

INDEPENDENT AUDITOR'S REPORT
ADHAALATH PARTY
31st December 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD MEMBERS ADHAALATH PARTY

Qualified Opinion

We were engaged to audit the financial statements of Adhaalath Party the (Party) which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, statement of changes in reserve and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Party as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board.

Basis for Qualified Opinion

1. The Party has recognised MVR 426,368 as property, plant and equipment as of December 31, 2023. We were unable to verify the completeness, existence, valuation and rights and obligation of the property, plant and equipment recognised in the financial statement because we were unable to obtain necessary audit evidence to support existence of the assets as of December 31, 2023. Accordingly, we were unable to determine whether any adjustments might have been found necessary in the statement of comprehensive income, statement of changes in reserve, and statement of cash flows balances.
2. The Party has recognised MVR 10,150 as cash in hand as of December 31, 2023. We were unable to verify the completeness, existence and rights and obligation of the cash in hand balance recognised in the financial statement due to the absence of proper reconciliation of cash in hand balances as of December 31, 2023. Accordingly, we were unable to determine whether any adjustments might have been found necessary in the statement of comprehensive income, statement of changes in reserve, and statement of cash flows balances.
3. The Party has recognised MVR 240,550 and MVR 256,985 as general expenses and travelling and accommodation expenses for the year ended December 31, 2023. We were unable to verify the completeness and accuracy of the general expenses and travelling expenses recognised in the financial statement due to the absence of proper documentation. Accordingly, we were unable to determine whether any adjustments might have been found necessary in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in reserve.

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) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Maldives, 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 qualified opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and Law of Jurisdiction of Republic of Maldives, 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.

In preparing the financial statements, management 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 management either intends to liquidate the Party or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Party's financial reporting process.

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.

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



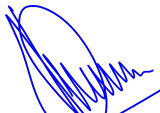
Auditor's Responsibilities for the Audit of the Financial Statements (Continued...)

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Hassan Mohamed.

25 May 2024


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Hassan Mohamed
Managing Partner
License No: ICAM-FL-GX6

AUT: 347136053225052024

ADHAALATH PARTY
STATEMENT OF FINANCIAL POSITION
as of 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	426,368	335,869
		426,368	335,869
Current Assets			
Other receivables	5	120,843	132,523
Cash and cash equivalents	6	608,543	272,791
		729,386	405,314
TOTAL ASSETS		1,155,754	741,183
EQUITY AND LIABILITIES			
Equity and Reserves			
Accumulated reserve		1,076,431	700,438
		1,076,431	700,438
Current Liabilities			
Other payables	7	79,323	40,745
		79,323	40,745
TOTAL EQUITY AND LIABILITIES		1,155,754	741,183

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Party set out on pages 8 through 16. The Report of the Independent Auditors is given in pages 1 to 3.

For and on behalf of the Board Members:

	Name
1.	Imran Abdulla -----
2.	Ahmed Shiyaz -----

	Signature
	
	

May 25, 2024



ADHAALATH PARTY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
Income	8	4,803,373	4,118,340
Gross Income		4,803,373	4,118,340
Administrative expenses	9	(4,427,380)	(3,448,301)
Net Income		375,993	670,039

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Party set out on pages 8 through 16. The Report of the Independent Auditors is given in pages 1 to 3.



ADHAALATH PARTY
STATEMENT OF CHANGES IN RESERVE
as of 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	(Restated) Accumulated Reserve MVR	(Restated) Total Reserve MVR
Balance as at 1st January 2022	30,399	30,399
Net income for the year	653,385	653,385
Restatement of financial results	16,654	16,654
Restated balance as at 31st December 2022	700,438	700,438
Balance as at 1st January 2023	700,438	700,438
Net income for the year	375,993	375,993
Balance as at 31st December 2023	1,076,431	1,076,431

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Party set out on pages 8 through 16. The Report of the Independent Auditors is given in pages 1 to 3.



ADHAALATH PARTY**STATEMENT OF CASH FLOWS**

for the year ended 31st December 2023

All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
Net income before working capital changes	10	393,247	674,167
Other receivables		11,680	(42,523)
Other payables		38,578	(139,989)
Net cash generated from operating activities		443,505	491,655
Cash flows from investing activities			
Acquisition of property, plant & equipment		(107,753)	(320,191)
Net cash used in investing activities		(107,753)	(320,191)
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		335,752	171,464
Cash and cash equivalents at the beginning of the year		272,791	101,327
Cash and cash equivalents at the end of the year		608,543	272,791

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Party set out on pages 8 through 16. The Report of the Independent Auditors is given in pages 1 to 3.



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

1. Reporting Entity

Adhaalath Party is a political party incorporated in the Republic of Maldives on April 26, 2016, bearing registration no 2005/03. The address of its registered office and principal place of business H.Fulidhooge, Majeedhee Magu, Male', Republic of Maldives.

