



Report No: FIN-2020-62 (E)

30 November 2020

# TRADENET MALDIVES CORPORATION LIMITED

## FINANCIAL YEAR 2019



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AUDITOR GENERAL'S OFFICE

**TABLE OF CONTENTS**

Auditor General’s Report..... 1

Financial Statement

    Statement of Comprehensive Income..... 4

    Statement of Financial Position..... 5

    Statement of Changes in Equity ..... 6

    Statement of Cashflow ..... 7

    Notes to Financial Statement..... 8

## **AUDITOR GENERAL'S REPORT**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF TRADENET MALDIVES CORPORATION LIMITED**

#### **Opinion**

We have audited the financial statements of TradeNet Maldives Corporation Limited (the “Company”) which comprises of 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information set out in pages 8 to 10.

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 year then ended, in accordance with International Financial Reporting Standards (IFRS).

#### **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’ International Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESB Code.

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

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

30<sup>th</sup> November 2020



Hassan Ziyath  
Auditor General



**STATEMENT OF COMPREHENSIVE INCOME**

**For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019**

	<u>Notes</u>	<u>2019 MVR</u>
Revenue		-
Cost of Sales		-
<b>Gross Profit/(Loss)</b>		-
Personnel Expenses	3	269,290
Other Operating Expenses	4	45,230
<b>Net Profit/(Loss) for the Period</b>		<b>(314,520)</b>

Figures in brackets indicate deductions

The accounting notes on pages 08 through 10 form an integral part of the financial statement.



**STATEMENT OF FINANCIAL POSITION**

As at 31<sup>st</sup> December 2019

	Notes	2019 MVR
<b>ASSETS</b>		
<b>Total non-current assets</b>		-
<b>Current assets</b>		
<b>Total current assets</b>		-
<b>Total assets</b>		-
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued Share capital	5	45,230
Accumulated loss		(314,520)
<b>Total Equity</b>		<b>(269,290)</b>
<b>Non- Current Liabilities</b>		
<b>Total Non-Current Liabilities</b>		-
<b>Current Liabilities</b>		
Accrued Expenses	6	269,290
<b>Total Current Liabilities</b>		<b>269,290</b>
<b>Total Equity and Liabilities</b>		-

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

Name of the Director

Ahmed Shiham Ali .....

Signature



Nahiya Mohamed .....



30 November 2020

The accounting notes on pages 08 through 10 form an integral part of the financial statement.



**STATEMENT OF CHANGES IN EQUITY**

**For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019**

	<b>Share Capital MVR</b>	<b>Accumulated Loss MVR</b>	<b>Total Equity MVR</b>
Balance as at 15 <sup>th</sup> October 2019	-	-	-
Shares issued	45,230	-	45,230
Profit/(Loss) for the period ended	-	(314,520)	(314,520)
<b>Balance as at 31<sup>st</sup> December 2019</b>	<b>45,230</b>	<b>(314,520)</b>	<b>(269,290)</b>

The accounting notes on pages 08 through 10 form an integral part of the financial statement.



**STATEMENT OF CASH FLOWS**

**For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019**

	<b>Notes</b>	<b>2019 MVR</b>
<b>Cash Flow from Operating activities</b>		
Net Profit/(Loss) for the period		(314,520)
<b>Operating Loss Before Working Capital Change</b>		(314,520)
<b>Working Capital Changes</b>		
Increase in Payables	6	269,290
<b>Net Cash Flow from Operating Activities</b>		<b>(45,230)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of shares	5	45,230
<b>Net Cash Flows from Financing Activities</b>		<b>45,230</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		-
Cash and Cash Equivalents at the Beginning of the Year		-
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>-</b>

The accounting notes on pages 08 through 10 form an integral part of this financial statement.





## NOTES TO THE FINANCIAL STATEMENTS

For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019

### 1. Corporate information

TradeNet Maldives Corporation Limited is a limited liability company fully owned by the Government of Maldives. The company was incorporated on 15th of October 2019 under the presidential decree bearing No: 2019/11 and governed under Companies Act 1996. The company is responsible for establishing "National Single Window", a trade portal providing an efficient one-stop paperless system to lodge standardized declaration and various clearance applications electronically for the benefit of all stakeholders engaged in the international supply chain.

### 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied unless otherwise stated.

#### 2.1 Basis for Preparation

The Financial Statements of the company have been prepared in accordance with International Financial Reporting standards, (IFRS) as issued by international Accounting standard board (IASB). The Financial Statements have been prepared under historical cost convention. No adjustments were made for inflationary factors affecting these Financial statements. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Maldivian Rufiyaa, which is the company's functional and presentation currency. All the values are rounded to nearest integral, except when otherwise indicated. there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant.

#### 2.2 Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting standards (IFRS).

#### 2.3 Comparatives

As this is the first period of accounts, comparative information is not included.

#### 2.4 Going Concern

The company incurred a loss of MVR 314,520 at the reporting date. The Financial statements have nevertheless been prepared based on the company being a Going Concern on the assumption that the shareholder of the company, Government of Maldives, intend to continue providing sufficient Financial support to enable company meet its Liabilities as they fall due for a period of at least 12 months from the date of these Financial statements.

