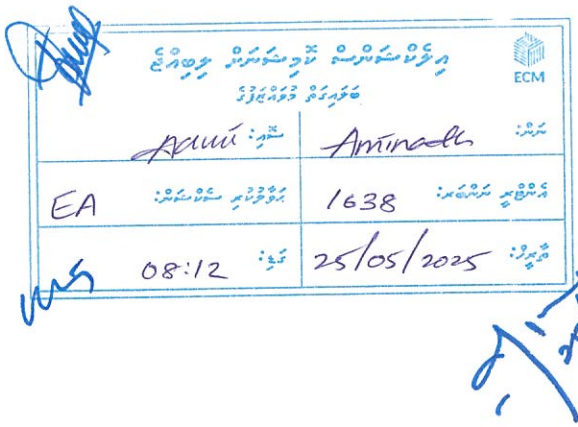


Maldivian Democratic Party

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

Shape the future
with confidence

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DN/NJ/HS

Independent auditor's report
To the Executive Council of Maldivian Democratic Party

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maldivian Democratic Party ("MDP") which comprise the statement of financial position as at 31 December 2024, and the statement of income and expenditure, statement of accumulated surplus and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the MDP as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS for SMEs Accounting standard.

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 MDP in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Executive Council's responsibility for the financial statements

Executive Council is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS for SMEs Accounting Standard, and for such internal control as Executive Council 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, Executive Council is responsible for assessing the MDP'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 Executive Council either intends to liquidate the MDP or to cease operations, or has no realistic alternative but to do so.

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.

Auditor's responsibilities for the audit of the financial statements (continued)

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 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 MDP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Executive Council.
- Conclude on the appropriateness of the Executive Council'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 MDP'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 MDP 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 the Executive Council 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.

For and on behalf of Ernst & Young
Partner :Dhunya NizarF
Licensed Auditor:ICAM-IL-Z73

22 May 2025
Male'

Ernst & Young
EY
Chartered Accountants
Malé , Maldives
Reg. No.: 192/95

Maldivian Democratic Party
STATEMENT OF INCOME & EXPENDITURE
Year ended 31 December 2024

	Note	2024 Rf	2023 Rf
Income			
Income	4	17,699,130	15,554,417
		17,699,130	15,554,417
Less: Expenditure			
Campaign expenses		5,587,153	5,259,329
Staff salary and allowances		4,289,474	4,267,343
Rent		1,988,000	2,635,000
Travelling expenses		6,651,329	1,835,977
Telephone, fax and internet		1,149,102	314,104
Other expenses		812,894	487,683
Electricity		352,475	134,587
Repair and maintanance		386,440	420,767
Depreciation expenses		143,029	182,553
Meetings and conferences		101,693	190,898
Audit fee		84,788	67,597
Pension		148,175	129,542
Bank service charges		5,546	104,805
Candidate deposit payment		58,500	115,500
Dhaairaa expenses		-	1,837,784
Printing and stationery		19,359	27,064
Advertising Expenses		23,233	294,220
Water Charges		16,239	14,390
Fines		36,443	-
Exchange Gain or Loss		-	437,902
Write off expense		785,000	147,487
Provision for other recievables		120,000	-
Miscellaneous expense		41,112	-
		22,799,984	18,904,533
Deficit for the year		**(5,100,854)**	**(3,350,116)**

The accounting policies and notes form an integral part of the financial statements.

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Maldivian Democratic Party
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	2024 Rf	2023 Rf
Assets			
Non current assets			
Property, plant and equipment	5	461,083	424,180
Current assets			
Other receivables	6	321,001	1,211,000
Cash and cash equivalents	7	1,883,989	444,642
		2,204,990	1,655,642
Total assets		2,666,073	2,079,822
Accumulated funds and liabilities			
Accumulated (deficit)/surplus		(3,319,310)	1,781,544
Current liabilities			
Other payables	8	5,985,383	298,278
Total liabilities and funds		2,666,073	2,079,822

The Executive Committee is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Executive Council by,

Name	Designation	Signature
Mr.Fayyaz Ismail	Chairperson	.....
Mr. Ahmed Abdulla	Deputy Chairperson (Finance)	.....

The accounting policies and notes form an integral part of the financial statements.

21 May 2025
Male'

Maldivian Democratic Party
MDP
Republic of Maldives

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Malé , Maldives
Reg. No.: 192/95

Maldivian Democratic Party
STATEMENT OF ACCUMULATED FUNDS
Year ended 31 December 2024

	Total Rf
Surplus as at 01 January 2023	**5,131,660**
Deficit for the year	(3,350,116)
Surplus as at 31 December 2023	**1,781,544**
Deficit for the year	(5,100,854)
Deficit as at 31 December 2024	**(3,319,310)**

The accounting policies and notes form an integral part of the financial statements.

