



Report No: FIN – 2022 – 08 (E)

01 February 2022

# MALDIVES FUND MANAGEMENT CORPORATION LIMITED FINANCIAL YEAR 2020



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AUDITOR GENERAL'S OFFICE

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## AUDITOR GENERAL'S REPORT

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF MALDIVES FUND MANAGEMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

#### Opinion

We have audited the financial statements of Maldives Fund Management Corporation Limited (the "Company") and consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statement of financial position as at 31<sup>st</sup> December 2020, the statement of comprehensive income, the statement of cash flows, statement of changes in equity for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information set out in pages 10 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### Company

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Group

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31<sup>st</sup> December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the Group's shareholders, as a body, in accordance with section 71 of the Companies Act No.10 of 1996. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we required to state to them in an auditor's report and for

no other purpose. Therefore, we do not accept or assume responsibility to anyone other than the Group's shareholders, for our audit work, for this report, or for the opinion's we have formed.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with 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/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group'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 financial statements.

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

- Identify and assess the risks of material misstatement of 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/Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's/Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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/Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

01 February 2022



Hussain Niyazy  
Auditor General



**MALDIVES FUND MANAGEMENT CORPORATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

	Note	Group		Company	
		2020	2019	2020	2019
Revenues	5	157,489	-	-	-
Cost of Sales	8	(185,721)	-	-	-
<b>Gross Profit/(Loss)</b>		<b>(28,232)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Personal Costs	7	(6,406,954)	(906,277)	(4,317,328)	(906,277)
Other operating expenses	9	(4,183,287)	(914,262)	(2,565,422)	(914,262)
<b>Results From Operating Activities</b>		<b>(10,618,473)</b>	<b>(1,820,539)</b>	<b>(6,882,750)</b>	<b>(1,820,539)</b>
Finance Cost	10	(486,609)	(46,008)	(350,751)	(46,008)
Finance Income	10	13,427	1,218	9,737	1,218
<b>Other Incomes</b>					
Grant Income	6	207,194	-	-	-
Gain on termination of lease	6	77,193	-	77,193	-
Gain on de-recognition on financial instruments	6	38,630	-	38,630	-
<b>Profit (Loss) Before Tax</b>		<b>(10,768,638)</b>	<b>(1,865,329)</b>	<b>(7,107,941)</b>	<b>(1,865,329)</b>
Income tax expenses		-	-	-	-
<b>Comprehensive income for the year</b>		<b>(10,768,638)</b>	<b>(1,865,329)</b>	<b>(7,107,941)</b>	<b>(1,865,329)</b>

The accounting policies and notes on pages 10 to 30 are an integral part of these financial statements.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

	Note	Group		Company	
		2020	2019	2020	2019
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	3,422,344	477,952	1,547,238	477,952
Right-of-use-assets	12	9,943,556	2,800,357	4,439,407	2,800,357
Investment in subsidiaries	13	-	-	14,999,500	-
Other Assets	14	237,773	74,297	87,923	74,297
<b>Total non-current assets</b>		<b>13,603,673</b>	<b>3,352,606</b>	<b>21,074,068</b>	<b>3,352,606</b>
<b>Current assets</b>					
Cash and cash equivalents	15	11,278,262	7,629,275	10,481,538	7,629,275
Trade and other receivables	16	40,432,918	-	46,362,507	-
<b>Total current assets</b>		<b>51,711,180</b>	<b>7,629,275</b>	<b>56,844,045</b>	<b>7,629,275</b>
<b>Total assets</b>		<b>65,314,853</b>	<b>10,981,881</b>	<b>77,918,113</b>	<b>10,981,881</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	17	8,285,712	2,305,425	3,758,961	2,305,425
<b>Total non-current liabilities</b>		<b>8,285,712</b>	<b>2,305,425</b>	<b>3,758,961</b>	<b>2,305,425</b>
<b>Current liabilities</b>					
Trade And Other Payables	18	533,392	534,891	15,152,118	534,891
Deferred Income	19	200,306	-	-	-
Lease Liabilities	17	1,693,101	470,583	743,994	470,583
<b>Total current liabilities</b>		<b>2,426,799</b>	<b>1,005,474</b>	<b>15,896,112</b>	<b>1,005,474</b>
<b>Equity</b>					
Share Capital	20	15,236,310	9,536,310	15,236,310	9,536,310
Share Premium	21	52,000,000	-	52,000,000	-
Retained Earnings		(12,633,968)	(1,865,329)	(8,973,270)	(1,865,329)
<b>Total equity</b>		<b>54,602,342</b>	<b>7,670,981</b>	<b>58,263,040</b>	<b>7,670,981</b>
<b>Total equity and liabilities</b>		<b>65,314,853</b>	<b>10,981,881</b>	<b>77,918,113</b>	<b>10,981,881</b>



