

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Maldives Development Alliance (M.D.A)

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MDA/38/2024/02 : ސަރަޙައްދު

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MALDIVES DEVELOPMENT ALLIANCE

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2023

NJ/DN/HS

Independent auditor's report To the Executive Council of Maldives Development Alliance

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maldives Development Alliance ("the Party"), which comprise the statement of financial position as at December 31, 2023 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 Party as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

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 Party in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 Executive Council 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, 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 Party'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 Party 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:

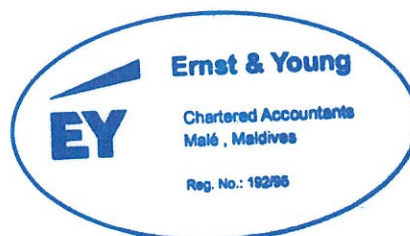
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Party'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 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 Party'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 Party 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 Nizar
Licensed Auditor:ICAM-IL-Z73

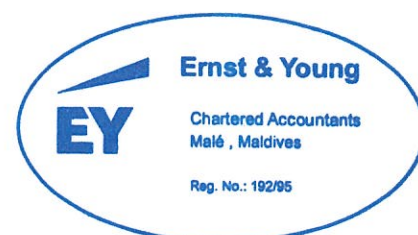
28 March 2024
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Maldives Development Alliance
STATEMENT OF INCOME AND EXPENDITURE
Year ended 31 December 2023

	Note	2023 Rf.	2022 Rf.
Income	3	6,987,049	4,292,607
Less: Expenditure			
Ramazan allowance		27,000	27,000
Public relations		79,699	169,819
Travelling and transport		42,700	2,200
Administration expenses		121,438	358,095
Island office expense		1,714,500	-
Office stationery expense		-	140,550
Salaries and allowances		4,020,000	2,458,406
Repairs and maintenance		7,876	12,000
Printing and stationery		57,392	112,837
Professional and legal fees		35,620	34,019
Rent		608,600	498,100
Internet		36,453	34,411
Electricity		21,601	29,609
Telephone		40,695	51,550
Bank charges		3,820	5,130
Depreciation		119,911	461,811
Ceremonies expenses		46,521	109,540
Staff pension expenses		21,000	9,800
		7,004,826	4,514,877
Deficit for the year		(17,777)	(222,270)

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



Maldives Development Alliance
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 Rf.	2022 Rf.
Assets			
Non current assets			
Property, plant and equipment	4	324,323	333,158
Other receivables	5	72,500	25,000
		<u>396,823</u>	<u>358,158</u>
Current assets			
Cash and cash equivalents	6	28,106	12,194
		<u>28,106</u>	<u>12,194</u>
Total assets		<u>424,929</u>	<u>370,352</u>
Surplus and liabilities			
Accumulated surplus		47,104	64,881
		<u>47,104</u>	<u>64,881</u>
Current liabilities			
Accrued expenses	7	377,825	305,471
		<u>377,825</u>	<u>305,471</u>
Total surplus and liabilities		<u>424,929</u>	<u>370,352</u>

The Executive Council is responsible for these financial statements.

Signed for and on behalf of Executive Council by:



Mr. Ali Mauroof
Vice President



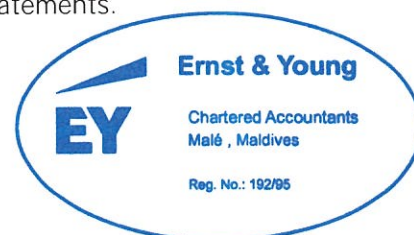
Mr. Mohamed Umar
Registrar



Mr. Shah Ismail
Secretary General

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

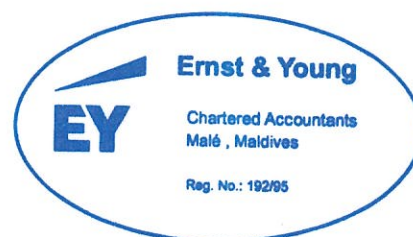
28 March 2024
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Maldives Development Alliance
STATEMENT OF ACCUMULATED SURPLUS
Year ended 31 December 2023

	Total Rf.
Surplus as at 1 January 2022	287,151
Deficit for the year	(222,270)
Surplus as at 31 December 2022	64,881
Deficit for the year	(17,777)
Surplus as at 31 December 2023	47,104

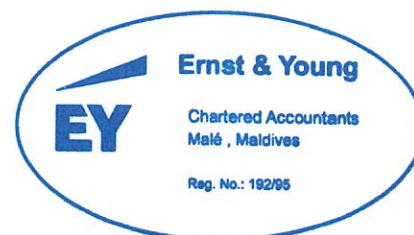
The accounting policies and notes form an integral part of the financial statements.



