



Report No: FIN-2020-13(E)

20<sup>th</sup> April 2020

# **CAPITAL MARKET DEVELOPMENT TRUST FUND FINANCIAL YEAR 2019**



آڈیٹر جنرل کے دفتر

AUDITOR GENERAL'S OFFICE

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## AUDITOR GENERAL'S REPORT

### To the Capital Market Development Trust Fund

#### Opinion

We have audited the accompanying financial statement; Statement of Receipts and Payments of Capital Market Development Trust Fund for the year ended 31<sup>st</sup> December 2019 and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information set out in pages 3 to 6.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the amounts received and amounts paid for by Capital Market Development Trust Fund for the financial year ended 31 December 2019 and cash balances as at the year then ended in accordance with the International Public Sector Accounting Standard: *Financial Reporting under the Cash Basis of Accounting*.

#### 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 Entity 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.

#### Responsibilities of management and those charged with governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of this financial statement in accordance with the International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Trust Funds'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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

20<sup>th</sup> April 2020

Hassan Ziyath

Auditor General



**CAPITAL MARKET DEVELOPMENT TRUST FUND**  
**Managed by Capital Market Development Authority**  
**31 December 2019**

**FINANCIAL STATEMENTS**

**STATEMENT OF RECEIPTS AND PAYMENTS**

(All amounts in Maldivian Rufiyaa unless otherwise stated)

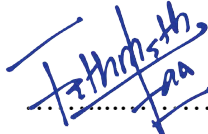
|                                    |             | <b>Year ended 31<br/>December 2019</b> | <b>Period 16<br/>April 2018 to<br/>31 December<br/>2018</b> |
|------------------------------------|-------------|--|---|
|                                    | <b>Note</b> |  |   |
| <b>RECEIPTS</b>                    |             |  |   |
| Trust fund receipt                 | 5           | 834,878                                | 650,948   |
| <b>Total Receipts</b>              |             | <b>834,878</b>                         | <b>650,948</b>  |
| <b>PAYMENTS</b>                    |             |  |   |
| Trust fund expenses                | 6           | 134,258                                | 280,488   |
| <b>Total Payments</b>              |             | <b>134,258</b>                         | <b>280,488</b>  |
| <b>Increase/(Decrease) in Cash</b> |             | <b>700,620</b>                         | <b>370,460</b>  |
| <b>Cash at beginning of year</b>   |             | 370,460                                | -   |
| <b>Increase/(Decrease) in Cash</b> |             | 698,313                                | 370,460   |
| <b>Closing balance</b>             | 7           | <b>1,071,080</b>                       | <b>370,460</b>  |

This Statement of Receipts and Payments was approved on ....16th April 2020.....



Ahmed Mazin

Chairman



Fathimath Abdulla Kamaaluddeen

Acting Chief Executive Officer

The accounting policies and notes on pages 4 to 6 are an integral part of these financial statements.

# CAPITAL MARKET DEVELOPMENT TRUST FUND

Managed by Capital Market Development Authority

31 December 2019

## NOTES TO THE STATEMENT OF RECEIPTS AND PAYMENTS

### 1. Reporting entity

The Ministry of Finance, by virtue of the discretionary powers vested on the Ministry under section 26 of the Public Finance Act (Act no. 3/2006) established a trust fund named "Capital Market Development Trust Fund" on Monday, 16 April 2018.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Statement of Receipts and Payments are set out below. These policies have been consistently applied, unless otherwise stated.

### 3. Basis for preparation

The Statement of Receipts and Payments are prepared in accordance with the International Public Sector Accounting Standard: *Financial Reporting under the Cash Basis of Accounting*, as required under the section 15.03 of the Public Finance Regulation.

#### (a) Receipts

In accordance with Section 3 of the trust fund statement, upon establishment of the fund, all monies collected by the Authority as revenue, sponsorship and donations are deposited to this fund account. In addition, all money received by the Authority except the annual budget support provided by Ministry of Finance are deposited to the Capital Market Development Trust Fund Account. Receipts are recognised when Authority receives and records cash in its books.

#### (b) Payments

Fund account is utilized for expenditure specified under Annex 1 of Capital Market Development Trust Fund Statement. All expenses related to training and education programs and staff training expenses for the year are included as allowable expenditure. Payments are recognised at the time of outflow of cash either from the bank account or from the cash account maintained for cash payments.

### 4. Reporting Period

Financial statement is prepared for the financial year ending 31 December 2019. Period for which financial statement is prepared is also disclosed on the face of the financial statement.

### 5. Comparatives

In addition to the figures for the financial year ending 31 December 2019, the financial statement shows the figures for the period 16 April 2018 to 31 December 2018 (1<sup>st</sup> period).

## 6. Receipts

|  | Year ended 31<br>December 2019 | Period 16 April<br>2018 to 31<br>December 2018 |
|--|--------------------------------|--|
| Annual licensing fees  | 211,085                        | 354,110  |
| Prospectus processing fees   | 200,000                        | 50,000   |
| Fine charges   | 20,567                         | 55,475   |
| Institute of Corporate Directors and Secretaries<br>membership and training fees | 172,000                        | 48,266   |
| Application fee  | 1,750                          | 3,550  |
| Trade processing fee   | 3,150                          | 867  |
| Treasury bills and fixed deposit interest  | 128,191                        | 60,461   |
| Cash received in advance   | 98,135                         | 78,219   |
| <b>Total receipts</b>  | <b>834,878</b>                 | <b>650,948</b>                                 |

The receipts represent the amounts received by the Capital Market Development Authority and transferred to the Capital Market Development Authority Trust Fund during the period.