**MALDIVES FUND MANAGEMENT CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

The accounting policies and notes on pages 10 to 30 are an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorized for issue on 30 January 2022 and signed on its behalf by;



Neeza Imad  
Chairperson



Hassan Manik  
Managing Director







# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## STATEMENT OF CASH FLOWS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

	Note	Group		Company	
		2020	2019	2020	2019
<b>Operating activities</b>					
Profit/ (Loss) before Tax	SCI	(10,768,639)	(1,865,329)	(7,107,941)	(1,865,329)
<b>Adjustment for:</b>					
Depreciation	11	1,329,267	96,564	960,147	96,564
Gain of de-recognition of Security Deposit	6	(38,630)		(38,630)	
Gain on Termination of Lease	6	(77,193)		(77,193)	
Interest Income	10	(13,427)	(1,218)	(9,737)	(1,218)
Interest Expenses	10	486,610	46,008	350,751	46,008
		<b>(9,082,012)</b>	<b>(1,723,975)</b>	<b>(5,922,603)</b>	<b>(1,723,975)</b>
<b>Changes in working capital:</b>					
Trade and other receivables	16	5,927,471	-	(2,118)	-
Trade And Other Payables	18	(5,934,590)	534,891	(382,273)	534,891
Deferred Income	19	200,306	-	-	-
<b>Net cash used in operations</b>		<b>(8,888,825)</b>	<b>(1,189,083)</b>	<b>(6,306,994)</b>	<b>(1,189,083)</b>
<b>Investing activities</b>					
Purchase of Property, Plant and Equipment	11	(3,450,167)	(477,952)	(1,495,633)	(477,952)
Proceeds from disposal of PPE		250,279	-	250,279	-
Loans to subsidiaries	16	-	-	(5,933,089)	-
Payment from security deposit derecognized		120,000		120,000	
Payment For Security Deposit		(380,000)	(120,000)	(140,000)	(120,000)
<b>Net cash used in investing activities</b>		<b>(3,459,888)</b>	<b>(597,952)</b>	<b>(7,198,443)</b>	<b>(597,952)</b>
<b>Financing activities</b>					
Interest Paid on lease	17	(486,610)	(46,008)	(350,751)	(46,008)
Payment Of Lease Liabilities	17	(788,390)	(73,992)	(564,249)	(73,992)
proceeds from issue of share capital	20	1,657,270	9,536,310	1,657,270	9,536,310
Proceeds from share premium	21	15,615,430	-	15,615,430	-
<b>Net cash generated from financing activities</b>		<b>15,997,700</b>	<b>9,416,310</b>	<b>16,357,700</b>	<b>9,416,310</b>



Net increase/ decrease in cash and cash equivalents	3,648,987	7,629,275	2,852,263	7,629,275
Cash and cash equivalents at beginning of the year	7,629,275		7,629,275	
<b>Cash and cash equivalents at end of the year</b>	<b>11,278,262</b>	<b>7,629,275</b>	<b>10,481,538</b>	<b>7,629,275</b>

The accounting policies and notes on pages 10 to 30 are an integral part of these financial statements.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 1. Reporting entity

#### 1.1 Corporate Information

Maldives Fund Management Corporation (MFMC) is a limited company incorporated on 26 June 2019 and domiciled in the Republic of Maldives. The registered address of the Corporation is Ministry of Finance, Ameene Magu, Male' 20379, Maldives.

The Corporation was formed by the virtue of presidential decree and Maldives fund management corporation limited was established with the aim of creating a company that assists in the mechanism of acquiring inexpensive finance options through fund structures for Maldivian investors and foreign investors under section 95 of the Maldives constitution act no 10/96 "the companies act of the republic of Maldives" and with the president's authority, by a presidential decree no 3/2019.

The Corporation was established with the responsibilities of fulfilling national goals of development through increasing private sector investment with the aid of the government, to increase the wealth of the country and to increase the strategic investments through managing the risks and profit ratios.

#### 1.2 Consolidated Financial Statements

The consolidated financial statements of the Group for the year ended 31 December 2020 include the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in investments in subsidiaries. The financial statements of all companies in the Group have a common financial year which ends on December 31. Maldives Fund Management Corporation Limited (MFMC) is the ultimate parent of the Group.