Application of new and revised International Financial Reporting Standards (IFRSs)

1.1. Changes in significant accounting policies

Except as described below the accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the period ended December 31, 2023.

1.2. New standards, amendments, and Interpretations effective in 2023

The following amendments to IFRS have been applied by the Party in preparation of these financial statements. The below were effective from January 1, 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

The following amendments to IFRS do not have any impact on the Party and are not adopted by the Party in preparation of these financial statements. The below were effective from January 1, 2023:

- IFRS 17 Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The following amendments to IFRS have been applied by the Party in preparation of these financial statements. The below were effective from May 23, 2023:

- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

1.3. New standards, amendments and Interpretations not yet effective and are not yet adopted

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- Lack of Exchangeability – Amendments to IAS 21 Amendments to IAS 7 Statement of Cash

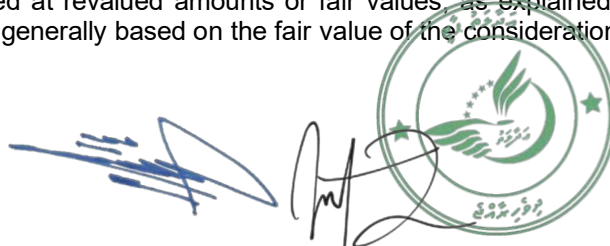
2. Significant accounting policies

2.1. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

2.2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

The principal accounting policies are set out below.

2.3. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Voluntary contributions by members and other transfers, which are supported by legally enforceable agreements are recognized as receipts.

2.4. Grants & Donations

Government grants are not recognised until there is reasonable assurance that the Party will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Party recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Party should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Party with no future related costs are recognised in profit or loss in the period in which they become receivable.

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

2.5. Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Party's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following annual rates are used for the depreciation of property, plant and equipment:

Computer & accessories	10%
Furniture & fittings	10
Machineries and equipment's	20%
Electronic equipment	10%



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

2.5.1. Impairment of tangible assets

At the end of each reporting period, the Party reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Party estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Party of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment

loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.6. Provisions

Provisions are recognised when the Party has a present obligation (legal or constructive) as a result of a past event, it is probable that the Party will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third Party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Party becomes a Party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.8. Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2.8.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

2.8.2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.8.3. Impairment of financial assets

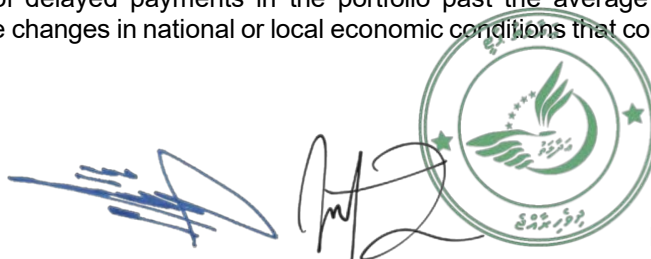
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterParty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Party's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

2.8.4. Derecognition of financial assets

The Party derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Party neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Party recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Party retains substantially all the risks and rewards of ownership of a transferred financial asset, the Party continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Party's accounting policies, the management of the Party is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2023
All amounts are stated in Maldivian Rufiyaa

4 Property, Plant and Equipment

4.1 Cost	(Restated) Balance As at 01-Jan-23 MVR	Additions MVR	Disposals MVR	Balance As at 31-Dec-23 MVR
Computer and accessories	83,372	-	-	83,372
Furniture and fittings	115,612	-	-	115,612
Machineries and equipment	213,510	17,398	-	230,908
Electronic equipment	123,600	40,205	-	163,805
Party office interior	-	268,423	-	268,423
Total	536,094	326,026	-	862,120

4.2 Capital Work in Progress	(Restated) Balance As at 01-Jan-23 MVR	Additions MVR	Disposals / Transfers MVR	Balance As at 31-Dec-23 MVR
Party Office Interior	218,273	50,150	268,423	-
Total	218,273	50,150	268,423	-

Capital Work in Progress includes expenses incurred for the construction and interior work of the party offices at HD. Vaikaradhoo and HD. Neiladhoo. The project was completed and capitalized on October 2023.

4.3 Depreciation	(Restated) Balance As at 01-Jan-23 MVR	Charge for the year MVR	Disposals MVR	Balance As at 31-Dec-23 MVR
Computer and accessories	63,937	2,139	-	66,076
Furniture and fittings	110,601	619	-	111,220
Machineries and equipment	213,510	2,404	-	215,914
Electronic equipment	30,450	12,092	-	42,542
Total	418,498	17,254	-	435,752
Net Book Value	117,596			426,368

5 Other Receivables

	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
Refundable deposits	90,000	90,000
Employee advances	30,843	42,523
Total	120,843	132,523



Handwritten signature and official stamp of the Adhaalath Party. The stamp is circular and contains the party's emblem and name in Maldivian script.

ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

	31-Dec-23 MVR	(Restated) 31-Dec-22 MVR
6 Cash and Cash Equivalent		
Cash at bank	598,393	228,141
Cash in hand	10,150	44,650
Total	608,543	272,791
7 Other Payables		
Accrued expenses	50,923	40,745
Advance payments received	28,400	-
Total	79,323	40,745
8 Income		
Donation	1,185,487	1,215,585
Tharaavees project income	1,205,400	-
Grants from government	2,412,486	2,902,755
Total	4,803,373	4,118,340
<p>The primary sources of revenue for the political party comprise government subsidies, individual donations, and funds allocated for conducting religious activities. Revenue is assessed at the fair value of the received consideration.</p>		
9 Administrative Expenses		
Tharaavees project expenses	1,191,610	-
Religious activities	164,868	760,263
Travelling & accomodation expenses	256,985	506,801
Party promotion	55,225	12,725
General expenses	240,550	97,514
Salary and other benefits	1,602,783	1,261,058
Professional fees	30,704	85,664
Bank charges and commission	1,460	2,630
Rent	602,319	587,000
Utilities	46,015	39,331
Communication expenses	104,080	35,356
Repair and maintenance	29,260	55,831
Fine	20,000	-
Depreciation	17,253	4,128
Pension	64,268	-
Total	4,427,380	3,448,301
10 Net Income before Working Capital Changes		
Net Income	375,993	670,039
Depreciation	17,254	4,128
Total	393,247	674,167



ADHAALATH PARTY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2023

11 Restatement of financial results

The balances from 2022 have been restated to rectify the opening balances for 2023, primarily impacting the following account balances.

11.1 The Party has reclassified the accounting treatment for computers and accessories purchased on behalf of employees. Initially recorded as Party assets, these purchases were actually made on a deductible basis from employees' salaries. To correct this, an adjustment of MVR 50,023 has been reversed from the computer and accessories account.

As of December 31, 2023, an amount of MVR 42,523 has been recorded as receivables from employees, reflecting the amounts due for these purchases, which will be deducted from their salaries over time. This adjustment corrects the initial deduction from salaries and other benefits recorded in 2022.

Additionally, subsequent entries totaling MVR 1,628 have been posted to reverse the depreciation and accumulated depreciation previously recorded due to the initial misclassification. These entries ensure the financial statements accurately reflect the nature of these transactions.

11.2 The Party has identified an error in the recording of accumulated depreciation for computers and accessories, as well as electronic equipment, for the year 2022. The accumulated depreciation amounts were mistakenly interchanged. Consequently, a net adjustment of MVR 1,171 has been posted to the 2022 accounts to correct this error and accurately reflect the accumulated depreciation.

11.3 The Party has identified an error in the recording of party promotion expenses for the year 2022, where an amount of MVR 22,526 was mistakenly expensed twice. A correction entry has been posted to adjust the accrued expenses and party promotion expenses, ensuring that the actual expenses for the year 2022 are accurately reflected in the financial statements.

	As previously reported 31-Dec-22 MVR	As Restated 31-Dec-22 MVR	Restatement 31-Dec-22 MVR
Computer and accessories	133,395	83,372	(50,023)
Employee advances	-	42,523	42,523
Accumulated depreciation on computer and accessories	(64,394)	(63,937)	457
Accumulated depreciation of electronic equipment	(31,621)	(30,450)	1,171
Depreciation	5,756	4,128	(1,628)
Salary and other benefits	1,253,558	1,261,058	7,500
Party promotion	35,251	12,725	(22,526)
Accrued expenses	(63,271)	(40,745)	22,526
	1,268,674	1,268,674	-

12 Financial Instruments

12.1 Capital Management

The Party manages its capital to ensure that Party will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Party's overall strategy remains unchanged.

Trade and other payables	79,323	40,745
Less: Cash and cash equivalents	(608,543)	(272,791)
Net debt	(529,220)	(232,046)
Total reserve	1,076,431	700,438
Total capital	547,211	468,392
	-103%	-202%



ADHAALATH PARTY
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12.2 Financial Risk Management Objectives

The Party's management co-ordinates access to banks and other financial institutions, monitors and manages the financial risks relating to the operations of the Party through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

12.3 Interest Rate Risk Management

The Party is not exposed to interest rate risk because the Party does not borrow funds.

12.4 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Party. The Party has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient guarantee, where appropriate, as a means of mitigating the risk of financial loss from defaults.

12.5 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of members, which has established an appropriate liquidity risk management framework for the management of the Party's short-, medium- and long-term funding and liquidity management requirements. The Party manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

13 Events After the End of the Reporting Period

There are no significant events after the balance sheet date which warrants disclosure.

14 Approval of Financial Statements

These financial statements were approved by the board members and authorised for issue on May 25, 2024.

