

**AUDITED FINANCIAL STATEMENT**  
**PROGRESSIVE PARTY OF MALDIVES**

*Financial Period ended 31st December 2023*



## **Independent Auditor's Report**

### **To the Members of the Progressive Party of Maldives**

#### **Opinion**

We have audited the accompanying financial statements of Progressive Party of Maldives which comprise the Statement of Financial Positions at 31<sup>st</sup> December 2023, the statements of comprehensive Income, the Statement of Cash Flow, and the Statement of Changes in Equity, a summary of significant accounting policies, and other explanatory notes for the period ended 31<sup>st</sup> December 2023.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Progressive Party of Maldives as of 31<sup>st</sup> December 2023 and of its financial performance and its cash flow for the period then ended 31<sup>st</sup> December 2023 in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs).

#### **Executive Committee's Responsibility for the Financial Statements**

The Executive Committee 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 with the requirements of the regulations of the Republic of Maldives. This responsibility includes; designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Basis for Opinion**

We conducted the audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Political Party/Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the opinion.

#### **Other Information**

The Executive Committee of the Political Party/Organization (the "Exco") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and the auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Executive Committees of the Political Party/Organization.

#### **Responsibilities of the Executive Committees for the Financial Statements**

The Executive Committee is responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with IFRS for SMEs, and for such internal control as the Executive Committee 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, the Executive Committee is responsible for assessing the Political Party/Organization'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 the Executive Committee either intends to liquidate the Political Party/Organization or to cease operations or has no realistic alternative but to do so.


**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.

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 Political Party/Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee of the Political Party/Organization'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 Political Party/Organization'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 the auditors' report. However, future events or conditions may cause the Political Party/Organization 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.

From the matters communicated with the Exco, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

  
Mohamed Shifau Ibrahim FCCA- Licensed Auditor, ICAM-IL-XJM  
Managing Partner  
Ibrahim and Associates LLP (ICAM-FL-S8I)  
15<sup>th</sup> May 2024





**PROGRESSIVE PARTY OF MALDIVES**  
**FINANCIAL POSITION AS AT 31ST DECEMBER 2023**

	Notes	2023 (MVR)	2022 (MVR)
<i>(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)</i>			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	3	254,048	250,441
		254,048	250,441
<b>Current Assets</b>			
Receivables	4	-	-
Other Current Assets	5	-	-
Cash And Cash Equivalents	6	1,128	905,132
		1,128	905,132
<b>Total Assets</b>		<b>255,176</b>	<b>1,155,573</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated Surplus or Deficit	SCE	(166,628)	(2,141,521)
		(166,628)	(2,141,521)
<b>Non Current Liabilities</b>			
Non Current Liabilities	7	-	-
		-	-
<b>Current Liabilities</b>			
Trade and Other Payables	8	421,804	3,297,094
Short Term Loans	9	-	-
		421,804	3,297,094
<b>Total Equity and Liabilities</b>		<b>255,176</b>	<b>1,155,573</b>

The Executive Committee is responsible for these financial statements.

For and on behalf of the Executive Committee:

**Name & Designation**

Ahmed Shiyam (Vice President)




Ahmed Hamdhan Nasir (Registrar / Acting Treasurer)



The accounting policies and note attached are an integral part of these financial statements.



**PROGRESSIVE PARTY OF MALDIVES**

**PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2023**

	Notes	2023 (MVR)	2022 (MVR)
<i>(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)</i>			
Income	10	12,419,504	10,788,988
Direct Cost of Operations	11	-	-
<b>Gross Profit</b>		12,419,504	10,788,988
Other Income	12	-	-
		12,419,504	10,788,988
Administrative Expenses	13	(6,332,997)	(5,861,617)
Selling and Distribution Expenses	14	(4,111,614)	(4,954,569)
<b>Result Form Operating Activities</b>		1,974,893	(27,198)
Net Finance Cost	15	-	-
<b>Surplus or (Deficit)</b>		<b>1,974,893</b>	<b>(27,198)</b>



The accounting policies and note attached are an integral part of these financial statements.



**PROGRESSIVE PARTY OF MALDIVES**

**STATEMENT OF ACCUMULATED SURPLUS OR DEFICIT**

*(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)*

**Attributable to Members**

	Notes	Accumulated Surplus or Deficit	Total
Opening for the year		(2,141,521)	(2,141,521)
		-	-
Surplus for the year		1,974,893	1,974,893
		-	-
At 31st December 2023		(166,628)	(166,628)

**Attributable to Members**

	Notes	Accumulated Surplus or Deficit	Total
Opening for the year		(2,114,323)	(2,114,323)
		-	-
Deficit for the year		(27,198)	(27,198)
		-	-
At 31st December 2022		(2,141,521)	(2,141,521)

→ 16rd  
P. 16rd

The accounting policies and note attached are an integral part of these financial statements.