#### 1.3 Principal Activities and Nature of Business

Entity	Principal Business Activity
Maldives Fund Management Corporation Limited (MFMC)	The company is involved in acquiring finance through fund structures and holding investments.
MFMC Capital	MFMC Capital is holding company to co-hold and manage investment with Maldives Fund Management Corporation Limited.
Agro National Private Limited	AGRO National is involved in the agricultural business.

### 2. Basis of preparation

#### 2.1 Statement of Compliance

The financial statements of the corporation, which comprises of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and the



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

notes to financial statements have been prepared and presented in accordance with international financial reporting standards (“IFRS”).

### 2.2 Basis of measurement

The financial statements of the Maldives Fund Management Corporation have been prepared on the historical cost basis, except for financial instruments that are measured at fair value.

### 2.3 Functional and Presentation Currency

These financial statements are presented in Maldivian rufiyaa, which is also The Corporation’s functional currency. All financial information presented in Maldivian rufiyaa has been rounded to the nearest one except where otherwise indicated.

### 2.4 Materiality and Aggregation

In compliance with IAS 1 Presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions are also presented separately unless they are considered to be immaterial.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by accounting standards.

### 2.5 Business Consolidation

#### 2.5.1 Business Combination

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31<sup>st</sup> December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specially, the Group controls an investee if, and only if, the Group has;

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

when the Group obtains controls over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until

the date the Group ceases to control the subsidiary. Profit or loss and each component of the comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this result in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit and loss, Any investment retained is recognized at fair value.

The consolidated financial statement of the group include:

Company Name	Country of Incorporation	% of equity interest 2020
MFMC Capital Limited	Maldives	99.99%

### 3. Critical accounting estimates, assumptions 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.

Detailed information about each of the estimates and judgments is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

#### 3.1 Going Concern

The Board assessed the corporations' ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may be significant upon the corporations' ability to continue as a going concern and it does not intend either to liquidate or to cease operations of the corporation. Therefore, the Financial Statements are prepared on the going concern basis.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 3.2 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.

### 3.3 Depreciation of Property, Plant and Equipment

The Corporation assigns useful lives and residual values to property, plant and equipment bases on periodic studies of actual asset lives and the intended use of those assets. Changes in circumstances such as technological advances, prospective economic utilization and physical condition of the assets concerned could result in the actual useful lives differing from initial estimates. Where the corporation determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net carrying amount in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an assets residual value is reflected in the Corporation's financial statements when the change in estimate is determined.

### 3.4 Impairment of property, plant and equipment and intangible assets

The Corporation assesses the impairment of property , plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following:

- Obsolescence or physical damage
- Significant changes in technology and regulatory environments
- Significant under performance relative to expected historical or projected future operating results.
- Significant changes in the sue of its assets or the strategy for its overall business.
- Significant negative industry or economic trends; the identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating.

## 4. Significant Accounting Policies

### 4.1 Financial Instruments

#### (a) Financial assets (non-derivative)

#### Recognition and initial measurement



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

### Amortized Cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, The Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Business model assessment

The Corporation makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes: The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.





# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### **Assessment whether contractual cash flows are solely payments of principal and interest (SPI)**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. Liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, The Corporation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, The Corporation considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit The Corporation's claim to cash flows from specified assets (e.g. Non-recourse features).

### **Subsequent measurement and gains and losses**

#### **Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Financial assets at amortized cost comprise trade and other receivables, bank deposits and investment in fixed deposits.

#### **De-recognition of financial assets**

The corporation 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 which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

#### **(b) Financial liabilities (non-derivative)**

#### **Classification, subsequent measurement and gain and losses**

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which The Corporation becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for-trading, it is a derivative or it is designated as such



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The Corporation has the non-derivative financial liabilities such as trade and other payables and amounts due to related party. 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.

### De-recognition of financial liabilities

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, The Corporation 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.

### 4.2 Leases

The corporation adopted IFRS 16 - Leases, which introduces a single, on-balance sheet accounting model for lessees. As a result, the Corporation, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments

#### As a lessee

At inception of a contract, The Corporation assesses whether a contract is, or contains. A lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Corporation uses the definition of a lease in IFRS 16- Leases.

