-	392	12	(2)	(11,150)
(Loss) / Profit before tax	47,497	(6,653)	2,486	5,687	111,560	1,427	162,004
Tax	(511)	-	-	-	-	-	(511)
(Loss) / profit after tax	46,986	(6,653)	2,486	5,687	111,560	1,427	161,493
Segment assets	640,953	10,419	76,551	38,850	69,277	5,681	841,731
Segment Liabilities	(261,513)	(6,034)	(5,586)	(3,408)	(1,648)	(636)	(278,825)
Unallocated Liabilities	(7,384)	-	-	-	-	-	(7,384)
Consolidated total Liabilities							(286,209)
Capital expenditure	39,528	2	36,274	270	6,981	93	83,148
Depreciation	26,830	1,236	4,818	240	1,261	524	34,909

Year ended 31 December 2001

	Retail and wholesale	Cement	Gas	Insurance service	Fuel and lubricants	Structural products	Group
Revenues	1,243,746	-	1,659	21,923	246,196	892	1,514,416
Segment Results							
Operating profit/ (loss)	123,871	(5,705)	(6,667)	3,385	478,848	(1,322)	161,410
Finance (Costs)/income	(21,705)	(1,301)	-	1,672	4	-	(21,330)
Profit /(Loss) before tax	102,166	(7,006)	(6,667)	5,057	47,852	(1,322)	140,080
Tax	(45)	-	-	-	-	-	(45)
(Loss) / profit after tax	102,121	(7,006)	(6,667)	5,057	47,852	(1,322)	140,035
Segment assets	579,343	12,052	31,952	34,086	64,299	5,294	727,026
Segment Liabilities	(207,098)	(1,318)	(921)	(5,532)	(5,364)	(830)	(221,063)
Capital expenditure	56,699	7	9,882	183	9,278	3,841	79,890
Depreciation	26,117	1,268	1,180	208	873	507	30,153

There are no sales or other transactions between the business segments. Segment assets consist primarily of property, plant and equipment, capital work in progress, inventories, receivables and operating cash and mainly exclude investments. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Cement, Gas, Structural products and Fuel & lubricants sold by the retail and wholesale segment is not considered separately for the segment information.

4 Operating Profits

The following items have been charged in arriving at operating profit

	Group		Company	
	2002	2001	2002	2001
Directors' fees	425	828	72	72
Audit fees	135	114	39	39
Depreciation on property, plant and equipment (Note 10)	34,909	30,153	26,767	26,078
(Profit) / loss on disposal of property, plant and equipment	(2,669)	(6,293)	(2,669)	(6,293)
Repair and maintenance expenditure	11,069	8,006	11,031	7,892
Operating lease rentals - property	6,301	2,510	5,485	1,742
Staff costs (Note 5)	45,567	40,824	39,091	35,322
Charity and donations	813	500	813	500
Cost of inventory recognised as expense	8,034	9,056	8,034	9,056
Provision for bad debts	15,264	2,368	6,764	2,368
Income from leased assets	(105)	(18,150)	(105)	(18,150)

5 Staff Costs

	Group		Company	
	2002	2001	2002	2001
Wages and salaries	23,336	20,497	18,680	17,894
Foreign staff expenses	1,712	3,287	1,701	1,054
Social security costs	363	291	300	286
Staff welfare	1,027	634	895	596
Staff medical expenses	578	457	578	457
Staff food allowance	5,458	5,388	4,798	4,704
Other allowances	13,093	10,270	12,139	10,331
	<u>45,567</u>	<u>40,824</u>	<u>39,091</u>	<u>35,322</u>

Average number of persons employed by the Group during the year

	Group		Company	
	2002	2001	2002	2001
Permanent	951	804	705	685
Temporary	15	17	14	17
	<u>966</u>	<u>821</u>	<u>719</u>	<u>702</u>
Maldivians	748	622	571	559
Expatriates	218	199	148	143
	<u>966</u>	<u>821</u>	<u>719</u>	<u>702</u>

6 Finance Costs

	Group		Company	
	2002	2001	2002	2001
Interest expenses				
- bank borrowings	(14,564)	(19,651)	(13,964)	(19,651)
- other borrowings	(166)	(808)	(166)	(50)
	<u>(14,730)</u>	<u>(20,459)</u>	<u>(14,130)</u>	<u>(19,701)</u>
Interest income				
- fixed deposit	2,950	3,046	2,488	2,346
- others	2,724	2,716	2,724	2,716
	<u>5,674</u>	<u>5,762</u>	<u>5,212</u>	<u>5,062</u>
Dividend income	517	517	9,887	10,257
Net foreign exchange transaction losses	(2,611)	(7,150)	(2,614)	(7,780)
	<u>(11,150)</u>	<u>(21,330)</u>	<u>(1,645)</u>	<u>(12,162)</u>

7 Income Tax

	Group	
	2002	2001
Current income tax	511	63
Under / (over) provision	-	(33)
Deferred tax	-	15
	<u>511</u>	<u>45</u>

The income tax charge represents the income tax payable to the statutory authority on the taxable profits of an overseas subsidiary.

