

Audited Financial Statement

MALDIVES REFORM MOVEMENT

(INCORPORATED IN THE REPUBLIC OF MALDIVES)

31st December 2023

 5th Floor, M. DMK No. 2 Fihaara
Chaandhanee Magu
Male' 20189, Maldives

 757 3399 / 333 9991

 info@mileassociates.com
accounts@mileassociates.com

 mileassociates.com

 **MILE & ASSOCIATES**
chartered accountants

Independent Auditor's Report To the Members of Maldives Reform Movement

Opinion

We have audited the accompanying financial statements of **Maldives Reform Movement**, which comprise the statement of financial position as at 31st December 2023, the statements of income and retained funds, and statement of cash flows for the year ended, and notes, comprising a summary of significant accounting policies and other explanatory information exhibited on pages 6 to 11.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31st December 2023 and of 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 Auditing Standards (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 association in accordance with the relevant ethical requirements that are relevant to our audit of financial statements in Maldives, and we have fulfilled our 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.

Board's responsibility for the financial statements

Board is responsible for the preparation and fair presentation of these financial statements in accordance with *International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs)*, 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' 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 auditors' 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.




Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the association'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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the association 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 to the association 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.


Abdulla Leeman Zahir
Partner
Audit License No: ICAM-FL-17F

26th March 2024



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF INCOME AND RETAINED FUNDS**

FOR THE YEAR ENDED 31ST DECEMBER	Note	2023 MVR	2022 MVR
Income			
Income received	3	<u>1,115,289</u>	<u>1,279,297</u>
Total Income		<u>1,115,289</u>	<u>1,279,297</u>
Expenditure			
Employee benefit expenses	4	<u>(451,659)</u>	<u>(684,843)</u>
Administration expenses	5	<u>(495,866)</u>	<u>(547,097)</u>
Total Expenditure		<u>(947,525)</u>	<u>(1,231,940)</u>
Net income / (expenditure) before depreciation		167,764	47,357
Depreciation	5	<u>(33,124)</u>	<u>(33,124)</u>
Net movement in funds		<u>134,640</u>	<u>14,233</u>
Retained funds brought forward		-	-
Distributions to members		<u>-</u>	<u>-</u>
Retained funds carried forward		<u>134,640</u>	<u>14,233</u>

Figures in brackets indicate deductions.

The Financial statements are to be read and conjunction with the related notes which form part of the financial statement of the party set out on pages 6 to 11. The report of the Auditors is given in page 1 and 2.



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER	Note	2023 MVR	2022 MVR
ASSETS:			
Non-current assets			
Property, Plant and Equipment	6	93,182	126,307
		<u>93,182</u>	<u>126,307</u>
Current assets			
Receivables	7	263,561	193,920
Cash and cash equivalents	8	28,988	30,735
		<u>292,549</u>	<u>224,655</u>
Total assets		<u>385,731</u>	<u>350,962</u>
LIABILITIES:			
Non-Current liabilities			
		<u>-</u>	<u>-</u>
Current liabilities			
Payables	9	25,759	77,050
Deferred Income	10	-	48,580
		<u>25,759</u>	<u>125,630</u>
Total liabilities		<u>25,759</u>	<u>125,630</u>
Total net assets or liabilities		<u>359,972</u>	<u>225,332</u>
Retained funds and equity			
Accumulated fund at the start of accounting period		225,332	211,099
Net movement in funds		134,640	14,233
Accumulated fund as at 31st December		<u>359,972</u>	<u>225,332</u>

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

President: Ahmed Faris Maumoon

Signature.....*Farish*.....

Vice President: Aminath Nadira

Signature.....*Aminath*.....

26th March 2024



MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CASH FLOWS

AS AT 31ST DECEMBER	2023	2022
	MVR	MVR
Cash flow from Operating Activities:		
Net income / (expenditure)	134,640	14,233
Depreciation	33,124	33,124
(Increase)/Decrease Receivables	(69,641)	(70,360)
(Increase)/Decrease in Payables	(99,871)	65,863
Net cash provided by (used in) operating activities	(1,747)	42,860
Cash Flow from Investing Activities:		
Purchase of property, plant and equipment	-	(16,234)
Net cash provided by (used in) investing activities	-	(16,234)
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting Year	(1,747)	26,626
Cash and Cash Equivalents at Beginning of the Year	30,735	4,109
Cash and Cash Equivalents at End of the Year (Note 8)	28,988	30,735

Figures in brackets indicate deductions.

The Financial statements are to be read in conjunction with the related notes which form part of the financial statement of the party set out on pages 6 to 11. The report of the Auditors is given in page 1 and 2.