At commencement or on modification of a contract that contains a lease component, The Corporation allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property The Corporation has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, The Corporation's incremental borrowing rate. Generally, The Corporation uses its incremental borrowing rate as the discount rate. The Corporation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the followings:



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

- Fixed payments, including in substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that The Corporation is reasonably certain to exercise, lease payments in an optional renewal period if The Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless The Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate. If there is a change in The Corporation's estimate of the amount expected to be payable under a residual value guarantee, if The Corporation changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

### Right of Use Assets

The right-of-use asset is initially measured at cost comprising the followings:

- The amount of the initial amount of the lease liability
- Any lease payments made at or before the commencement date.
- Any initial Direct costs, and
- Any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to The Corporation by the end of the lease term or the cost of the right-of-use asset reflects that The Corporation will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

### Short-term leases and leases of low-value assets

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including it equipment. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 4.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks. Cash and cash equivalents are carried at amortized cost in the statement of financial position. Details of cash and cash equivalents are given in Note 15 to the financial statements.

### 4.4 Property plant and equipment

#### Recognition and measurement

Items of property, plant and equipment 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 and capitalized borrowing costs.

The estimated costs of dismantling and removing an asset and restoring the site on which it is located are also included in the cost of property, plant, and equipment. The corresponding obligation is recognized as a provision. 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.

#### 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 Corporation, 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.

#### Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Asset Category	Useful Years	Rate
Furniture and Fittings	10	10%
Office Equipment	5	20%
Plant and Equipment	10	10%



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

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Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. In the year of purchase, assets are depreciated only if they have been in use for more than 6 months in the financial year.

Gains and losses on disposals are determined by comparing proceeds with carrying among. these are included in the income statement.

### 4.5 Intangible Assets

#### Recognition and measurement

Intangible assets that are acquired by The Corporation, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by The Corporation are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

#### Subsequent expenditure

Subsequent expenditure is only capitalized if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and The Corporation has sufficient resources to complete development and to use the asset.

#### Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

At the reporting date, there in such intangible assets to be measured and reported in the financial statements.

### 4.6 Revenue from contracts with customers

Revenue is measured based on the consideration specified in the contract with a customer. The Corporation recognize revenue when it transfers control over a good or service to a customer. No goods or services was provided by The Corporation to customer during the reporting period.

### 4.7 Employee benefits

A defined contribution plan is a postemployment benefit plan under which The Corporation pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

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The Corporation is registered for Maldives retirement pension scheme run by Maldives pension administration office. The Corporation contributes the mandatory 7% of staff's salary into the scheme with an additional, minimum, 7% of salary being contributed by the staff members.

### 4.8 Operating expenses

All expenses incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the profit or loss for the year. Expenses incurred for the purpose of acquiring, expanding 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 business has been treated as capital expenses.

### 4.9 Determination of fair values

- Level 1: Quoted prices (unadjusted) in active market for identical assets and liabilities
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly (i.e. As prices) or indirectly (i.e. Derived from process)

Level 3: Inputs for the assets or liability that are not used on observable market data (unobservable inputs)

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

### 4.10 Share capital

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

### 4.11 Dividends

Interim dividends to ordinary shareholders are recognized as a liability in the period in which they are declared, and final dividends are recognized as a liability in the period which they are approved by the shareholders.

### 4.12 Current and deferred business income tax

Tax expenses for the period comprises current and deferred tax.

#### Current Tax

Tax is recognized in the income statement except to extend that it relates to items recognized directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date. Management periodically evaluates positions taken in tax computation with respect to situations in which applicable tax regulation is subject to



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

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interpretation. It establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

### 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.

### 5. Revenues

Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. This includes presentation of revenue as principal or as agent in respect of income received from transmission of content provided by third parties. As per the requirements of IFRS 15 identification of the performance obligations, allocation of the consideration over the performance obligations, determination of the key assumption such as customer expected retention period.

	Group		Company	
	2020	2019	2020	2019
Revenue	157,489	-	-	-
	<b>157,489</b>	-	-	-

### 6. Other Income

	Group		Company	
	2020	2019	2020	2019
Grant income recognized	207,194	-	-	-
Gain on Termination of Lease	77,193	-	77,193	-
Gain on De-recognition of Non-Current Deposit	38,630	-	38,630	-
	<b>323,017</b>	-	<b>115,824</b>	-

AgroNat received a grant from United Nations Development Programme (UNDP) to implement 'Sustainable Economic Empowerment and Development of SMEs' (SEEDS) Project. UNDP has budgeted a total of USD 739,000 for the planned activities of the project, out of which MVR 407,500 has been deposited to the Bank Account as at 31st December 2020.

