Report No.: FIN-2015-17(E) 1 April 2015

South Central Utilities Limited

FINANCIAL YEAR 2009

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بسم الله الرحمن الرحيم

AUDITOR GENERAL'S OFFICE
Malé, Republic of Maldives

AUDITOR GENERAL'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF SOUTH CENTRAL UTILITIES LIMITED

Introduction

1. We were engaged to audit the accompanying financial statements of the South Central Utilities Limited which comprise of the Statement of financial position as at 31st December 2009, and the Statements of Comprehensive Income, Statement of Changes in Equity and Statement of cash flows for the year then ended, and the related notes exhibited on pages 7 to 19.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

AUDITOR GENERAL'S OFFICE MALÉ, REPUBLIC OF MALDIVES

Basis for Adverse Opinion

4. The Company has acquired powerhouses from 15 islands, sewerage plants from 3 islands and water plants from 6 islands during the period 29 January to 31 December 2009. Acquisition agreements were entered with the Ministry of Housing, Transport and Environment for 3 sewerage plants, 6 water plants and with the concerned island communities for 15 power plants. The consideration for 3 sewerage plants, 6 water plants and 2 power plants were agreed for MVR 58,448,585, MVR 10,135,920 and MVR 3,969,531 respectively. The fair values of 13 power plants have not been agreed. The Company has accounted for the acquisition of property, plant and equipment amounting to only MVR 4,283,108, ignoring the agreed value and the purchase consideration payable to the island communities. Therefore, the property plant and equipment shown at the value of MVR 4,283,108 and payable to the island communities shown at MVR 4,283,108 and the depreciation amounting to MVR 123,612 charged during the period, and consequently, the results for the period are not fairly stated.

5. The closing balances of inventories shown in the balance sheet at MVR 690,810 were not supported by the detailed lists of items with individual quantities and values making up the total values. In the absence of physical verification of inventories to determine the existence of the individual quantities representing the value of inventories at the end of the year and quantitative details as to the movement of inventories during the current period, we were unable to adopt practicable alternative audit procedures to independently confirm the quantities making up the value of inventory as at the balance sheet date.

   Therefore, we are not able to state whether inventories and cost of sales and results for the period are fairly stated.

6. Detailed breakdowns of trade receivables amounting to MVR 1,582,597 by customers were not available. The Company has not maintained subsidiary ledgers recording revenue and receipts pertaining to individual customers. Therefore, we are unable to conclude whether the receivables amounting to MVR 1,582,597 shown in the balance sheet represent recoverable debts.

7. The Cash count reports from the islands for the period covered in this audit were not available. Accordingly, we were unable to determine whether cash and cash equivalent balance shown at MVR 48,383 as at 31 December 2009 is fairly stated.

8. The revenue of the Company includes MVR 20,424 of fuel surcharge subsidy. We could not check the accuracy, validity, and completeness of these revenues in the absence of monthly billing lists for each island, lists of customers and the units of electricity consumed by those eligible for subsidized rates and the detailed calculation and documents in support of the fuel surcharge subsidy. Therefore, we are unable to conclude whether the fuel surcharge subsidy of MVR 20,424 included in revenue is valid, accurate and complete.

9. During the period 29 January to 31 December 2009, the Company has recorded revenue of MVR 2,486,299 excluding subsidy from government. The Company has operated 1 power house for 4 months, 9 power houses for 3 months, 2 power houses for 2 months, and 3 power houses for 1 month during the period 29 January 2009 to 31 December 2009, but the revenue has been recognized for 1 power house for 4 months, 5 power houses for 3 months, 2 power houses for 2 months, and 1 power house for 1 month. Therefore, the revenue recognized by the Company for the period 29 January to 31 December 2009 is not complete. We could not check the accuracy and validity of the revenue in the absence of monthly billing lists for each island showing the name of the customers, the units of electricity consumed and amounts billed for all the power houses. Therefore, we are unable to conclude whether the revenue, result for the period and the receivables as at the balance sheet date are fairly stated.

10. Documents supporting cost of diesel and lubricant oil amounting MVR 2,101,026 out of a sample of MVR 2,101,026 were not available. Therefore, we are not able to conclude whether expenses of MVR 2,670,169 included in the cost of sales are valid and accurate, and whether the results for the period are fairly stated.

