Report No: FIN-2020-37 (E)

16 August 2020

FAHI DHIRIULHUN CORPORATION LIMITED

25 MARCH 2019 – 31 DECEMBER 2019

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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF FAHI DHIRIULHUN CORPORATION LIMITED

Opinion

We have audited the financial statements of Fahi Dhiriulhun Corporation Limited (the "Company") which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards (IFRS).

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS), 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 Company's financial reporting process.

Auditor's responsibilities for the audit of the 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 interim financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 m0anagement'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.

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

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.

16th August 2020

Hassan Ziyath
Auditor General

FAHI DHIRIULHUN CORPORATION LIMITED
Statement of Comprehensive Income
for the period from 25 March 2019 to 31 December 2019
(in Maldivian Rufiyaa)

	Note	2019
Revenue	4	-
Cost of Sales	5	-
Gross Profit		-
Other Income	6	190,968
Selling and Distribution Expenses		-
Administrative costs	7	(3,309,307)
Operating Profit/(loss)		**(3,118,339)**
Finance Income		-
Finance Cost		-
Net Finance Costs		**-**
Profit/(Loss) before taxes		**(3,118,339)**
Business profit tax	8	-
Profit/ (Loss) for the Period		**(3,118,339)**
Loss per Share	9	**(5.16)**

FAHI DHIRIULHUN CORPORATION LIMITED
Statement of Financial Position as of 31 December 2019
(in Maldivian Rufiyaa)

	Note	2019
Assets		
Property plant and equipment	10	707,037
Intangible Assets	11	17,376
Deferred Tax Assets		-
Non-current Assets		**724,413**
Inventories	12	-
Trade and other receivables	13	280,118
Cash and cash equivalent	14	1,953,327
Total current assets		2,233,445
Total Assets		**2,957,858**
Equity		
Share capital	15	6,043,520
Retained earning	16	(3,118,339)
Total Equity		**2,925,181**
Liabilities		
Loans and borrowing		-
Total Non-Current Liabilities		**-**
Trade and other payables	17	32,677
Total current liabilities		**32,677**
Total liabilities		**32,677**
Total equity and liabilities		**2,957,858**

The Financial Statements were approved by the Board of Directors and signed on its behalf by:

Name of the Director: **Signature**
15 August 2020

Mohamed Azim ....

Salfiyya Anwar ....

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FAHI DHIRIULHUN CORPORATION LIMITED
Statement of Changes in Equity
For the Period from 25 March 2019 to 31 December 2019

	Notes	Share Capital	Reserves	Retained Earnings	Total
Balance as at 25 March 2019		-	-	-	-
Net Profit/(loss) for the Year ended	16			(3,118,339)	**(3,118,339)**
Additions	15	6,043,520			**6,043,520**
Transfer to Reserves			-		
Balance as at 31 December 2019		**6,043,520**	**-**	**(3,118,339)**	**2,925,181**

FAHI DHIRIULHUN CORPORATION
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FAHI DHIRIULHUN CORPORATION LIMITED
Cash flow Statement for the period ended 31 December 2019
(in Maldivian Rufiyaa)

	2019
Profit for the Period	(3,118,339)
Adjustments for:	
Depreciation & amortization	40,490
	(3,077,849)
Changes in:	
Inventories	-
Trade and other receivables	(280,118)
Trade and other payables	32,677
Cash flow from operating activities	**(247,441)**
Interest Paid	-
Business profit tax paid	-
Net cash from operating activities	**(3,325,290)**
Cash flow from investing activities	
Acquisition of property, plant and equipment	(764,903)
Net cash used in investing activities	**(764,903)**
Cash flow from financing activities	
Proceeds from issue of share capital	6,043,520
Net cash from financing activities	**6,043,520**
Net increase/ decrease in cash and cash equivalent	**1,953,327**
Cash and cash equivalent at beginning	-
Cash and cash equivalents at 31 December 2020	**1,953,327**

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FAHI DHIRIULHUN CORPORATION
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1. REPORTING ENTITY

Fahi Dhiriulhun Corporation Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives. The Company was incorporated on 25 March 2019 as a limited liability Company under Presidential Decree No. 02/2019 with its registered office at Ministry of Housing and Urban Development, Ameenee Magu, Male', the Republic of Maldives.