Amount received is treated as deferred income and released to profit or loss as income from grant, to match with the related expenditure for the period.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 7. Personnel Costs

	Group		Company	
	2020	2019	2020	2019
Wages and Salaries	3,189,066	281,656	2,151,280	281,656
Staff Allowance	1,165,407	110,847	838,759	110,847
Directors Remuneration	1,798,267	494,058	1,142,037	494,058
Pension Contributions	254,214	19,716	185,252	19,716
	<b>6,406,954</b>	<b>906,277</b>	<b>4,317,328</b>	<b>906,277</b>

### 8. Cost of Sales

	Group		Company	
	2020	2019	2020	2019
Cost of Sales	185,721	-	-	-
	<b>185,721</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 9. Other Operating Expenses

	Group		Company	
	2020	2019	2020	2019
Depreciation (Note 11, 12)	1,329,267	96,564	960,147	96,564
Rent expenses	280,000	190,968	280,000	190,968
Stationery and office supplies	203,221	12,305	73,611	12,305
Pantry expenses	12,503	975	9,834	975
Bank charges	1,685	703	1,425	703
Travel expenses	935,681	50,189	304,950	50,189
Professional fees	94,232	269,141	94,232	269,141
Legal fees	224,715	124,829	191,985	124,829
Utilities	431,351	19,058	311,069	19,058
IT expenses	116,558	4,260	40,091	4,260
Transportation and handling	88,775	400	3,775	400
Selling and marketing expenses	286,787	144,869	263,233	144,869
Repairs and Maintenance	80,870	-	8,815	-
Training and Development	2,592	-	2,592	-
Meeting and Entertainment	23,175	-	19,663	-
Misc. expenses	71,875	-	-	-
	<b>4,183,287</b>	<b>914,262</b>	<b>2,565,422</b>	<b>914,262</b>





# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 10. Finance Income and Finance Cost

	Group		Company	
	2020	2019	2020	2019
Finance Income from Non-Current Deposit	13,427	1,218	9,737	1,218
Finance cost from Lease Liability	486,609	46,008	350,751	46,008

### 11. Property, Plant and Equipment's

	Group			Company		
	Furniture and fittings	Office Equipment	Total	Furniture and fittings	Office Equipment	Total
<b>Cost</b>						
As at 26 June 2019	-	-	-	-	-	-
Acquisition during the year	181,602	296,350	477,952	181,602	296,350	477,952
Disposals during the year	-	-	-	-	-	-
<b>As at 31 December 2019</b>	<b>181,602</b>	<b>296,350</b>	<b>477,952</b>	<b>181,602</b>	<b>296,350</b>	<b>477,952</b>
<b>Accumulated Depreciation</b>						
As at 26 June 2019	-	-	-	-	-	-
Depreciation Charge for the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
<b>As at 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book value as at 31 December 2019</b>	<b>181,602</b>	<b>296,350</b>	<b>477,952</b>	<b>181,602</b>	<b>296,350</b>	<b>477,952</b>
<b>Cost</b>						
As at 1 January 2020	181,602	296,350	477,952	181,602	296,350	477,952
Acquisition during the year	1,851,213	1,598,954	3,450,167	1,004,580	491,053	1,495,633
Disposals during the year	(233,817)	(39,365)	(273,182)	(233,817)	(39,365)	(273,182)
<b>As at 31 December 2020</b>	<b>1,798,998</b>	<b>1,855,939</b>	<b>3,654,937</b>	<b>952,365</b>	<b>748,038</b>	<b>1,700,403</b>
<b>Accumulated Depreciation</b>						
As at 1 January 2020	-	-	-	-	-	-
Depreciation Charge for the year	81,316	174,180	255,496	59,492	116,576	176,068



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(All amounts are in MVR unless otherwise indicated)

Disposals during the year	(17,831)	(5,072)	(22,903)	(17,831)	(5,072.00)	(22,903)
As at 31 December 2020	<b>63,485</b>	<b>169,108</b>	<b>232,593</b>	<b>41,661</b>	<b>111,504</b>	<b>153,165</b>

Net Book value as at 31 December 2020	<b>1,735,513</b>	<b>1,686,831</b>	<b>3,422,344</b>	<b>910,704</b>	<b>636,534</b>	<b>1,547,238</b>
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# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 12. Right-of-use-Asset

Leasehold office space of The Corporation is classified as a right of use asset. The right of use assets is depreciated equally over a period of 1 to 35 years based on their lease period.