11. Payroll costs of the Company amounting to MVR 751,929 could not be checked in absence of the individual employment contracts, leave and attendance records, pay slips and payment vouchers. Further, documents supporting other administrative expenses amounting MVR 219,103 out of a sample of MVR 219,903 were not available. Therefore, we are unable to conclude whether administrative expenses of MVR 953,371 are valid and accurate and therefore, the results for the period are fairly stated.

12. A detailed breakdown of trade payables amounting to MVR 3,040,806 by suppliers was not available. As a result, we are unable to conclude whether the trade payables shown at MVR 3,040,806 in the balance sheet represent valid and accurate obligations.

13. As at the reporting date the Company had discontinued all its business operations. Accordingly, we are of the view that the going concern assumption adopted by the Company in the preparation and presentation of the financial statements is not appropriate. Had the financial statements being prepared on the liquidation basis of accounting; we believe that it would have had a significant negative effect on the Company's financial position and financial performance.

Adverse Opinion

14. In our opinion, because of the significance of the matters discussed in the basis for adverse opinion paragraphs 4 to 13, the financial statements do not give a true and fair view of the financial position of South Central Utilities Limited as of 31 December 2009, and of its financial performance and its cash flows for the period 29 January to 31 December 2009 in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, No. 10/96, of the Republic of Maldives.

02nd April 2015

Hassan Ziyath
Auditor General

Statement of financial position

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Notes	As at 31 December 2009	2009
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,159,497	
			4,159,497
Current assets			
Inventories	6	690,810	
Receivables	7	1,582,597	
Cash and cash equivalents	8	48,383	
			2,321,790
Total assets			6,481,287
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shares	9	10,000	
Accumulated losses		(1,116,816)	
			(1,106,816)
Non-current liabilities			
Amounts due to a related party	10	194,799	
			194,799
Current liabilities			
Trade payables	10	7,393,304	
			7,393,304
Total liabilities			7,588,103
Total equity and liabilities			6,481,287

These financial statements were approved by the Board of Directors on ....

.... Director

Mohamed Nimal

.... Director

Mohamed Manik

The notes on pages 7 to 19 are an integral part of these financial statements

Income statement

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Notes	For the period 29 January to 31 December 2009
Revenue	11	2,506,724
Cost of sales	12	(2,670,169)
Gross loss		(163,445)
Administrative expenses	12	(953,371)
Operating loss		(1,116,816)
Net loss for the period attributable to equityholders of the company		(1,116,816)
Loss per share attributable to the equity holders of the Company during the period (expressed in MVR per share) - basic	15	(11,168)

Statement of changes in equity

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Notes	Share capital	Accumulated losses	Total
Balance at 29 January 2009		-	-	-
Issuance of ordinary shares	9	10,000	-	10,000
Loss for the period		-	(1,116,816)	(1,116,816)
Balance at 31 December 2009		10,000	(1,116,816)	(1,106,816)

Cash flow statement

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Notes	For the period 29 January to 31 December 2009
Cash flows from operating activities		
Net cash generated from operating activities	16	38,383
Cash flows from investing activities		-
Cash flows from financing activities		
Proceeds from issue of share capital	9	10,000
Net cash generated from financing activities		10,000
Net increase in cash and cash equivalents		48,383
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year	8	48,383

The notes on pages 7 to 19 are an integral part of these financial statements

Notes to the financial statements

1 General information

South Central Utilities Limited (SCUL) is incorporated and domiciled in Republic of Maldives on 29 January 2009. The registered office of the Company is located at Ministry of Finance and Treasury, Ameenee Magu, Male', 20379, Republic of Maldives.

The principal activity of the Company during the period was to provide utilities such as electricity, water supply and sewerage system in the South Central province of the country including Thaa and Laamu atolls.

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 to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of South Central Utilities Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

2.2 Going Concern

The business operation of the Company has been acquired by Fenaka Corporation Limited with effect from 7 January 2013. Therefore, at the reporting date the Company has ceased its business operations. The financial statements have nevertheless been prepared on the basis of the Company being a going concern.

If the Company is unable to be in operational existence in the foreseeable future, provision would have to be made to reduce the value of assets to their estimated recoverable amounts, and for any further liabilities that may arise in winding up, and fixed assets will have to be reclassified as current assets.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company 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.