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Maldivian Democratic Party
STATEMENT OF CASH FLOWS
Year ended 31 December 2024

	Note	2024 Rf	2023 Rf
Operating activities			
Donations received	4	17,699,130	15,554,417
Cash paid for employees, suppliers and service providers		(16,969,850)	(18,518,950)
Rent deposit made during the year		889,999	(479,000)
Net cash flows from/ (used in) operating activities		**1,619,279**	**(3,443,533)**
Investing activities			
Purchase of property, plant and equipment	5.1	(179,932)	(339,709)
Net cash flows used in investing activities		**(179,932)**	**(339,709)**
Net increase/ (decrease) in cash and cash equivalents		**1,439,346**	**(3,783,242)**
Cash and cash equivalents as at 01 January		444,642	4,227,885
Cash and cash equivalents as at 31 December	7	**1,883,989**	**444,642**

The accounting policies and notes form an integral part of the financial statements.

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1.0 General information

1.1 General

The Maldivian Democratic Party ("MDP") is a registered political party in the Republic of Maldives under the rules and regulations issued by the Elections Commission on 26 June 2005. MDP receives funds mainly from Elections Commission and through donations.

1.2 Date of authorization for issue

The financial statements of MDP for the year ended 31 December 2024 were authorized for issue dated 21 May 2025.

2.0 Basis of preparation and accounting policies

The financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB).

The financial statements are presented in Maldivian Rufiyaa (Rf) and all values are rounded to the nearest integer except when otherwise indicated. No adjustment is made for inflationary factors affecting these financial statements. As described in Note 2.4 *Income Recognition,* nature of the operations of a political party is such that funding for political campaigns, in the form of direct expense bearing and non-monetary contributions, can be made by party supporters without notifying the party and hence, such transactions may not be recorded in the books of accounts of MDP. Accordingly, for the purpose of preparing these financial statements, only the funds received to the designated bank account of MDP and transactions recorded in its books of accounts has been considered.

2.2 Comparative Information

The accounting policies and estimates adopted by MDP are consistent with those of the previous financial year.

2.3 Going concern

These financial statements are prepared on the assumption that MDP will continue to operate as a going concern.

2.4 Summary of Significant accounting policies

Foreign currency translations

All foreign currency transactions are converted to Maldivian Rufiyaa, which is the reporting currency at the rates of exchange prevailing at the time the transactions were effected. Monetary assets and liabilities denominated in foreign currencies are retranslated to Maldivian Rufiyaa at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated using exchange rates which existed when values were determined. The resulting gains and losses are accounted for in the Statement of Income and Expenditure.

Property, plant and equipment
Cost
All items of property, plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition or construction. All property, plant and equipment are stated at historical cost less depreciation and/or accumulated impairment losses, if any.

Subsequent costs
The cost of replacing a component 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 Party and its cost can be measured reliably.

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2.5 Significant accounting policies (continued)

Depreciation

Depreciation is provided on all property, plant and equipment on straight-line basis, at rates calculated to write off the cost of each asset evenly over its expected useful life.
Depreciation is charged to the statement of Income and Expenditure when assets are available for use over their estimated useful lives.

Computers and Accessories	20%
Furniture and Fittings	20%
Machineries and Equipment	20%

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts if any.

Surplus Funds

Surplus funds are those that are available for use by MDP at the discretion of the members, in furtherance of the general objectives of the MDP and which are not designated for any specific purpose.

Liabilities

Liabilities classified as current liabilities in the Statement of Financial Position are those, which fall due for payment on demand or within one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

Income recognition

Income of MDP includes contributions from its members, Companies and funds received from Elections Commission. Income is recognized when funds have been received to the designated bank account from members of MDP and the Elections Commission.

Expenditure recognition

Expenses are recognized in the Statement of Income and Expenditure on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in maintaining the property, plant and equipment in state of efficiency has been charged to Statement of Income and Expenditure in arriving at the surplus of the year.

MDP has adopted the "Nature of Expenses" method to present fairly the elements of MDP's activities in its Statements of Income and Expenditure.

3. New and Amended Sections

The third edition of the IFRS for SME Standard is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SMEs are required to apply the new and amended requirements in the Standard retrospectively with some relief from retrospective application available as permitted by the Standard under transition requirements. Key amendments to the Standard include:

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3. New and Amended Sections (continued)

Section 7 Statement of Cash Flows
Section 7 has been updated to align with IAS 7 Statement of Cash Flows to require disclosure of a reconciliation of changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash flows. There is also a new requirement to disclose information about supplier finance arrangements.