	Group		Company	
	2020	2019	2020	2019
<b>At fair Value</b>				
As at 26 June 2019 & 1 January 2020	-	-	2,896,921	-
Recognition during the year	10,486,225	2,896,921	4,692,384	2,896,921
Derecognized during the year	-	-	(2,896,921)	-
<b>As at 31 December</b>	<b>10,486,225</b>	<b>2,896,921</b>	<b>4,692,384</b>	<b>2,896,921</b>
<b>Depreciation</b>				
As at 26 June 2019 & 1 January 2020	96,564	-	96,564	-
Depreciation Charge for the year	1,073,771	96,564	784,079	96,564
Derecognized during the year	(627,666)	-	(627,666)	-
<b>As at 31 December</b>	<b>542,669</b>	<b>96,564</b>	<b>252,977</b>	<b>96,564</b>
<b>Net book value as at 31 December</b>	<b>9,943,556</b>	<b>2,800,357</b>	<b>4,439,407</b>	<b>2,800,357</b>

### 13. Investments in Subsidiaries

	2020	2019
Agro National	1,000	-
MFMC Capital	14,998,500	-
	<b>14,999,500</b>	<b>-</b>

Maldives Fund Management Corporation Limited Controls 99.99% of the shares of MFMC capital and Holds 4 out of 5 seats on the board of directors of MFMC Capital, the operational policies and procedures of Maldives Fund Management Corporation are adopted by MFMC capital. Maldives Fund Management Corporation controls the capital injections of MFMC Capital and controls its investments. Maldives Fund Management Corporation is directly impacted by the operations of MFMC Capital as majority share of all of the investments of MFMC Capital are owned by Maldives Fund Management Corporation.

MFMC Controls 00.01% of the shares of AGRO National and Holds seat on the board of directors of Agro National, the operational policies and procedures of Maldives Fund Management Corporation are adopted by AGRO National. Maldives Fund Management Corporation controls the capital injections to AGRO National through MFMC Capital. MFMC is indirectly impacted by the operations of MFMC Capital as majority share of all of the investments of AGRO National are owned by MFMC Capital.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 14. Other Assets

Other Assets consists of security deposits paid towards leasehold right of use for the lease of office buildings. As follows;

	Group		Company	
	2020	2019	2020	2019
As at 26 June 2019 & 1 January 2020	74,297	-	74,297	-
Recognition of Deposit	231,418	73,079	85,259	73,079
Interest Income for the Year	13,428	1,218	9,737	1,218
De-recognition of Deposit	(81,370)	-	(81,370)	-
	<b>237,773</b>	<b>74,297</b>	<b>87,923</b>	<b>74,297</b>

### 15. Cash and Cash Equivalents

	Group		Company	
	2020	2019	2020	2019
Cash at Bank	11,276,498	7,621,038	10,479,774	7,621,038
cash in Hand	1,764	8,237	1,764	8,237
	<b>11,278,262</b>	<b>7,629,275</b>	<b>10,481,538</b>	<b>7,629,275</b>

### 16. Trade and Other Receivables

	Group		Company	
	2020	2019	2020	2019
Receivables from Related Companies	-	-	5,933,089	-
Receivables form Directors	2,118	-	2,118	-
Refundable Visa Deposits	3,500	-	-	-
Called Up Capital	40,427,300	-	40,427,300	-
	<b>40,432,918</b>	<b>-</b>	<b>46,362,507</b>	<b>-</b>

Receivables from Related companies consist of funds lend to AGRO National corporation to support its operations. The company does not have any obligation to provide such assistance to the company however has been and plans to continue to provide such support to the company until such time as the management decides the company will be able to manage its finances without the corporations support.



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

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### 17. Lease Liabilities

	Group		Company	
	2020	2019	2020	2019
As at 1st January	2,776,008	-	2,776,008	-
Recognition of Lease Liability	10,337,643	2,850,000	4,637,643	2,850,000
Interest on lease liabilities	486,610	46,008	350,751	46,008
Payment of Lease Liabilities	(1,275,000)	(120,000)	(915,000)	(120,000)
De-recognition of Lease Liabilities	(2,346,448)	-	(2,346,448)	-
	<b>9,978,813</b>	<b>2,776,008</b>	<b>4,502,954</b>	<b>2,776,008</b>
Current Lease Liabilities	1,693,101	470,583	743,994	470,583
Non-Current Lease Liabilities	8,285,711	2,305,425	3,758,960	2,305,425
	<b>9,978,812</b>	<b>2,776,008</b>	<b>4,502,954</b>	<b>2,776,008</b>

### 18. Trade and Other Payables

#### Trade Payables

	Group		Company	
	2020	2019	2020	2019
Trade Payables	340,969	515,905	69,029	515,905
	<b>340,969</b>	<b>515,905</b>	<b>69,029</b>	<b>515,905</b>

#### Related Party Payables

	Group		Company	
	2020	2019	2020	2019
Payables to Directors	58,760	17,380	18,000	17,380
Payables to SOEs	14,341	1,606	7,139	1,606
Inter Company Payables	-	-	14,999,500	-
Payables to Government	44,689	-	11,959	-
	<b>117,790</b>	<b>18,986</b>	<b>15,036,598</b>	<b>18,986</b>

Intercompany Payables include capital called up from subsidiaries and companies within the group.