Notes to the financial statements (continued)

2.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Property, plant and equipment

All property, plant and equipment, which are initially recorded at historical cost, is stated at cost less accumulated depreciation. Cost includes the expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are occurred.

Depreciation is calculated using the straight-line method to allocate their cost, to their values, over their estimated useful lives, commencing from the month in which the assets were purchased up to the date of disposal, as follows:

Buildings	20 years
Generation equipment	10 years
Distribution equipment	13 years
Fuel storage facilities	14 years
Machinery and equipment	10 years
Tools and equipment	7 years
Furniture and fittings	7 years
Computer and office equipment	7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

Notes to the financial statements (continued)

2.5 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" in the balance sheet.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of each category of inventory is determined at actual cost on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Wherever necessary, provision has been made for slow and non-moving inventories.

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'selling and marketing costs'.

Notes to the financial statements (continued)

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and bank overdrafts. Bank overdrafts (if any) are reclassified within borrowings in current liabilities on the balance

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities, if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.13 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is possible that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

Notes to the financial statements (continued)

2.14 Revenue recognition

a) Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

b) Sale of goods

Sales are recognised upon delivery of products or customer acceptance, if any, net of discounts.

c) Other revenues

Interest income and fines are recognised as it accrues unless collectability is in doubt.

2.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to purchase of properties, plant and equipment are included in current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected useful lives of the related asset.

2.16 Leases

(a) The Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) The Company is the lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Notes to the financial statements (continued)

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors on specific areas, such as foreign exchange risk, credit risk and the liquidity risk.

(a) Market risk - Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. Presently, the required foreign exchange outflow on account of import of capital goods are obtained from the commericial bank at the official rate. Since the exchange rate of US$ against MVR is pegged by Maldives Monetary Authority, there is no exchange loss or gain.

(b) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the financial statements (continued)

3.2 Capital risk management (continued)

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including trade and other payables and current tax liabilities as shown in the balance sheet, less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

The gearing ratios as at 31 December 2009 is as follows:

	2009
Total payables (Note 10)	7,588,103
Less: cash and cash equivalents (Note 8)	(48,383)
Net debt	7,539,719
Total equity	(1,106,816)
Total capital	6,432,904
Gearing ratio	117%

3.3 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market rate that is available to the Company for similar financial instruments.

4 Comparatives

This is the first set of financial statements prepared since the date of incorporation of the Company. Therefore, there are no comparatives.

5 Property, plant and equipment

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Generation equipment	Buildings	Distribution equipment	Tools and other equipment	Furniture and fittings	Machineries and equipment	Computers and office equipment	Fuel storage facilities	Total
At 29 January 2009									
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-	-	-	-
Year ended 31 December 2009									
Opening net book amount	-	-	-	-	-	-	-	-	-
Additions during the year	2,860,310	1,050,000	255,000	13,644	5,710	13,350	8,695	76,399	4,283,108
Depreciation charge (Note 12)	(95,605)	(17,548)	(6,819)	(684)	(286)	(446)	(436)	(1,788)	(123,612)
Closing net book amount	2,764,705	1,032,452	248,181	12,960	5,424	12,904	8,259	74,611	4,159,497
At 31 December 2009									
Cost	2,860,310	1,050,000	255,000	13,644	5,710	13,350	8,695	76,399	4,283,108
Accumulated depreciation	(95,605)	(17,548)	(6,819)	(684)	(286)	(446)	(436)	(1,788)	(123,612)
Net book amount	2,764,705	1,032,452	248,181	12,960	5,424	12,904	8,259	74,611	4,159,497

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

5 Property, plant and equipment (continued)

During the period 29 January to 31 December 2009 the Company has acquired fifteen power houses, three sewerage plants, six water plants which were operated in the island of South Central province of Republic of Maldives.

6 Inventories

	2009
Diesel	362,560
Lubricating oil and consumables	30,250
Spares	298,000
	690,810

7 Trade and other receivables

	2009
Trade receivables	1,582,597

There is no concentration of credit risk with respect to trade receivables, as the Company has a large number of customers, nationally dispersed.

8 Cash and cash equivalents

	2009
Cash at bank	48,383

Cash and cash equivalents consist of cash balances with Banks.