**PROGRESSIVE PARTY OF MALDIVES**

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST DECEMBER 2023**

	Notes	2023 (MVR)	2022 (MVR)
<i>(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)</i>			
<b>Operating activities</b>			
Surplus or (Deficit)		1,974,893	(27,198)
<b>Adjustements</b>			
Depreciation		148,492	148,492
Increase/ Decrease in Other Current assets		-	-
Increase/ Decrease in Receivable		-	-
Change in Short Term Loans		-	-
Change in Payables		(2,875,290)	935,445
Cash Generated From/(used In) Operating Activities		(751,905)	1,056,739
Finance cost		-	-
Net Cash flow from operating activities		(751,905)	1,056,739
<b>Investing activities</b>			
Purchase of property, plant and equipment	3	(152,099)	(152,099)
Proceeds from disposal of property, plant and equipment		-	-
Cash flow from investing activities		(152,099)	(152,099)
<b>Financing activities</b>			
Proceed from borrowings		-	-
Membership Contribution		-	-
Cash flow from financing activities		-	-
<b>Net change in cash and cash equivalents</b>		(904,004)	904,640
<b>Cash, cash equivalents at the beginning of the year</b>		905,132	492
<b>Cash, cash equivalents at the end of the year</b>		<b>1,128</b>	<b>905,132</b>



The accounting policies and note attached are an integral part of these financial statements.





## NOTES

(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)

### 1.0 General Information:

PROGRESSIVE PARTY OF MALDIVES (the "Party") is a registered political party in the Republic of Maldives under the rules and regulations issued by the Elections Commission. Party's funds are received from its members as donations and from the Elections Commission.

Principal activities and nature of operations of the Party is to carry on party promotional activities.

### 2.0 Summary of significant accounting policies

#### 2.1 Overall Considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

#### 2.2 Basis of Presentation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs). These financial statements are prepared under the historical cost convention, whereby the transactions are recorded at the value prevailing on the dates when the assets were acquired, the liabilities were incurred or the capital obtained.

#### 2.3 Revenue Recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the organisation for services rendered and goods supplied, excluding sales taxes, rebates and trade discounts.

#### 2.4 Foreign currency translation

##### a) Functional and presentation currency

Items included in the financial statements are of the organisations are measured using the currency of primary economic environment in which the entity operated ("the functional currency"). The financial statements are presented in Maldivian Rufiyaa, which is the functional and presentation currency.

##### b) Transaction and balances

Foreign currency transactions are translated into Maldivian Rufiyaa using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from recognized in the income statement, except where hedge accounting is applied.

#### 2.5 Property, plant and equipment

All property, plant and equipment, which are initially recorded at historical cost, are stated at cost less depreciation. Cost includes the transfer values of the assets, or their purchase cost, or the cost of construction, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance costs are expensed out in the income statement during the financial period in which they are incurred.

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

Computer Equipment	10%
Furniture & Fittings	10%
Office Equipment	10%
Speaker System	25%



An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is





## NOTES

(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)

greater than its estimated recoverable amount.

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

### 2.6 Impairment of assets

Assets that have an indefinite life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 purpose 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 impairment are reviewed for possible reversal of the impairment at each accounting period

### 2.7 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized 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 organisation will not be able to collect all amounts due according to the original terms of the 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 effective interest rate. The amount of the provision is recognized in the income statement within 'selling and marketing costs'.

### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.9 Provisions

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

When 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 recognized 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 expenditure required to settle the present obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

### 2.10 Leases

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 lease (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.

### 2.11 Financial Risk Management

#### 2.12 Financial risk factors

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



## NOTES

(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)

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

### a) Market risk - Foreign exchange risk

The organisation operates internationally and exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

### b) Credit Risk

The organisation has significant concentration of credit risk. However, 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 and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying organisations, management of the organisation aims to maintain flexibility in funding by keeping committed credit lines available.

## 2.14 Capital risk management

The organisation's objectives when managing capital are to safeguard the organisation'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.

## 2.15 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 interest rate that is available to the Group for similar financial instruments.

## 2.16 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current

## 2.17 Revenue

Revenue consists of income generated from sales of merchandise. Revenue is recognized in the Income Statement when the services are invoiced to the customers.

## 2.18 Expenditure

All expenditure incurred in the running of the organisation and in maintaining capital assets in a state of efficiency has been charged to the revenue in arriving at profit or loss for the year.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the organisation or for the purpose of earning capacity of the organisation has been treated as capital expenditure.

Expenditure incurred in purchasing of tools below MVR 5000 is charged to the profit and loss account during the period in which the cost is incurred.