**MALDIVES FUND MANAGEMENT CORPORATION LIMITED**  
**NOTES TO THE FINANCOAL STATEMENTS**

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**Other payables**

	Group		Company	
	2020	2019	2020	2019
Payroll Liabilities	59,854	-	31,712	-
Accrued Expenses	14,779	-	14,779	-
	<b>74,633</b>	<b>-</b>	<b>46,491</b>	<b>-</b>

**19. Deferred Income**

	Group		Company	
	2020	2019	2020	2019
Deferred Income	200,306	-	-	-
	<b>200,306</b>	<b>-</b>	<b>-</b>	<b>-</b>

**20. Share Capital and Reserves**

**Authorized Share Capital**

	Number of Shares	Value
At 1 January 2020	250,000,000	250,000,000
Changes in Authorized Capital During the year	-	-
<b>At 31 December 2020</b>	<b>250,000,000</b>	<b>250,000,000</b>

**Issued Share Capital**

	Number of Shares	Value
At 1 January 2020	953,631	9,536,310
Issues of 70,000 Shares at premium on 05/02/2020	70,000	700,000
Issues of 500,000 Shares at premium on 26/04/2020	500,000	5,000,000
<b>At 31 December 2020</b>	<b>1,523,631</b>	<b>15,236,310</b>

**Paid Up Share Capital**

	Number of Shares	Value
At 1 January 2020	953,631	9,536,310
Issues of 20,454 Shares at premium on 04/03/2020	20,454	204,540
Issues of 49,546 Shares at premium on 20/05/2020	49,546	495,460
Issues of 61,666 Shares at premium on 20/05/2020	95,727	957,270
<b>At 31 December 2020</b>	<b>1,119,358</b>	<b>11,193,580</b>



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

### 21. Share Premium

	Number of Shares	Share premium
<b>Issued share premium</b>		
Outstanding As at 1 January 2020	-	-
Issues of 70,000 Shares at premium on 05/02/2020	70,000	7,000,000
Issues of 500,000 Shares at premium on 26/04/2020	500,000	45,000,000
	<b>570,000</b>	<b>52,000,000</b>
<b>Paid up share premium</b>		
Payment for 20,454 Shares at premium on 04/03/2020	(20,454)	(2,045,400)
Payment for 49,546 Shares at premium on 20/05/2020	(49,546)	(4,954,600)
Payment for 61,666 Shares at premium on 20/05/2020	(95,727)	(8,615,430)
	<b>(165,727)</b>	<b>(15,615,430)</b>
<b>Outstanding as at 31 December 2020</b>	<b>404,273</b>	<b>36,384,570</b>

### 22. Capital Management

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

### 23. Operating Segments

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

### 24. Related Party Transactions

	Group		Company	
	2020	2019	2020	2019
<b>Transactions with Key Management</b>				
<b>Personnel</b>				
Board Allowance	342,100	147,037	303,600	147,037
Directors Salary	690,014	201,067	495,177	201,067
Board Sitting Fees	36,000	-	18,000	-
Other Allowances and Pension	374,162	145,955	359,922	145,955



# MALDIVES FUND MANAGEMENT CORPORATION LIMITED

## NOTES TO THE FINANCOAL STATEMENTS

As at 31 December 2020

(All amounts are in MVR unless otherwise indicated)

<b>Total</b>	<b>1,442,276</b>	<b>494,059</b>	<b>1,176,699</b>	<b>494,059</b>
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### Balance Outstanding

Sitting Fees			18,000	-
Board Allowance		5,300	-	5,300
<b>Total</b>		<b>5,300</b>	<b>18,000</b>	<b>5,300</b>