The Government of Maldives holds 100% shares of the Company.

The purpose of the company is to provide and carry out various classes of housing projects, at an affordable price, under a single roof in order to provide a better standard of living for the citizens of the Maldives.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2.2 Basis of Measurement

These financial statements have been prepared on the historical cost basis except assets and liabilities which are stated as their fair value except for the Investment property accounting policy as disclosed under note 3.5.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All amounts have been rounded to the nearest Rufiyaa, unless otherwise indicated.

2.4 Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the respective notes.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements, except if mentioned otherwise.

3.1 Transactions in foreign currencies

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

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

3.2 Financial instruments

3.2.1 Financial Assets (Non-derivative)

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

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

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

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

1. Receivables
2. Cash and Cash Equivalents

3.2.1.1 Receivables

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

Receivables comprise trade and other receivables and amounts due from related parties.

3.2.1.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, bank balances and term deposits with original maturities of three months or less.

3.2.2 Financial liabilities (Non-derivative)

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

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

The Company has non-derivative financial liabilities such as trade and other payables, amount due to related parties and borrowings. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3.3 Share Capital

3.3.1 Ordinary Shares

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

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

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

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

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

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

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3.4.2 Subsequent Costs

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

3.4.3 Depreciation

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

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

Buildings	20 years
Furniture and Fittings	05 years
Computers and Office Equipment	05 years
Vehicles	10 years
Plant and Machinery	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The charge for the depreciation commences from the month in which the Property, Plant and equipment are recognized in profit or loss as incurred.

3.4.4 Capital Work in Progress

Capital work in progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects. Capital work in progress is not depreciated until its completion of construction and the asset is put into use upon which the cost of completed construction works is transferred to the appropriate category of property, plant and equipment.

3.5 Intangible Assets

3.5.1 Recognition and Measurement

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

3.5.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

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3.5.3 Amortization

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

Computer Software	05 years

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

3.6 Inventories

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

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

In the case of construction working progress cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on the normal operating capacity.

3.7 Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.
An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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3.8 Employee Benefits

A defined contribution plan is a post-employment benefit plan under which company makes a fixed contribution. The company pays 7% fixed contributions to employee provident fund. Contributions are made for all Maldivian staff members on their last agreed basic salary. The obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

3.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.10 Borrowing Costs

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

3.11 Interest – Bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.12 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale or lease of residential, in the ordinary course of the Company's activities.

3.13 Events Occurring After the Reporting Date

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

3.14 Operating Expenses

All operating expenses incurred in the running of the Company and in maintaining the capital assets in a state of efficiency has been charged to the profits or loss for the year. Expenses incurred for the purpose of acquiring, expending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the Company have been treated as capital expenses.

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3.15 Tax Expense

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

3.15.1 Current tax

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

3.15.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
A deferred tax assets are recognized for temporary difference to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided.

3.16 Determination of fair values

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

3.16.1 Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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i- Trade and other receivables

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

ii- Financial liabilities (Non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

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	2019
4 Revenue	-
5 Cost of Sales	-
6 Other Income- Miscellaneous	
Income from renting extra office space	190,968
Total	**190,968**
7 Administrative costs	
Personnel Cost **(Note 7.1)**	1,828,402
Office Rent	581,264
Consultancy	246,027
Trade fees	257,730
Travelling	95,539
Utilities	71,614
Miscellaneous Expenses	64,967
Printing & Office Supplies	55,122
Depreciation & Amortisation **(Note 10 & 11)**	40,490
Small Tools & Equipments	33,944
General Advisterment	11,164
Training	8,000
Bank Charges	1,388
Other General Administrative Expenses	13,656
	3,309,307
7.1 Personnel Cost	
Staff Salaries and Allowances	1,201,797
Ramadan Allowance	3,000
Employee Pension Contributions	55,851
Board Remuneration and Fees	567,754
	1,828,402