#### 2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019**

	<b>2019</b>
	<b>MVR</b>
<b>3. Personnel Expenses</b>	
Salaries	112,108
Board Remuneration	152,380
Pension	4,803
	<u>269,290</u>

	<b>2019</b>
	<b>MVR</b>
<b>4. Other Operating Expenses</b>	
Licenses and Fees – Registration Fee	45,230
	<u>45,230</u>

	<b>2019</b>
	<b>MVR</b>
<b>5. Share Capital</b>	
Issued Share Capital	45,230
	<u>45,230</u>

Authorised Share Capital comprises of 15,000,000 shares of MVR 10/- each.

	<b>2019</b>
	<b>MVR</b>
<b>6. Accrued Expenses</b>	
Accrued Salaries	112,108
Accrued Board Remuneration	152,380
Accrued Pension Contribution	4,803
	<u>269,290</u>

**7. Contingencies**

*Contingent liabilities*

There were no contingent liabilities outstanding at the reporting date.

*Contingent assets*

There were no contingent assets recognised at the reporting date.

**8. Commitments**

*Capital commitments*

There were no capital commitments at the reporting date.

*Operating lease commitments*

There were no material operating lease commitments at the reporting date.





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**NOTES TO THE FINANCIAL STATEMENTS**

**For the Period 15<sup>th</sup> October 2019 to 31<sup>st</sup> December 2019**

*Financial commitments*

There were no material financial commitments at the reporting date.

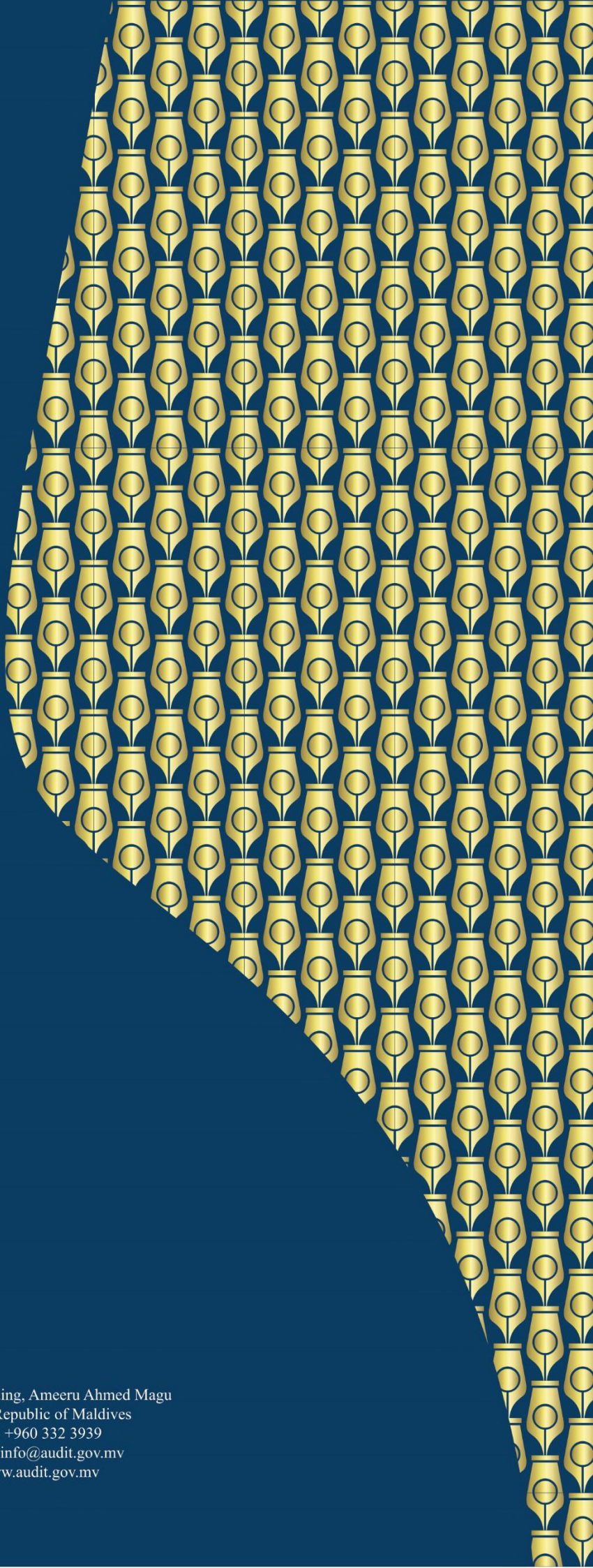
**9. Transactions with Key Management Personnel**

The Board of Directors and Managing Director are the key management personnel. During the reporting period ending 31 December 2019, total remuneration accrued to Board of Directors including Chairman and Managing Director was MVR 264,488. The payment was made after the reporting period.

**10. Events subsequent to reporting date**

No events have occurred since the reporting date which would require adjustments to, or disclosure in, the financial statements.





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