The profits and the income of the companies incorporated in the Republic of Maldives are presently not liable for income tax.

8 Dividends

Dividends in respect of 2001 of Rf 105 (2000 - Rf 1,250,000) per share amounting to a total of Rf 111,934,200 (2000 - Rf 65,000,000) was declared at the Annual General Meeting held on 15th July 2002. These financial statements reflect this dividend declared, which has been accounted for under shareholders' equity as an appropriation of retained earnings in the year ended 31 December 2002.

The Board of directors has not proposed any dividends for the year ended 31st December 2002.

9 Earnings per Share

	Group		Company	
	2002	2001	2002	2001
Net profit attributable to shareholders	161,493	140,035	146,088	133,565
Weighted number of ordinary shares in issue	1,066	1,042	1,066	1,042
Basic earnings per share	151.49	134.39	137.04	128.18

STATE TRADING ORGANIZATION PLC AND THE GROUP
Consolidated financial statements - 31 December 2002

10 Property, plant and equipment - Company	Building	Plant & machinery	Vessel and fleet	Motor vehicle	Dumpers, payloaders & air conditioners	Office equipment & fittings	Furniture & fittings	Other assets	Total
Year ended 31 December 2001									
Opening net book amount	88,047	276	15,461	1,699	308	2,862	112	78	108,843
Additions	18,660	1,593	4,963	1,843	239	439	236	133	28,106
Disposals	(483)	-	(652)	(491)	-	-	-	-	(1,626)
Transfer	-	-	-	-	-	-	-	-	-
Depreciation charge (Note 4)	(15,045)	(760)	(7,041)	(945)	(233)	(1,866)	(141)	(47)	(26,078)
Closing net book amount	91,179	1,109	12,731	2,106	314	1,435	207	164	109,245
At 31 December 2001									
Cost	189,239	5,238	36,529	12,511	2,029	11,259	1,146	1,112	259,063
Accumulated depreciation	(98,060)	(4,129)	(23,798)	(10,405)	(1,715)	(9,824)	(939)	(948)	(149,818)
Net book amount	91,179	1,109	12,731	2,106	314	1,435	207	164	109,245
Year ended 31 December 2002									
Opening net book amount	91,179	1,109	12,731	2,106	314	1,435	207	164	109,245
Additions	3,969	470	2,996	4,209	138	1,326	75	63	13,246
Disposals	(29)	(171)	(494)	(351)	(3)	(41)	(14)	(16)	(1,119)
Transfer	36,611	-	-	-	-	-	-	-	36,611
Depreciation charge (Note 4)	(16,863)	(735)	(6,409)	(869)	(201)	(1,464)	(170)	(56)	(26,767)
Closing net book amount	114,867	673	8,824	5,095	248	1,256	98	155	131,216
At 31 December 2002									
Cost	227,026	5,251	29,843	14,205	1,795	9,019	1,270	1,492	289,901
Accumulated depreciation	(112,159)	(4,578)	(21,019)	(9,110)	(1,547)	(7,763)	(1,172)	(1,337)	(158,685)
Net book amount	114,867	673	8,824	5,095	248	1,256	98	155	131,216

- a) The buildings have been constructed on land belonging to the Government of Maldives for which a rental of Rf 1 per sqft per month is paid with effect from 2002. There is no lease agreement and accordingly no definite period of lease is identified. Under these circumstances, the Directors have considered it prudent, to provide depreciation in accordance with accounting policy number 8 at 5 to 50 percentage per annum on buildings.
- b) The value of fully depreciated assets at the balance sheet date amounted to Rf 157,403,880 (2001 - Rf 50,856,667).

Notes to the financial statements continued on page 31.

PricewaterhouseCoopers

STATE TRADING ORGANIZATION PLC AND THE GROUP
Consolidated financial statements - 31 December 2002