9 Share capital

	Number of shares	Ordinary shares MVR
At 29 January 2009	-	-
Issued during the period	100	10,000
At 31 December 2009	100	10,000

The total authorized number of ordinary shares is 1,000,000 shares with a par value of MVR 100 per share. Out of which 100 ordinary shares at par of MVR 100 each are issued and fully paid up.

10 Trade and other payables

	2009
Trade payables	7,323,914
Accured expenses	69,390
Amounts due to a related party (Note 19)	194,799
	7,588,103

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

11 Trade and other payables (continued)

Classified as :

	2009
Non current	194,799
Current	7,393,304
	7,588,103

(a) The trade payables includes an amount of MVR 4,283,108 as payables to island societies for acquisition of assets and MVR 3,040,806 relates to payables to other vendors in the ordinary course of business.

(b) The amounts due to a related pary amounting to MVR 194,799 represents the amount payable to Ministry of Finance and Treasury, Government of Republic of Maldives for initial receipt of funds.

(c) Amounts due to a related party are unsecured, interest free and repayment terms have not been determined. Therefore the entire amount has been considered as payable after a period of one year.

11 Revenue

	For the period 29 January to 31 December 2009
Electricity	2,486,299
Subsidy-fuel surcharge	20,425
	2,506,724

12 Expenses by nature

	For the period 29 January to 31 December 2009
Cost of diesel	2,256,052
Cost of lubricant oil	67,682
Cost of generator spares	135,363
Repair and maintenance - Generator	89,314
Transport charges	45,200
Employee benefit expenses (Note 13)	751,929
Audit fees	69,390
Repairs and maintenance	14,000
Printing and stationery	8,994
Travelling expenses - domestic	13,161
Telephone & internet	6,639
Electricity charges	24,540
Other expenses	17,665
Depreciation (Note 5)	123,612
	3,623,540

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

12 Expenses by nature (continued)

Classified as:	
Cost of sales	2,670,169
Administrative expenses	953,371
	3,623,540

13 Employee benefit expense

Wages and salaries	751,929

14 Taxation

There is no incidence of taxation on profits and income earned in the Republic of Maldives. Accordingly, the Company is not liable to pay income tax on profits and income earned in the Republic of Maldives.

15 Loss per share

Loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the period 29 January to 31 December 2009
Loss attributable to the equity holders of the Company	(1,116,816)
Weighted average number of ordinary shares in issue	100
Loss per share (MVR per share)	(11,168)

16 Cash generated from operations

	For the period 29 January to 31 December 2009
Loss for the period	(1,116,816)
Adjustments for:	
- Depreciation (Note 5)	123,612
- Trade and other receivables	(1,582,597)
- Inventories	(690,810)
- Trade and other payables	3,304,995
Cash generated from operations	38,383

MALE REPUBLIC OF MALDIVES AUDITOR GENERAL'S OFFICE

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

16 Cash used in operations (continued)

Non-cash transactions

The principal non-cash transaction is the acquisition of the fixed assets amounting to MVR 4,283,108 from various island societies to the Company. The consideration has been treated as a payable to the island societies.

Increase in trade and other payable amounting to MVR 3,414,095 during the period is non cash item. This payable arise from the ordinary course of business.

17 Contingencies

Contingent liabilities

There are no material contingent liabilities at the balance sheet date.

Contingent assets

There are no material contingent assets recognized at the balance sheet date.

18 Commitments

Capital commitments

There are no material capital commitment recognised at the balance sheet date.

19 Related-party transactions

The Government of Maldives (GoM) holds 100% share capital of the Company. Fuel Supplies Maldives Private Limited is a wholly owned subsidiary of State Trading Organisation Plc, in which Government of Maldives is a major shareholder. National Social Protection Agency is a Government agency.

The following transactions were carried out with related parties:

	For the period 29 January to 31 December 2009
(i) Subsidy claimed	
National Social Protection Agency	20,425

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

19 Related-party transactions (continued)

(ii) Purchases of goods or services	For the period 29 January to 31 December 2009
Fuel Supplies Maldives Private Limited	1,039,355

(iii) Year-end balances arising from sales/ purchases of goods/services	For the period 29 January to 31 December 2009
Amount due to a related party:	
Ministry of Finance and Treasury - Government of Maldives (Note 10)	194,799

20 Events after the balance sheet date

The business operation of the Company has been acquired by Fenaka Corporation Limited with effective from 7 January 2013.