Maldives Development Alliance
STATEMENT OF CASH FLOWS
Year ended 31 December 2023

	Note	2023 Rf.	2022 Rf.
Operating activities			
Donations received	3	6,987,049	4,292,607
Payments on operations		(6,860,061)	(3,955,228)
Net cash flows from operating activities		126,988	337,379
Investing activities			
Purchase of property, plant and equipment	4	(111,076)	(328,734)
Net cash flows used in investing activities		(111,076)	(328,734)
Net increase in cash and cash equivalents		15,912	8,645
Cash and cash equivalents at the beginning of the year		12,194	3,549
Cash and cash equivalents at the end of the year	6	28,106	12,194

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



Maldives Development Alliance
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

1.0 Party information

1.1 General

Maldives Development Alliance is a registered political party in the Republic of Maldives under the rules and regulations issued by the Elections Commission. The political party receives funds mainly from Elections Commission and party leader.

1.2 Date of authorization for issue

The financial statements of Maldives Development Alliance for the year ended 31 December 2023 were authorized for issue dated 28 March 2024

2.0 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost basis in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board.

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.

2.2 Comparative Information

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

2.3 Going concern

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

2.4 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.

2.4 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.

Furniture and fitting	25%
Office equipment	25%

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, and cash at bank which are short-term and are 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.

Surplus Funds

Surplus funds are those that are available for use by the Party at the discretion of the members, in furtherance of the general objectives of the Party 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 the Party includes contribution from its members and contribution from election commission. Income is recognised at the point of cash received from the members of the Party and the election commission.

All the funds received (including donations/ received from election commission) in respect of a particular financial year are treated as income in that financial accounting year.

Expenditure recognition

Expenses are recognised 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.

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

Maldives Development Alliance
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 Income	2023 Rf.	2022 Rf.
Donations from Ahmed Siyam Mohamed	4,395,943	4,292,607
Funds received from Election Commission	2,591,106	-
	6,987,049	4,292,607

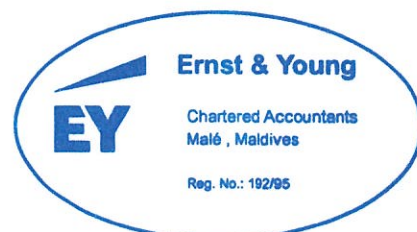
4 Property, plant and equipment	Balance as at 01.01.2023 Rf.	Additions during the year Rf.	Balance as at 31.12.2023 Rf.
4.1 Gross carrying amounts			
At cost			
Furniture and fittings	2,900,573	14,580	2,915,153
Office equipment	1,786,996	96,496	1,883,492
Total gross carrying amount	4,687,569	111,076	4,798,645

4.2 Depreciation	Balance as at 01.01.2023 Rf.	Charge for the year Rf.	Balance as at 31.12.2023 Rf.
At cost			
Furniture and fittings	2,770,016	39,555	2,809,571
Office equipment	1,584,396	80,356	1,664,751
Total depreciation amount	4,354,412	119,911	4,474,322

4.3 Net book values	2023 Rf.	2022 Rf.
Furniture and fittings	105,582	130,557
Office equipment	218,741	202,601
Total carrying amount of property, plant and equipment	324,323	333,158

4.4 During the financial year, the Party acquired property, plant and equipment to the aggregate value of Rf.111,076/- (2022- Rf. 328734/-).

5 Other receivables	2023 Rf.	2022 Rf.
Staff loans	47,500	-
Deposits	25,000	25,000
	72,500	25,000



Maldives Development Alliance
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

	2023 Rf.	2022 Rf.
6 Cash and cash equivalents		
Cash at bank	28,106	12,194
Cash and cash equivalents	28,106	12,194

7 Payables and accrued expenses

Accrued expenses	377,825	305,471
	377,825	305,471

8 Events occurring after the reporting date

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

9 Capital commitment and contingent liabilities

The Party had no significant capital commitments or contingent liabilities as at 31 December 2023.