10 Property, plant and equipment - Group	Building	Plant & machinery	Motor vehicle	Vessel and fleet equipment	Office equipment	Furniture & fittings	Dumpers, payloaders & air conditioners	Silos	Other assets	Total
Year ended 31 December 2001										
Opening net book amount	92,546	19,277	1,700	15,598	3,211	2,168	366	3,589	314	138,769
Additions	21,586	5,136	3,404	6,907	1,209	557	239	-	260	39,298
Disposals	(483)	-	(491)	(652)	-	(5)	-	-	-	(1,631)
Depreciation charge (Note 4)	(15,576)	(1,810)	(1,121)	(7,453)	(2,190)	(498)	(260)	(1,105)	(140)	(30,153)
Closing net book amount	98,073	22,603	3,492	14,400	2,230	2,222	345	2,484	434	146,283
At 31 December 2001										
Cost	196,922	24,820	14,077	38,656	12,878	4,075	2,251	5,798	1,547	301,024
Accumulated depreciation	(98,849)	(2,217)	(10,585)	(24,256)	(10,648)	(1,853)	(1,906)	(3,314)	(1,113)	(154,741)
Net book amount	98,073	22,603	3,492	14,400	2,230	2,222	345	2,484	434	146,283
Year ended 31 December 2002										
Opening net book amount	98,073	22,603	3,492	14,400	2,230	2,222	345	2,484	434	146,283
Additions	46,496	19,092	4,706	5,786	1,724	551	214	-	627	79,196
Disposals	(29)	(171)	(351)	(607)	(48)	(14)	(3)	-	(17)	(1,240)
Depreciation charge (Note 4)	(18,001)	(5,520)	(1,046)	(6,998)	(1,880)	(602)	(228)	(276)	(358)	(34,909)
Closing net book amount	126,539	36,004	6,801	12,581	2,026	2,157	328	2,208	686	189,330
At 31 December 2002										
Cost	243,389	43,741	18,432	43,835	14,554	4,612	2,435	5,798	2,157	378,953
Accumulated depreciation	(116,850)	(7,737)	(11,631)	(31,254)	(12,528)	(2,455)	(2,107)	(3,590)	(1,471)	(189,623)
Net book amount	126,539	36,004	6,801	12,581	2,026	2,157	328	2,208	686	189,330

a) The buildings have been constructed on land belonging to the Government of Maldives for which a rental of Rf 1 per sqft per month is paid with effect from 2002.

There is no lease agreement and accordingly no definite period of lease is identified. Under these circumstances, the Directors have considered it prudent, to provide depreciation in accordance with accounting policy number 8 at 5 to 50 percentage per annum on buildings.

b) The value of fully depreciated assets at the balance sheet date amounted to Rf 157,403,880 (2001 - Rf 50,856,667).

Notes to the financial statements continued on page 32.

PricewaterhouseCoopers

11 Capital Works in Progress

	Group		Company	
	2002	2001	2002	2001
Opening net book amount	40,711	15,789	29,831	13,590
Additions during the year	40,563	37,239	26,190	28,557
Disposals during the year	(1,520)	-	(1,520)	-
Capitalised during the year	(36,611)	(12,317)	(36,611)	(12,316)
Closing net book amount	<u>43,143</u>	<u>40,711</u>	<u>17,890</u>	<u>29,831</u>

Capital work - in - progress, which are capitalized as property, plant and equipment on the basis of work certified, represents the cost of raw material used and labour cost incurred on capital projects.

12 Goodwill

The negative goodwill represents the gain arising on the acquisition of assets and liabilities of a subsidiary company, Maldives Gas Private Limited on 31 December 2002 by the Group.

Year ended 31 December 2002

Opening net book amount	-
Acquisition of a subsidiary (Note 28)	(1,819)
Write back (Note 27)	<u>1,819</u>
Closing net book amount	<u>-</u>

As at 31 December 2002

Cost	(1,819)
Accumulated write back	<u>1,819</u>
Net book amount	<u>-</u>

13 Investments in subsidiaries

	Company	
	2002	2001
Opening net book amount	991	991
Additions	1,276	-
Change in status of joint venture to a subsidiary	61,200	-
Closing net book amount	63,467	991

Additional shares of a joint venture company viz., Maldives Gas Private Limited were acquired during the year, resulting in the joint venture company becoming a subsidiary with effect from 31 December 2002.

The principal subsidiary undertakings, all of which are unlisted, are:

	% Interest held	2002	2001
Maldives Gas Private Limited	90	61,200	-
Allied Insurance Company of the Maldives Private Limited	100	807	807
STO Maldives (Singapore) Pte Limited	99.99	1,460	184
		63,467	991

Allied Insurance Company of the Maldives Private Limited and Maldives Gas Private Limited, incorporated in the Republic of Maldives, are engaged in the provision of insurance services and supply and distribution of cooking gas respectively, while STO Maldives (Singapore) Pte Limited, a company incorporated in Singapore, is engaged in international trading of commodities.

14 Investments in jointly controlled entities

	Company	
	2002	2001
Opening net book amount	38,710	19,412
Acquisition of shares by cash	39,232	21,217
Acquisition of shares in exchange of property, plant and equipment	1,968	-
Share of result of joint venture	(265)	(1,919)
Change in status of joint venture to a subsidiary	(61,200)	-
Closing net book amount	18,445	38,710

Additional shares of a joint venture company viz., Maldives Gas Private Limited were acquired during the year resulting which, the joint venture company became a subsidiary with effect from 31 December 2002.

