

# CAPITAL MARKET DEVELOPMENT AUTHORITY

Audited Financial Statements for the year ended  
31<sup>st</sup> December 2023



**MHPA**  
Chartered Accountants & CPAs

## MHPA L.L.P

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Chartered Accountants of Maldives

## PARTNERS

Rifaath Jaleel, CPA, FCA  
Saffan Ahmed, FCCA

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Trainee Development - Gold



PARTNERSHIP REGISTRATION #: P-T0006/2013

AUDIT LICENSE #: ICAM-FL-OGP

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Saffan Ahmed, ACCA

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Partnership Registration #: P-0006/2013  
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April 27, 2024

MHPA / 039-A/2024

## INDEPENDENT AUDITOR'S REPORT

To the board of Capital Market Development Authority

### Opinion

We have audited the Statement of Trust Fund for the year ended 31st December 2023 and the notes to the statement of trust fund, which include a summary of significant accounting policies.

In our opinion, the accompanying statement of trust fund 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 2023 and cash balances as at the year ended in accordance with the International Public Sector Accounting Standard: Financial Reporting under the Cash Basis of Accounting.

### Basis of 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 Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Management and Those Charged with Governance for the Statement of Trust Fund

Management is responsible for the preparation and fair presentation of the statement of trust fund 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' financial reporting process.

## Auditors Responsibility for the Audit of the Statement of Trust Fund

Our objectives are to obtain reasonable assurance about whether the statement of trust fund as a whole is 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 the statement of trust fund.

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

- Identify and assess the risks of material misstatement of the trust fund, 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, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the trust fund 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.



Rifaath Jaleel, CPA, FCA  
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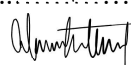
**Capital Market Development Trust Fund**  
**Managed by Capital Market Development Authority**  
**31 December 2023**

**Statement of Trust Fund**

(All amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Year ended 31 December	
		2023	2022
<b>Opening balance</b>		1,149,381	1,610,191
<b>RECEIPTS</b>			
Trust fund receipt	5	839,713	619,185
<b>Total Receipts</b>		<b>839,713</b>	<b>619,185</b>
<b>PAYMENTS</b>			
Trust fund expenses	6	353,260	1,079,995
<b>Total Payments</b>		<b>353,260</b>	<b>1,079,995</b>
<b>Increases/ (Decrease) in cash</b>		<b>486,453</b>	<b>(460,810)</b>
<b>Cash at beginning of year</b>		1,149,381	1,610,191
<b>Increases/ (Decrease) in cash</b>		486,453	(460,810)
<b>Closing balance</b>	7	<b>1,635,834</b>	<b>1,149,381</b>

This statement of Trust Fund was approved on 25.11.04.2024.....

.....  
  
 ..... Aishath Zahira, Chairperson  
 .....  
  
 ..... Mohamed Hussain Maniku, Chief Executive Officer  
 .....  
  
 ..... Ahmed Siraj, Chairman of Audit & Risk Committee

The accounting policies and notes on pages pages 4 to 8 form an intergral part of these financial statements.

**Capital Market Development Trust Fund**  
**Managed by Capital Market Development Authority**  
**31 December 2023**

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**Notes to the statement of Trust Fund**

**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 trust fund are set out below. These policies have been consistently applied, unless otherwise stated.

**3 Basis for preparation**

The Statement of Trust Fund 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.

*(b) Disbursements*

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.

**4 Comparatives**

In addition to the figures for the financial year ending 31 December 2023, the Statement of Trust Fund shows the figures for the financial year ending 31 December 2022.

**Capital Market Development Trust Fund**  
**Managed by Capital Market Development Authority**  
**31 December 2023**

**Notes to the statement of Trust Fund**

(All amounts in Maldivian Rufiyaa unless otherwise stated)

**5 Receipts**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
Annual licensing fees	247,714	203,110
Prospectus processing fees	25,000	5,000
Fine charges	9,184	17,933
Institute of Corporate Directors and Secretaries membership and training fees	307,900	256,550
Application fee	1,500	3,700
Trade processing fee	155,187	15,546
Treasury bills and fixed desposit interest	442	439
Gain on disposal of Assets	-	33,118
Cash received in advance	92,786	83,789
	<b>839,713</b>	<b>619,185</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.

**6 Disbursement**

**Disbursements are made up as follows:**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
Directors training program	-	1,621
Company secretaries training programme	30,413	
Custodian Training	20,212	-
Islamic Capital Market	-	136,365
World Investor Week	-	42,705
Printing and publication of Capital Market Review	-	
Staff trainings	225,635	316,238
Capital Market Forum 2019	-	116,636
Zoom subscription for training programs conducted online	-	-
Financial aid for staff	77,000	132,000
HR consultancy	-	-
Global Money Week	-	3,062
IOSCO and IOPS General	-	331,367
Total trust fund expenses	<b>353,260</b>	<b>1,079,995</b>

**Capital Market Development Trust Fund**  
**Managed by Capital Market Development Authority**  
**31 December 2023**

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**Notes to the statement of Trust Fund**

**Capital Market Development Trust Fund**  
**Managed by Capital Market Development Authority**  
**31 December 2023**

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**Notes to the statement of Trust Fund**

**7 Closing balances**

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

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
Closing balance	1,614,463	961,609

**8 Reconciliation with Trust Fund balance as per the financial statement of CMDA**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>MVR</b>	<b>MVR</b>
Fund balance as per CMDA Financial Statements	1,625,783	1,131,938
Revenue accrued but not received	(8,626)	(2,651)
Expenses included in trust fund but not incurred/ reimbursed	16,101	
Receipt from outstanding receivable	2,583	
Trust Fund expenses incurred but not paid		2,691
Removal of depreciation added for assets sold for gain/loss		17,410
Fund balance as per the Trust Fund financial statements	<b>1,635,834</b>	<b>1,149,381</b>



**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in Maldivian Rufiyaa unless otherwise stated)

**1 Reporting entity**

Capital Market Development Authority ('Authority') is a separate legal entity established on 26<sup>th</sup> January 2006 under Maldives Securities Act No. 02/2006. The principal objective of the Authority is to develop and regulate a market in which securities can be issued and traded in a fair and orderly manner.

The address of its registered office is, H.Orchid, 3rd Floor, Ameer Ahmed Magu, Male', Republic of Maldives.

**2 Basis of preparation**

**(a) Statement of Compliance**

The financial statements of Capital Market Development Authority have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements reflect the true and fair status of the Authority's financial position as at the end of the year 2023.

The financial statement is prepared under the presumption that the Authority is carrying out its activities as a going concern and no significant uncertainty exists in this respect.

**(b) Basis of Measurement**

The financial statements have been prepared based on the historical costs basis, except for the lease liabilities measured at present value of the lease payments during the lease term.

**(c) Functional and Presentation Currency**

Items included in the financial statements of the Authority 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 Authority's functional and presentation currency. All amounts represented in the financial statements had been rounded up to the nearest Maldivian Rufiyaa except where otherwise indicated.

# About MHPA

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Our people are based throughout Maldives serving clients that range from Maldives' largest companies to smaller businesses with ambition to grow.

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CA Maldives approved audit firm

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