FAHI DHIRIULHUN CORPORATION — C03132019 —

8 Income tax expense

	2019
	MVR
Tax on business profit (8.1)	-
Deferred tax on temporary differences (8.3)	-
Income tax expense reported in the income statement	

In accordance with the provisions of the Business Profit Tax Act No.5 of 2011, the relevant regulations and subsequent amendments thereto, the Company is liable for Business Profit Tax on its taxable profits at the rate of 15%. However, no tax provision has been recognized since the Company has incurred tax loss for the year.

8.1 Tax on business profit

Business Profit Tax Act No. 05/2011. A reconciliation between tax expense and the product of accounting profit multiplied by Maldives's domestic tax rate for the year ended 31 December 2019 is as follows:

	2019
	MVR
Loss before tax	(3,118,339)
Add: Depreciation charge for the period	40,490
Other disallowable expenses	1,059,899
Less: Capital allowances	6,269
Other allowable expenses	(76,301)
Taxable loss before adjustments	(2,087,982)
Apportioned loss	-
Less: Tax free allowance(MVR 500,000)	(386,301)
Total Taxable loss	-
Income tax on taxable profit @ 15%	-

8.2 Accumulated Tax Losses

	2019
	MVR
Loss carried forward from the previous tax year	-
Tax loss for the year of assessment	(2,087,982)
At the end of the year	**(2,087,982)**

8.3 Unrecognized Deferred Tax Asset

The deferred tax is arrived at by applying the income tax rate of 15% to the timing differences as at 31 December 2019.

	2019 MVR
Deferred tax asset (Note 8.4)	315,493
Deferred tax liability	-
Deferred tax asset as at 31 December	**315,493**

The deferred tax asset resulting from carried forwarded tax losses has not been recognised in these financial statements since it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

8.4 Deferred tax assets / (liability) are attributable to the following:

	2019 MVR
Deferred tax asset	
Loss before tax	(3,118,339)
Add: Disallowable expenses	1,079,939
Less: Allowable expenses	(62,120)
Tax based loss	(2,100,520)
15%	315,078
Deferred tax assets on tax losses	315,078
Net book value as per accounting base	724,413
Written down value as per tax base	727,179
Temporary difference	(2,766.00)
15%	415
Deferred tax asset on PPE	415

9 Loss Per Share

Loss for the period	(3,118,339)
Share Capital	6,043,520
value per share	10
Loss per share	**(5.16)**

10 Property, Plant and Equipment

Cost	Computer and Office Equip	Furniture, Fittings	2019
Balance at the beginning of the period	-	-	-
Additions during the year	419,597	327,331	746,928
Disposals during the year	-	-	-
Balance at the end of the period	**419,597**	**327,331**	**746,928**
Accumulated Depreciation			
Balance at the beginning of the period	-	-	-
Depreication charge for the period	18,122	21,769	39,891
Depreication on disposals	-	-	-
Balance at the end of the period	**18,122**	**21,769**	**39,891**
Net Book Value at the end of the Period	**401,475**	**305,562**	**707,037**

11 Intangible Assets

Cost	Software	2019
Balance at the beginning of the period	-	-
Additions during the year	17,975	17,975
Disposals during the year	-	-
Balance at the end of the period	**17,975**	**17,975**
Accumulated Depreciation		
Balance at the beginning of the period	-	-
Depreication charge for the period	599	599
Depreication on disposals	-	-
Balance at the end of the period	**599**	**599**
Net Book Value at the end of the Period	**17,376**	**17,376**

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		2019
12	**Inventory**	
		-
		-

13	**Trade and other receivables**	
	Prepaid Expenses	80,118
	Accounts Receivable	-
	Other current assets	200,000
		280,118

14	**Cash and cash equivalents**	
	Cash in Hand	6,168
	Balances with Banks	1,947,159
		1,953,327

The Company maintained all of its bank accounts at Bank of Maldives.