Section 9 Consolidated and Separate Financial Statements
The definition of control has been aligned with IFRS 10. The section is further aligned with IFRS 10 by the addition of the requirement for a parent entity that loses control of a subsidiary to measure its retained interest in the former subsidiary at fair value at the date control is lost, with any resulting gain or loss recognized in profit of loss.

Section 11 Financial Instruments
The previous Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments have been combined into a single Section 11 which has been renamed Financial Instruments. Section 11 reflects certain alignments of principles with IFRS 9 Financial Instruments and no longer allows SMEs the option to apply the recognition and measurement requirements of IAS 39. Section 11 retains the second edition's incurred loss model for the impairment of financial assets measured at amortized cost, hedge accounting requirements and derecognition requirements.

Section 11 also includes a requirement for SMEs to disclose a maturity analysis for financial liabilities, which aligns with IFRS 7 Financial Instruments: Disclosures.

Section 12 Fair value measurement
Section 12 is a new section which combines the fair value measurement requirements in other sections of the second edition of the Standard into a single section. Section 12 includes a definition of fair value which aligns with IFRS 13 and overall aligns with IFRS 13's principles of fair value measurement and disclosure.

Section 19 Business Combinations and Goodwill
Section 19's definition of a business has been updated to align with IFRS 3 Business Combinations. The revised section also includes a requirement for contingent consideration to be measured at fair value if it can be measured without undue cost or effort. The treatment of acquisition costs is now also aligned with IFRS 3 in that these costs are recognized in profit or loss at the time of the acquisition.

Section 23 Revenue from Contracts with Customers
Section 23 has been revised and renamed to align with IFRS 15. IFRS 15's five-step model has been simplified on the basis that SMEs generally have contracts with customers that are simpler than those of entities applying full IFRS accounting standards. Simplifications include the use of simple, concise language consistent with the language used by SMEs, limiting the amount of judgement required in the application of the model and omission of topics considered not relevant to SMEs. The disclosure requirements are also simplified in comparison to IFRS 15.

MDP is currently in the process of identifying the possible effects the new and revised requirements may have on the financial statements of the MDP. Therefore, the financial impact of initial application has not been disclosed in these financial statements as it is not yet reasonably estimable



4 Income

	2024 Rf	2023 Rf
Donations received from individuals	2,273,550	491,626
Donations received from Companies	300,000	850,000
Funds received from Elections Commission	15,101,580	14,212,791
Donation: non-monetary	24,000	-
	17,699,130	**15,554,417**

5 Propety, plant and equipment

5.1 Gross carrying amount At cost

	Balance as at 01.01.2024 Rf	Additions Rf	Disposals for the year Rf	Balance as at 31.12.2024 Rf
Computers and accessories	1,539,390	127,500	-	1,666,890
Furniture and fittings	379,774	52,432	-	432,206
Machineries and equipment	167,575	-	-	167,575
	2,086,739	**179,932**	**-**	**2,266,671**

5.2 Depreciation At cost

	Balance as at 01.01.2024 Rf	Charge for the year Rf	Disposals for the year Rf	Balance as at 31.12.2024 Rf
Computers and accessories	1,443,364	49,196	-	1,492,560
Furniture and fittings	117,292	66,517	-	183,809
Machineries and equipment	101,903	27,316	-	129,219
	1,662,559	**143,029**	**-**	**1,805,588**

5.3 Net book value	**424,180**	**461,083**

6 Other receivables

	2024 Rf	2023 Rf
Deposit and advance	441,001	1,211,000
Provision for impairement on recievables	(120,000)	-
	321,001	**1,211,000**

7 Cash and cash equivalents

Cash in hand	82,679	79,224
Cash at bank	1,801,310	365,418
	1,883,989	**444,642**

8 Other payables

Accrued expenses	357,761	298,278
Payables to goods and service providers	5,627,622	-
	5,985,383	**298,278**

9 Events occurring after the balance sheet date

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

10 Capital commitments and contingent liabilities

The party had no significant capital commitments or contingent liabilities as at 31 December 2024.

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Outlook

Audit Report 2024

From MDP Finance <finance@mdp.org.mv>
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1 attachment (3 MB)
Audit Report 2024.pdf;

You don't often get email from finance@mdp.org.mv. Learn why this is important

Election Commission,

Please Find the Attached Audited Financial Statement 2024 of Maldivian Democratic Party.

Thank you

Kind Regards

Eeman
Finance Executive