## 2.19 Contingencies

### 2.19.1 Contingencies liabilities

There were no contingent liabilities outstanding at the reporting date.

### 2.19.2 Contingencies assets

There were no material contingent assets recognized at the reporting date.

## 2.20 Commitments

### 2.20.1 Capital commitments

There were no material capital commitments outstanding as at the reporting date.

### 2.20.2 Financial commitments

There were no material financial commitments outstanding as at the reporting date.





**NOTES (CONTINUED)***(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)***3.0 Property Plant and Equipment**

<b>2023</b>						
<b>Fixed Asset</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposal</b>	<b>Total</b>	<b>Depreciation</b>	<b>Acc. Depn</b>
Computer Equipment	686,085	43,600	-	729,685	72,969	601,123
Furniture & Fittings	186,780	8,499	-	195,279	19,528	155,594
Office Equipment	114,955	-	-	114,955	11,496	104,154
Speaker System	78,000	100,000	-	178,000	44,500	103,000
<b>Total</b>	<b>1,065,820</b>	<b>152,099</b>	<b>-</b>	<b>1,217,919</b>	<b>148,492</b>	<b>963,871</b>
						<b>254,048</b>
<b>2022</b>						
<b>Fixed Asset</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposal</b>	<b>Total</b>	<b>Depreciation</b>	<b>Acc. Depn</b>
Computer Equipment	601,836	84,249	-	686,085	68,434	528,154
Furniture & Fittings	126,882	59,898	-	186,780	17,870	136,067
Office Equipment	108,702	6,253	-	114,955	11,395	92,658
Speaker System	78,000	-	-	78,000	19,500	58,500
<b>Total</b>	<b>915,420</b>	<b>150,400</b>	<b>-</b>	<b>1,065,820</b>	<b>117,199</b>	<b>815,379</b>
						<b>250,441</b>



The accounting policies and note attached are an integral part of these financial statements.

**NOTES (CONTINUED)**

(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)

<b>4.0 Receivables</b>	<b>2023</b>	<b>2022</b>
Receivables	-	-
	-	-
<b>5.0 Other Current Assets</b>	<b>2023</b>	<b>2022</b>
Other Current Assets	-	-
	-	-
<b>6.0 Cash And Cash Equivalents</b>	<b>2023</b>	<b>2022</b>
Cash at Bank	1128	895141.27
Cash at hand	-	9,991
	1,128	905,132
<b>7.0 Non Current Liabilities</b>	<b>2023</b>	<b>2022</b>
Non Current Liabilities		
	-	-
<b>8.0 Trade and Other Payables</b>	<b>2023</b>	<b>2022</b>
Accrued Expenses	386,804	3,297,094
Trade Payables	35,000	-
	421,804	3,297,094
<b>9.0 Short Term Loans</b>	<b>2023</b>	<b>2022</b>
Short Term Loans	-	-
	-	-



The accounting policies and note attached are an integral part of these financial statements.





**NOTES (CONTINUED)***(All amounts are shown in Maldivian Rufiyaa unless otherwise stated)*

<b>10.0 Income</b>	<b>2023</b>	<b>2022</b>
Government Subsidy (Election Commission)	9,544,204	8,863,988
Contribution Received	2,875,300	1,925,000
	<u>12,419,504</u>	<u>10,788,988</u>
<b>11.0 Direct Cost of Operations</b>	<b>2023</b>	<b>2022</b>
Direct Cost of Operations	-	-
	<u>-</u>	<u>-</u>
<b>12.0 Other Income</b>	<b>2023</b>	<b>2022</b>
Other Income	-	-
	<u>-</u>	<u>-</u>
<b>13.0 Administrative Expenses</b>	<b>2023</b>	<b>2022</b>
Utility Expenses	532,146	453,935
Salary	638,000	874,000
Printing and Stationary	43,567	45,206
Repair and Maintenance	50,215	121,960
Candidancy Fee	18,000	33,000
Telephone and Internet	23,079	213,497
Election Expenses	2,850,949	1,008,363
Rental Expenses	1,665,000	2,405,000
Administrative Expenses	160,774	305,406
Professional Fee	180,000	135,458
Island Office Expenses	22,500	61,334
Pension Expenses	-	42,560
Bank Charges	275	200
Transport Charges	-	34,500
Software Upgrading	-	10,000
Depreciation	148,492	117,199
	<u>6,332,997</u>	<u>5,861,617</u>
<b>14.0 Selling and Distribution Expenses</b>	<b>2023</b>	<b>2022</b>
Selling and Distribution Expenses	4,111,614	4,954,569
	<u>4,111,614</u>	<u>4,954,569</u>
<b>15.0 Net Finance Cost</b>	<b>2023</b>	<b>2022</b>
Finance Expense	-	-
	<u>-</u>	<u>-</u>