15 Share Capital

	Number of Shares	Ordinary Shares MVR
As at 31 December 2019	604,352	6,043,520

Authorised Share Capital comprises of MVR 1,000,000,000 (100million shares @ MVR 10/s

The issued and fully paid up share capital comprises of 604,352 ordinary shares of MVR 10/

The company is fully owned by the Government of Maldives

16	**Retained earnings**	
	Beginning Retained Earnings	-
	Net Income/ (Expenses)	(3,118,339)
	Ending Retained Earnings	**(3,118,339)**

17	**Trade and other payables**	
	Accounts payables	32,677
	Accrued Expenses	-
	Other current liabilities	-
		32,677

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18 Risk Management

Risk management is an ongoing process of identification, measurement and monitoring, and is subject to risk limits and internal controls as outlined in the Corporation's risk management policy. During the year, the Company has exposure to the following risks:

a. Liquidity risk
b. Operational risk

Risk management framework

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

Role of Audit Committee

The Board Audit committee reviews the effectiveness of the Company's risk management framework related to the identification, measurement, monitoring and controlling of risks. The committee also reviews and monitors the integrity of the Company's financial statements and financial reporting process and its systems of internal accounting and financial controls. In addition, the committee reviews, and challenges where necessary the consistency of, and any changes to, accounting policies. The committee reviews the compliance of the Company with legal and regulatory requirements including its disclosure requirements, controls, and procedures. Furthermore, the committee reviews the engagement of the external auditors and the evaluation of the independence, objectivity, and performance of the external auditors.

A. Liquidity Risk

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

	Less than 3 Months	3 to 12 months	1 to 05 years	more than 05 years	Total
Financial Assets					
Cash	1,953,327				1,953,327
Receivable			280,118		280,118
	1,953,327	-	280,118	-	2,233,445
Financial Liabilities					
Trade and Other Payables	32,677				32,677
	32,677	-	-	-	32,677
Maturity Gap	1,920,650	-	280,118	-	2,200,768
Cumulative Maturity Gap	1,920,650	1,920,650	2,200,768	2,200,768	

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B. Operational Risk

Operational risk Operational risk is the loss resulting from inadequate or failed internal processes, people, and systems or from external events. The Corporation manages and controls operational risk by identifying and controlling risks in all activities according to a set of pre-determined parameters by applying appropriate management policies and procedures.

Related Party Transactions

Government of Maldives is the 100% Shareholder of the Company. Transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organisations, collectively referred to as government entitites, are considered as related party transactions.

Name of the Related Party	Relationship	Nature of Transactions	Amount 2019	Amount Due From/to 2019
Maldives Fund Management Corporation	Government	Receivables	190,968	
	Affiliates	Receipts	(190,968)	-
Captial Market Development Authority	Government	Payables	6,000	
	Affiliates	Payments	(6,000)	
Dhiraagu	Government	Payables	29,983	
	Affiliates	Payments	(29,664)	319
Male' Water and Sewerage Company Pvt Ltd	Government	Payables	1,303	
	Affiliates	Payments	(1,303)	-
State Trading Organisation	Government	Payables	43,163	-
	Affiliates	Payments	(43,163)	-
State Electric Company Limited	Government	Payables	12,191	
	Affiliates	Payments	(9,296)	2,895
Waste Management Corporation Limited	Government	Payables	1,556	
	Affiliates	Payments	(1,188)	368

Transactions with Key Management Personnel

The Board of Directors and Managing Director are the members of the key management personnel. During the year end 31 December 2019, total remuneration paid to Directors including Managing Director was MVR 983,589/-

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Events after the Reporting Date

Termination of lease of office space

The Company has elected not to recognize right-of use asset and lease liability for the lease of its leased office space. The lease agreement was terminated on 31st July 2020. The term of this lease is 12 months. Hence, the company has recognized the lease payment associated with this lease as an expense on a straight-line basis over the lease term

Directors Responsibility

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

AUDITOR GENERAL'S OFFICE

FAHI DHIRIULHUN CORPORATION — C03132019 —

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