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS**

01. PARTY INFORMATION

The Maldives Reform Movement is a registered political party in the Republic of Maldives under the rules and regulations issued by the commissioner of Elections.

02. BASIS OF PREPARATION

The financial statement of the party comprises statements of income and expenditure, statement of financial position, statement of cash flows and statement of accumulated surplus or deficit together with accounting policies and notes.

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles. The financial statements are presented in Maldivian Rufiyaa (MVR) and all values are rounded to the nearest integer except when otherwise indicated. No adjustments are made for inflationary factors affecting these accounts.

Comparative information

The accounting policies have been consistently applied by the party and are consistent with those used in previous years. Further, comparative information is reclassified wherever necessary to comply with the current year's presentation.

Going concern

The Executive committee has made an assessment of the party's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

Summary of significant accounting policies

Foreign currency translation

The financial statements are presented in Maldivian Rufiyaa (MVR), which is the party's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling all the reporting date. All the differences are accounted for in the statement of income and expenditure.



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

02. BASIS OF PREPARATION (CONTINUED)

Other receivables

Other receivables are stated at the amounts that they are estimated to realize.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash in hand. For the purpose of cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Liability

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 reporting date.

Provisions

Provisions are recognized when the party has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the party expects some or all the provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income and expenditure net of any re-imbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risk specific to the liability. Where discounting is used any change in the provision resulting from the unwinding effect is dealt in the statement of income and expenditure.

Capital commitments and contingent liabilities

The party had no significant capital commitment or contingent liabilities as at 31st December 2023.



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

02. BASIS OF PREPARATION (CONTINUED)

Events occurring after the statement of financial position date

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

Income recognition

Income of the party includes monthly contributions from members and ad hoc donations from members.

Income is recognized to the extent that is probable that the economic benefits will realize and the income can be reliably measured. Income is measured at the fair value of the consideration received or receivable.

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



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER

3. INCOME RECEIVED	2023 MVR	2022 MVR
Monthly contribution	628,835	982,361
Donations	486,454	296,936
	<u>1,115,289</u>	<u>1,279,297</u>
4. EMPLOYEE BENEFIT EXPENSES	2023 MVR	2022 MVR
Salaries & allowances	427,500	652,534
Pension Contributions	24,159	32,309
	<u>451,659</u>	<u>684,843</u>
5. ADMINISTRATION EXPENSES	2023 MVR	2022 MVR
Bank charges	805	415
Admin Expenses	2,575	9,029
Audit Fee	8,280	9,000
Depreciation (Note 6)	33,124	33,124
Dues & Subscription fees	9,828	13,363
Legal and professional fees	120,400	50,000
Meals and entertainment	13,784	24,617
Meeting and Conferences	11,019	3,000
Printing & stationary	4,199	4,115
Rent	242,000	264,000
Repair and Maintenance	-	5,456
Fine	904	-
Telephone & communication	27,384	31,160
Travel	-	6,100
Utilities	54,688	47,647
Victory Day Event 2022	-	30,430
WDC Campaign Thulusdhoo	-	47,566
Waived Contributions	-	1,200
	<u>528,990</u>	<u>580,221</u>



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
AS AT 31ST DECEMBER**

6. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture & Equipment	Total 2023	Total 2022
Cost	MVR	MVR	MVR	MVR
As At 1st January	50,000	115,622	165,622	149,388
Additions	-	-	-	16,234
As At 31st December	<u>50,000</u>	<u>115,622</u>	<u>165,622</u>	<u>165,622</u>
Depreciation				
As At 1st January	12,500	26,815	39,315	6,191
Charge for the Year	10,000	23,124	33,124	33,124
As At 31st December	<u>22,500</u>	<u>49,940</u>	<u>72,440</u>	<u>39,315</u>
Net Book Value				
As At 31st December	<u>27,500</u>	<u>65,682</u>	<u>93,182</u>	<u>126,307</u>



**MALDIVES REFORM MOVEMENT
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

AS AT 31ST DECEMBER

7. RECEIVABLES	2023 MVR	2022 MVR
Contribution receivables	219,561	149,920
Advance rent deposit	44,000	44,000
	<u>263,561</u>	<u>193,920</u>
8. CASH AND CASH EQUIVALENT	2023 MVR	2022 MVR
Cash at Bank	28,988	30,735
	<u>28,988</u>	<u>30,735</u>
9. PAYABLES	2023 MVR	2022 MVR
Accrued expenses	25,759	77,050
	<u>25,759</u>	<u>77,050</u>
10. DEFERRED INCOME	2023 MVR	2022 MVR
Deferred Contribution	-	48,580
	<u>-</u>	<u>48,580</u>