### Transactions with Government

#### Affiliates

Ministry of Economic Development	32,730	407,391	32,730	407,391
Maldives Inland Revenue	35,630	-	2,900	-
Fahi Dhiriulhun Corporation Pvt Ltd.	-	-	557,622	190,968
Island Aviation Services Pvt Ltd.	-	-	223,405	32,027
Maldives Airports Company Limited	-	-	6,631	-
Maldives Intergrated Tourism Development Authority	-	-	61,680	-
Maldives Transport and Contracting Company	-	350	-	350
Maldives Water and Severage Company	4,890	900	4,226	900
Public Service Meida	-	-	615	-
State Electric Company Limited	52,562	-	46,024	3,792
State Trading Organization	10,321	-	1,960	-
Waste Management Corporation Limited	-	790	8,384	790
	<b>136,133</b>	<b>409,431</b>	<b>946,175</b>	<b>636,218</b>

### Transactions with companies in the group

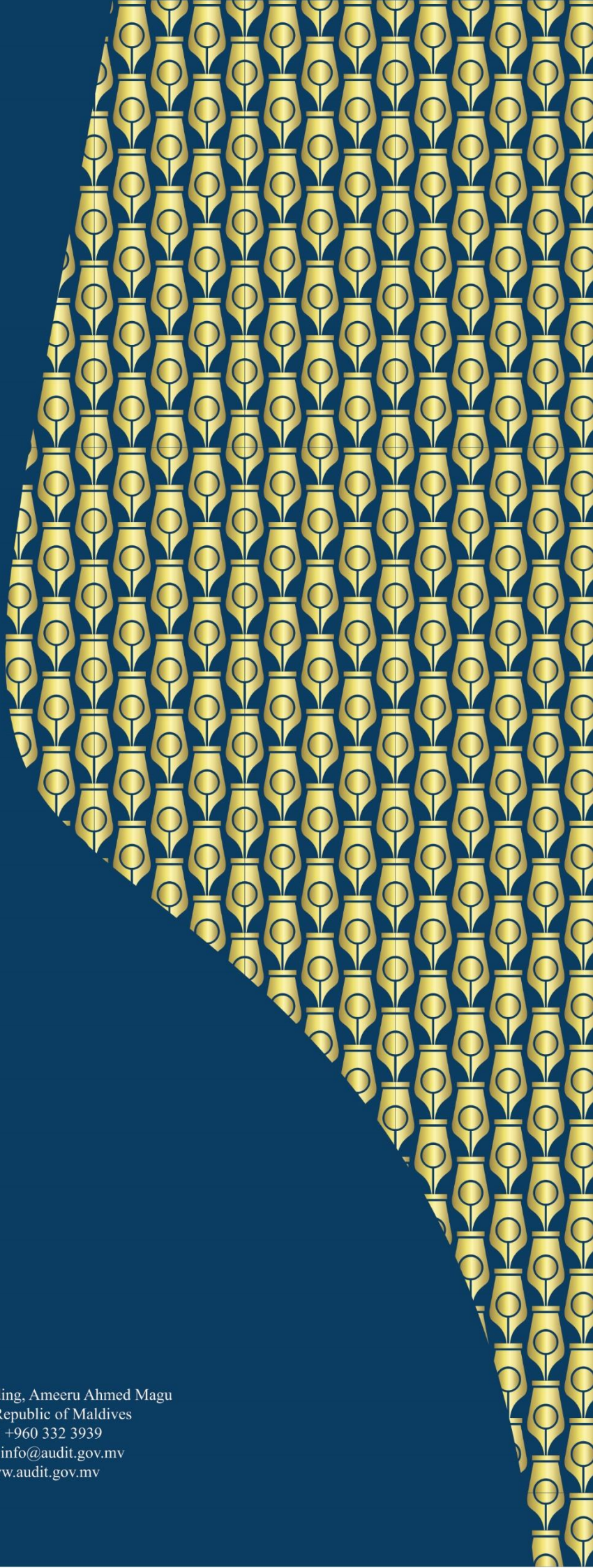
Agro National Limited	72,030	-	72,030	-
MFMC Capital	14,998,500	-	14,998,500	-
	<b>15,070,530</b>	<b>-</b>	<b>15,070,530</b>	<b>-</b>

## 25. Events throughout the reporting date

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across the globe and Maldives, causing disruptions to businesses and economic activity. The Corporation considers this outbreak to be a non-adjusting event. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Corporation.







Ghaazee Building, Ameeru Ahmed Magu  
Male', Republic of Maldives  
Tel: +960 332 3939  
Email: [info@audit.gov.mv](mailto:info@audit.gov.mv)  
[www.audit.gov.mv](http://www.audit.gov.mv)