The principal joint venture undertakings, all of which are unlisted, are:

	Interest held	Company	
		2002	2001
(a) Maldives Gas Private Limited	50%		
Cost of investment		19,275	19,275
Additions during the year		41,200	-
Earlier diminution brought back		725	-
Change in status of joint venture to a subsidiary		(61,200)	-
Net investment		-	19,275
(b) Lafarge Maldives Cement Pvt Ltd	25%		
Cost of investment		5,036	135
Additions during the year		-	6,319
Net share of results		(1,491)	(1,418)
Net investment		3,545	5,036
(c) Maldives structural Products Pvt Ltd	50%		
Cost of investment		4,199	4,700
Earlier diminution brought back		501	-
Net share of results		-	(501)
Net investment		4,700	4,199
(d) Fuel Supplies Maldives Pvt Ltd	66.67%		
Cost of investment		10,200	10,200
Net investment		10,200	10,200
Total investments		18,445	38,710

All jointly controlled entities have been incorporated in the Republic of Maldives. Lafarge Maldives Cement Private Limited is engaged in the processing and sales of cement in the local market, Maldives Structural Products Private Limited is engaged in the business of manufacturing and trading of structural products and Fuel Supplies Maldives Private Limited is engaged in trading in fuel and lubricants in the local market.

15 Other Investments

	Group		Company	
	2002	2001	2002	2001
Maldives Industrial Fisheries Company Limited	38,100	38,100	38,100	38,100
Bank of Maldives Plc.	2,389	2,389	2,389	2,389
	40,489	40,489	40,489	40,489

a) Maldives Industrial Fisheries Company Limited (MIFCO)

MIFCO, which is incorporated in the Republic of Maldives, is engaged in the business of processing, selling and exporting Tuna and other fish products.

The Directors of the Company, which holds a 20% interest in MIFCO, do not exert significant influence on the operations of the latter company. For this reason MIFCO is not considered an associate of the Company and the investment in the investee entity is therefore shown at cost.

b) Bank of Maldives Plc

Bank of Maldives Plc, which is incorporated in the Republic of Maldives and is a listed Company engaged in the business of providing banking services. The Company holds 5% interest in the share capital of Bank of Maldives (Plc) Limited.

16 Non-current receivables

	Group		Company	
	2002	2001	2002	2001
Finance leases - gross investment	-	4,098	-	4,098
Unearned finance income	-	(920)	-	(920)
	-	3,178	-	3,178
Loan to a jointly controlled entity [Note 29 (v)]	-	-	5,319	25,783
Other Loans	3,989	10,162	-	-
	3,989	13,340	5,319	28,961



a) The current receivables relating to the above items are shown in Note 18. All non-current receivables are due within 10 years from the balance sheet date. The weighted average interest rates on receivables (current and non-current) were as follows:

	Group		Company	
	2002	2001	2002	2001
Lease receivables	5% - 8%	5% - 8%	5% - 8%	5% - 8%
Loan to a jointly controlled entity	9%	9%	9%	9%

B) Finance lease receivables (where the group Company is a lessor):

	Group		Company	
	2002	2001	2002	2001
Gross investment in finance leases:				
Not later than 1 year (Note 18)	-	623	-	623
Later than 1 year and not later than 5 years	-	2,490	-	2,490
Later than 5 years	-	1,608	-	1,608
	-	4,721	-	4,721
Unearned future finance income on finance leases	-	(1,190)	-	(1,190)
Net investment in finance leases	-	3,531	-	3,531
Representing:				
- current receivable	-	353	-	353
- non-current receivables	-	3,178	-	3,178
	-	3,531	-	3,531

The net investment in finance leases may be analysed as follows:

	Group		Company	
	2002	2001	2002	2001
Not later than 1 year	-	353	-	353
Later than 1 year and not later than 5 years	-	1,730	-	1,730
Later than 5 years	-	1,448	-	1,448
	-	3,531	-	3,531

c) Loans to a jointly controlled entity company represents non-current portion of the long-term loans given to Lafarge Maldives Cement Private Limited Rf 6,064,198. The loan given to Lafarge Maldives Cement Private Limited is unsecured, bears interest @ 9% per annum and is payable in ten equal half-yearly instalments commencing from June 2002. The loan in Group financial statements the loan advanced to a jointly controlled entity excluding the Group's share.

17 Inventories

	Group		Company	
	2002	2001	2002	2001
Finished goods	62	25	-	-
Raw material	974	1,432	-	-
Food stocks	17,639	21,989	17,639	22,014
Fuel gas and lubricant	40,707	22,885	39,891	21,112
Construction, electronics and others	59,417	53,585	53,980	53,585
Pharmaceuticals	9,142	9,190	9,143	9,191
Retail shops	20,130	19,581	20,130	19,581
Consumables	-	420	-	-
Goods in transit	17,215	-	16,944	-
	165,286	129,107	157,727	125,483

Inventories at a minimum value of Rf 77,100,000 have been pledged as security for borrowings.

