INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
ADDU MEEDHOO CO-OPERATIVE SOCIETY

Report on the Financial Statements

We have audited the acsocietying financial statements of Addu Meedhoo Co-Operative Society, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

t: +960 330 9585 f: +960 330 9590
e: info@ahassociates.com.mv w: www.ahassociates.com.mv
Registration No. P-02/2008
M. Banf Villa (Level 6B), Majeedhee Magu, Male', Republic of Maldives

ADVERSE OPINION

Basis for Adverse Opinion

1.The retained earnings as per audited balance sheet was MVR 947,709, however the opening retained earnings as per the trial balance as at 31st December 2013 was MVR 484,305. Hence, we were unable to verify accuracy and completeness of retained earnings recognised in the financial statements. Accordingly, we were unable to determine whether any adjustments might have been necessary in statement of financial position and statement of changes in equity.

2. The issued share capital as per audited statement of financial position was MVR 499,644. As per the trial balance as at 31st December 2013, the issued share capital was MVR 110,700. Hence, we were unable to verify accuracy and completeness of share capital recognised in the financial statements. Accordingly, we were unable to determine whether any adjustments might have been necessary in statement of financial position and statement of changes in equity.

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the basis for adverse opinion paragraph above, the financial statements do to give a true and fair view of the financial position of the society as at 31st December 2014 and of their financial performance and cash flows for the year then ended.

Emphasis of Matter

The society has not enrolled its employees in mandatory defined pension contribution plan of the government of Maldives, effective from 1st May 2011. Provisions for penalties and fines for non-compliance of pension act were not recognized in these financial statements.

Other Matters

Financial statement for the year ended 31st December 2013 was audited by another auditor who have expressed a disclaimer of opinion as they were unable to obtain sufficient appropriate audit evidence to verify the accuracy and completeness of revenue recognised in the financial statement. Audit report was dated 31st October 2014.

June 27, 2015

Hassan Mohamed, FCCA
Managing Partner
MIRA Reg No: AF1009B

t: +960 330 9585 f: +960 330 9590
e: info@ahassociates.com.mv w: www.ahassociates.com.mv
Registration No. P-02/2008
M. Banf Villa (Level 6B), Majeedhee Magu, Male', Republic of Maldives