## 7. Payments

Payments are made up as follows:

|   | Year ended 31<br>December 2019 | Period 16 April<br>2018 to 31<br>December 2018 |
|---|--------------------------------|--|
| Directors training program  | -                              | 44,636   |
| Company secretaries training programme  | -                              | 17,767   |
| Regional leadership program for securities<br>regulators                      | -                              | 71,417   |
| Workshop on countering money laundering and<br>terrorism financing            | -                              | 2,313  |
| Participation in the APEC FRTI regional seminar<br>on enhancing listing       | -                              | 31,724   |
| IOSCO Technical Assistance project for<br>developing onsite inspection manual | -                              | 66,072   |
| World Investor Week   | -                              | 21,900   |
| Promotional activities  | -                              | 16,960   |
| IFRS training session   | -                              | 7,699  |
| Printing and publication of Capital Market Review                             | 42,668                         |  |
| Staff training on Laws and Regulations  | 39,856                         |  |
| Capital Market Forum 2019   | 51,734                         |  |
| <b>Total payments</b>   | <b>134,258</b>                 | <b>280,488</b>                                 |

## 8. Closing balances

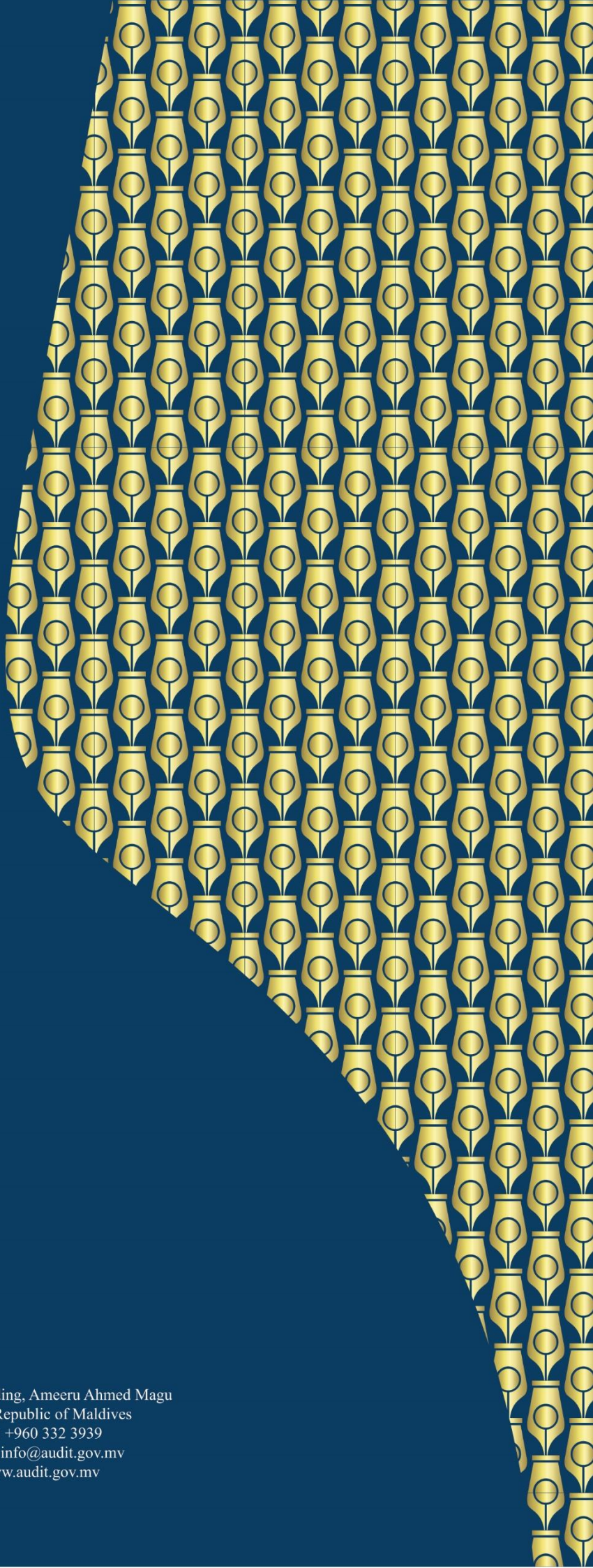
The closing balance is available in Authority's account with Bank of Maldives "CMDA INCOME A/C" (account no. 7701 156637 003).

|                 | As at 31<br>December 2019<br>MVR | As at 31<br>December 2018<br>MVR |
|-----------------|----------------------------------|----------------------------------|
| Closing balance | 1,071,080                        | 370,460                          |

## 9. Reconciliation with Trust fund balance as per the financial statement of the CMDA

|   | As at 31<br>December 2019<br>MVR | As at 31<br>December 2018<br>MVR |
|---|----------------------------------|----------------------------------|
| Fund balance as per the CMDA financial Statements       | 1,071,547                        | 370,460                          |
| Revenue accrued but not received                        | (466)                            | -                                |
| Fund balance as per the Trust fund financial statements | 1,071,080                        | 370,460                          |





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