18 Receivables and prepayments

	Group		Company	
	2002	2001	2002	2001
Finance lease – gross investment (Note 16)	-	623	-	623
Unearned finance income	-	(270)	-	(270)
	-	353	-	353
Trade receivables	120,478	125,439	42,730	37,540
Prepayment	3,321	482	-	-
Loans to jointly controlled entities [Note – 29 (v)]	-	-	997	605
Receivables from related parties [Note 29 (iv)]	20,766	43,705	114,257	124,217
Other receivables [see note (a) below]	76,386	80,337	38,493	56,847
	220,951	250,316	196,477	219,562

(a) Other accounts receivable is made up as follows:

	Group		Company	
	2002	2001	2002	2001
Government employees credit scheme	11,039	9,976	11,039	9,976
Staff advances and other loans	2,913	2,632	2,913	2,621
Advances to purchase Dollars	20,082	30,607	20,082	30,607
Advance paid to suppliers	2,217	13,304	2,217	13,304
Receivables from sale of capital assets	-	-	1,024	-
Others	40,135	23,818	1,218	339
	<u>76,386</u>	<u>80,337</u>	<u>38,493</u>	<u>56,847</u>

19 Cash and cash equivalents

	Group		Company	
	2002	2001	2002	2001
Cash at bank and in hand	110,451	92,674	71,131	60,314
Short term bank deposits	68,092	14,106	60,166	10,266
	<u>178,543</u>	<u>106,780</u>	<u>131,297</u>	<u>70,580</u>

The weighted average effective interest rate on short term bank deposits was 6.65% (2001 - 6.65%).

For the purposes of the cash flow statement, the year end cash and cash equivalents comprise the following:

	Group		Company	
	2002	2001	2002	2001
Cash and bank balances	178,543	106,780	131,297	70,580
Bank overdraft (Note 24)	(132,368)	(100,202)	(132,368)	(99,919)
	<u>46,175</u>	<u>6,578</u>	<u>(1,071)</u>	<u>(29,339)</u>

20 Ordinary shares & Share premium

	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2001	52	52,000	-	52,000
After conversion	1,040,000	52,000	-	52,000
Issue of shares	26,040	1,302	6,510	7,812
	<u>1,066,040</u>	<u>53,302</u>	<u>6,510</u>	<u>59,812</u>
At 31 December 2001	<u>1,066,040</u>	<u>53,302</u>	<u>6,510</u>	<u>59,812</u>
At 31 December 2002	<u>1,066,040</u>	<u>53,302</u>	<u>6,510</u>	<u>59,812</u>

During 2001 share face value of Rf 1,000,000 was converted to shares of Rf 50 each. The total authorised number of ordinary shares is 1,155,555 shares (2001 – 1,155,555 shares) with a par value of Rf 50 per share (2001 – Rf 50 per share). All issued shares are fully paid.

21 Minority interests

	Group	
	2002	2001
At the beginning of the year	-	-
Share of capital	6,800	-
Share of retained earnings	584	-
	<u>7,384</u>	<u>-</u>
At the end of the year	<u>7,384</u>	<u>-</u>

22 Deferred income taxes

Deferred income taxes are calculated on all timing differences under the liability method using a principal tax rate of 24.5%.

The movement on the deferred income tax account is as follows:

	Group	
	2002	2001
At beginning of the year	15	-
Income statement credit	1	15
	<u>16</u>	<u>15</u>
At end of year	<u>16</u>	<u>15</u>

23 Trade and other payables

	Group		Company	
	2002	2001	2002	2001
Trade payables	71,470	67,640	59,453	39,050
Dividend payable	2,610	-	569	-
Amounts due to related parties [Note 29 (iv)]	-	-	13,913	1,491
Accrued expenses	13,912	5,594	6,932	2,758
Other payables	20,033	16,158	6,459	13,806
	<u>108,025</u>	<u>89,392</u>	<u>87,326</u>	<u>57,105</u>

24 Borrowings

	Group		Company	
	2002	2001	2002	2001
Current				
Bank overdraft (Note 19)	132,368	100,202	132,368	99,919
Bank borrowings	31,219	29,568	31,219	29,568
Other borrowings	990	-	-	-
	<u>164,577</u>	<u>129,770</u>	<u>163,587</u>	<u>129,487</u>
Non-current				
Other borrowings	3,958	-	-	-
Total borrowings	<u>168,535</u>	<u>129,770</u>	<u>163,587</u>	<u>129,487</u>

All bank overdrafts are secured on a government guarantee. The bank borrowings are secured over inventories of the Company at a minimum value of Rf 77,100,000.

The interest exposure of the borrowings of the Company was as follows:

	Group		Company	
	2002	2001	2002	2001
Total borrowings:				
- at fixed rates	-	-	-	-
- at floating rates	168,535	129,770	163,587	129,487
	<u>168,535</u>	<u>129,770</u>	<u>163,587</u>	<u>129,487</u>

Weighted average effective interest rates:

	Group		Company	
	2002	2001	2002	2001
- bank overdrafts	13%	13%	13%	13%
	New York prime		New York prime	
- bank borrowings	+1.5% per	+1.5% per	+1.5% per	+1.5% per
	annum	annum	annum	annum

25 Contingencies

Contingent Liabilities

At 31 December 2002 the Group had contingent liabilities in respect of unexpired policies of the insurance segment, which are as follows:

	2002	2001
Marine cargo	17,000	20,915
Marine hull	39,500	30,912
Fire and accident	122,500	99,718
Motor vehicle	3,200	-
	182,200	151,545

The Group had a contingent liability in respect of letters of credit amounting to Rf 4,734,646 (2001 - Nil)

There were no other material contingent liabilities outstanding at the balance sheet date.

Contingent assets

There were no material contingent assets recognised at the balance sheet date.

26 Commitments

Capital commitments

As at the balance sheet date the Group has entered into a contract valued at Rf 1,049,458 for the construction of a drive in petrol shed. There were no other material capital commitments outstanding at the balance sheet date.

Financial commitments

There were no financial commitments outstanding at the balance sheet date.



27 Cash generated from operations

	Group		Company	
	2002	2001	2002	2001
Profit before tax	162,004	140,080	146,088	133,565
Adjustments for:				
Depreciation (Note 10)	34,909	30,153	26,767	26,078
Negative goodwill written back (Note 12)	(1,819)	-		
Profit on sale of property, plant and equipment (Note 4)	(2,669)	(6,293)	(2,669)	(6,293)
Interest received (Note 6)	(5,674)	(5,762)	(5,212)	(5,062)
Interest paid (Note 6)	14,730	20,459	14,130	19,701
Dividend income (Note 6)	(517)	(517)	(9,887)	(10,257)
Capital reserve	-	1,720	-	-
Share of result of jointly controlled entities	-	-	265	1,920
Changes in working capital:				
- trade and other receivables	16,570	(74,600)	16,321	(54,913)
- inventories	(41,145)	7,714	(40,278)	9,888
- payables	14,398	(32,600)	29,652	(52,881)
- Provision for bad & doubtful debts	15,264	5,368	6,764	2,368
- Provision for slow / non-moving inventory	8,034	9,056	8,034	9,056
Cash generated from operations	214,085	94,778	189,975	73,171

The principal non-cash transactions of the Company are the transfer of property, plant and equipment amounting Rf 1,968,390 to a subsidiary of the Company in consideration of acquisition of shares and conversion of a loan amounting Rf 20,324,070 to equity share capital of that subsidiary company.

The Principal non-cash transactions of the Group are the transfer of property, plant and equipment amounting Rf 984,195 to a subsidiary in consideration of acquisition of shares and conversion of a loan amounting Rf 10,162,035 to equity share capital of that subsidiary company.

28 Acquisition

On 31 December 2002, the Group acquired 40% of the share capital of Maldives Gas Private Limited, in which Group had 50% shareholding earlier making the Group holding 90% of the share capital of that Company.

Details of net assets acquired and goodwill are as follows:

Purchase consideration:

- Cash paid	30,054
- Conversion of loan to equity	10,162
- Fair value of assets disposed	984
Total purchase consideration	41,200
Fair value of net assets acquired	(43,019)
Goodwill (Note 12)	(1,819)

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	9,482
Property, plant and equipment	38,132
Inventories	3,068
Receivables	3,280
Payables	(3,559)
Minority interest (Note 21)	(7,384)
Fair value of net assets	43,019
Goodwill (Note 12)	(1,819)
Total purchase consideration	41,200
Less : Discharged by disposal of assets	(984)
Conversion of loan to equity	(10,162)
Cash and cash equivalents in subsidiary acquired	(9,482)
Cash outflow on acquisition	20,572

There were no acquisitions in 2001



29 Related party transactions

The following transactions were carried out by the company with related parties.

(i) Sale of goods and services

	Group		Company	
	2002	2001	2002	2001
Sale of goods:				
Maldives Industrial Fisheries Co. Ltd.	56,772	-	56,772	-
Bank of Maldives Plc.	125	-	125	-
Maldives Structural Products Pvt Ltd	-	-	14	-
Maldives Gas Private Limited	-	-	286	-
Fuel Supplies Maldives Private Ltd	-	-	486,107	446,353
Rainbow Enterprises Private Limited	6,983	1,614	-	-
	<u>63,880</u>	<u>1,614</u>	<u>543,304</u>	<u>446,353</u>
Sale of services:				
Lafarge Maldives Cement Private Limited (Interest)			583	787
Lafarge Maldives Cement Private Limited (Commission)	-	-	1,878	1,671
STO Maldives (Singapore) Pte Ltd			39	
Fuel Supplies Maldives Private Ltd	-	-	3,891	-
Maldives Gas Private Limited	-	-	15,725	-
Allied Insurance Company of the Maldives Private Limited	-	-	247	-
Bank of Maldives Plc.	324		324	-
	<u>324</u>	<u>-</u>	<u>22,687</u>	<u>2,458</u>

(ii) Purchase of goods and services

	Group		Company	
	2002	2001	2002	2001
Purchase of goods:				
Fuel Supplies Maldives Private Ltd	-	-	-	-
Lafarge Maldives Cement Pvt Ltd	-	-	21,940	23,237
Maldives Gas Private Limited	-	-	-	14,662
STO Maldives (Singapore) Pte Ltd	-	-	7,675	9,535
Rainbow Enterprises Private Limited	1,163	-	-	-
	<u>1,163</u>	<u>-</u>	<u>29,615</u>	<u>47,434</u>
Purchase of services:				
Allied Insurance Company of the Maldives Private Limited	-	-	1547	2023
	<u>-</u>	<u>-</u>	<u>1547</u>	<u>2023</u>

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(iii) Loans to related parties

	Group		Company	
	2002	2001	2002	2001
At the beginning of the year	-	-	26,388	12,826
Exchange fluctuation	-	-	584	-
Loan advanced during year	-	-	-	20,324
Conversion to share capital	-	-	(20,324)	-
Loan repayment received	-	-	(332)	(6,762)
	-	-	6,316	26,388

(iv) Outstanding balances arising from sale/purchase of goods/services

Receivables from related parties:

	Group		Company	
	2002	2001	2002	2001
Maldives Structural Products Pvt Ltd	-	-	3	531
Fuel Supplies Maldives Private Ltd	-	-	85,188	70,296
Allied Insurance Company of the Maldives Private Limited	-	-	5,264	5,314
STO Maldives (Singapore) Pte Ltd	-	-	2,624	3,736
Lafarge Maldives Cement Pvt Ltd	-	-	400	-
Maldives Industrial Fisheries Company Limited	20,729	43,705	20,729	42,959
Maldives Gas Private Limited	-	-	12	1,381
Bank of Maldives Plc	37	-	37	-
	20,766	43,705	114,257	124,217

Payable to related parties:

	Group		Company	
	2002	2001	2002	2001
Maldives Structural Products Pvt Ltd	-	-	1,152	-
Maldives Gas Private Limited	-	-	2,890	-
Allied Insurance Company of the Maldives Private Limited	-	-	11	-
Lafarge Maldives Cement Pvt Ltd	-	-	3,359	1,491
Fuel Supplies Maldives Private Ltd	-	-	6,501	-
	-	-	13,913	1,491



(v) Loans to jointly controlled entities

	Group		Company	
	2002	2001	2002	2001
Lafarge Maldives Cement Pvt Ltd	-	-	6,316	6,064
Maldives Gas Private Limited	-	-	-	20,324
	-	-	6,316	26,388
Representing:				
- current receivables (Note 18)	-	-	997	605
- non-current receivables (Note 16)	-	-	5,319	25,783
	-	-	6,316	26,388

30 Interests in jointly controlled entities

The following amounts represent the group's share of the assets and liabilities and revenue and expenses of jointly controlled entities and are included in the consolidated balance sheet and income statement.

	Group	
	2002	2001
Non-current assets	22,541	32,298
Current assets	62,836	71,183
	85,377	103,481
Long term borrowings	(3,958)	-
Current liabilities	(8,318)	(32,256)
	(12,276)	(32,256)
Net assets	73,101	71,225
Sales	355,189	242,955
Net profit / (loss)	106,334	1,798

31 Post balance sheet events

Subsequent to the balance sheet date, one of the Group Company's vessels, "Vara 9" has been destroyed due to fire. The net book value of the vessel as at the balance sheet date is Rf 670,411, for which no adjustments have been made in these financial statements.

حسابداری کے شعبے - 2002ء کی صورتیں اور سالانہ رپورٹ

(تعمیراتی صورتیں)

درجہ اول

تعمیراتی صورتیں		تعمیراتی صورتیں		تعمیراتی صورتیں	
2,001	2,002	2,001	2,002	تعمیراتی صورتیں	تعمیراتی صورتیں
109,245	131,216	146,283	189,330	10	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
29,831	17,890	40,711	43,143	11	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
991	63,467	-	-	13	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
38,710	18,445	-	-	14	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
40,489	40,489	40,489	40,489	15	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
28,961	5,319	13,340	3,989	16	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
248,227	276,826	240,823	276,951		
درجہ اول					
125,483	157,727	129,107	165,286	17	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
219,562	196,477	250,316	220,951	18	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
70,580	131,297	106,780	178,543	19	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
415,625	485,501	486,203	564,780		
663,852	762,327	727,026	841,731		
درجہ اول					
درجہ اول					
53,302	53,302	53,302	53,302	20	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
6,510	6,510	6,510	6,510	20	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
176,634	176,634	178,354	178,354		
240,814	274,968	267,797	317,356		
477,260	511,414	505,963	555,522		
-	-	-	7,384	21	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
-	-	1,820	1,713		
-	-	-	3,958	24	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
-	-	15	16	22	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
-	-	1,835	5,687		
درجہ اول					
57,105	87,326	89,392	108,025	23	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
-	-	66	536		
129,487	163,587	129,770	164,577	24	تعمیراتی صورتیں اور تعمیراتی صورتیں اور تعمیراتی صورتیں
186,592	250,913	219,228	273,138		
186,592	250,913	221,063	286,209		
663,852	762,327	727,026	841,731		

گزارش عملکرد ورزشی سال ۱۳۸۲

در سال گذشته در رشته ورزشی کشتی، تیم ملی کشتی آزاد و تیم ملی کشتی فرنگی در مسابقات جهانی کشتی آزاد و کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز و نقره را به دست آورند. همچنین تیم ملی کشتی فرنگی در مسابقات جهانی کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز را به دست آورند. همچنین تیم ملی کشتی آزاد در مسابقات جهانی کشتی آزاد که در شهر استانبول برگزار شد، موفق شدند مدال نقره را به دست آورند.

سال ۲۰۰۳ و سال ۱۳۸۲ در رشته ورزشی کشتی، تیم ملی کشتی آزاد و تیم ملی کشتی فرنگی در مسابقات جهانی کشتی آزاد و کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز و نقره را به دست آورند.



تیم ملی والیبال در مسابقات جهانی

سازمان ورزشی

سال ۲۰۰۲ و سال ۱۳۸۱ در رشته ورزشی کشتی، تیم ملی کشتی آزاد و تیم ملی کشتی فرنگی در مسابقات جهانی کشتی آزاد و کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز و نقره را به دست آورند. همچنین تیم ملی کشتی فرنگی در مسابقات جهانی کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز را به دست آورند. همچنین تیم ملی کشتی آزاد در مسابقات جهانی کشتی آزاد که در شهر استانبول برگزار شد، موفق شدند مدال نقره را به دست آورند.

گزارش عملکرد ورزشی سال ۱۳۸۲ در رشته ورزشی کشتی، تیم ملی کشتی آزاد و تیم ملی کشتی فرنگی در مسابقات جهانی کشتی آزاد و کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز و نقره را به دست آورند.



تاسیسات صنعتی در شهر اهواز

در رشته ورزشی کشتی، تیم ملی کشتی آزاد و تیم ملی کشتی فرنگی در مسابقات جهانی کشتی آزاد و کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز و نقره را به دست آورند. همچنین تیم ملی کشتی فرنگی در مسابقات جهانی کشتی فرنگی که در شهر استانبول برگزار شد، موفق شدند مدال برنز را به دست آورند. همچنین تیم ملی کشتی آزاد در مسابقات جهانی کشتی آزاد که در شهر استانبول برگزار شد، موفق شدند مدال نقره را به دست آورند.

ފުއަދުވާލުކުރި 4 ގަޑިއިރުގެ ރަސްމީ ފުއަދުވާލުކުރުމުގެ ސަބަބުން

2002	2001	2000	1999	
ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	
1,339,083	1,271,461	1,271,219	1,042,152	ފުއަދުވާލުކުރުމުގެ ތަން
262,045	239,141	190,975	190,692	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން
19.57	18.80%	15.02%	18.30%	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން %
146,088	133,565	70,932	116,411	ސަރުކާރުގެ ފުއަދުވާލުކުރުމުގެ ތަން
-	111,934	65,000	87,308	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން

ފުއަދުވާލުކުރި 4 ގަޑިއިރުގެ ރަސްމީ ފުއަދުވާލުކުރުމުގެ ސަބަބުން

2002	2001	2000	1999	
ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	ޓަލަފުގެ ރަށުގެ ތަން	
3,519,166	1,514,416	1,373,486	1,126,402	ފުއަދުވާލުކުރުމުގެ ތަން
315,193	274,503	201,939	193,234	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން
173,154	161,410	81,882	120,275	ރަސްމީ ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން
161,493	140,035	70,106	113,547	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން
555,522	505,963	358,216	353,110	ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން



ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން ފުއަދުވާލުކުރުމުގެ ތަން



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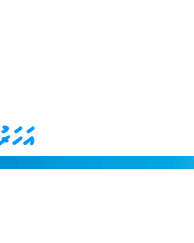
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2	کتابخانه و مراکز فرهنگی و تفریحی
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2	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
2	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
2	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
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4	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
5	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
5	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
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7	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
12	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی
13	مراکز فرهنگی و هنری و مراکز فرهنگی و تفریحی

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ދިވެހިސަރުކާރުގެ ގެޒެޓް ގައި ބަޔާންކޮށްފައިވާ ގޮތުން

ސޯޕްޕްލައިގެ ޖެނެރަލް ޕްރޮޑިއުސަރ ގެޒެޓް ގައި ބަޔާންކޮށްފައިވާ ގޮތުން، 7 ރަވީޑް ރިސޯޕްޓަރ، ފަންޓް، ވިލްވަރުކަލަންޖެ.
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