



INDEPENDENT AUDITOR'S REPORT
BAR COUNCIL OF THE MALDIVES
31st December 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE COUNCIL BAR COUNCIL OF THE MALDIVES

Opinion

We have audited the accompanying financial statements of Bar Council of the Maldives (the Council) for the period ending December 31, 2022, which comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actuals and notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the Bar Council of the Maldives have been properly drawn up, in all material respects, in accordance with International Public Sector Accounting Standard: Financial Reporting under the Cash Basis of Accounting.

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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Maldives, and we have fulfilled our other 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.

Other Matter

The financial statements of the Council for the year ended December 31, 2021, were audited by another auditor who expressed an unqualified opinion on those statements on January 24, 2022.

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

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS): Financial Reporting under the Cash Basis of Accounting, as described in Note 2.1, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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 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.

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

5 February 2023

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

AUT: CM/HM/LI/2021XXX

BAR COUNCIL OF THE MALDIVES
STATEMENT OF RECEIPTS AND PAYMENTS
for the year ended 31st December 2022
All amounts are stated in Maldivian Rufiyaa

	Note	<u>31-Dec-22</u> MVR	<u>31-Dec-21</u> MVR
Receipts	4	6,335,428	3,586,207
Recurrent expenditure	5	(7,605,823)	(4,203,290)
Capital expenditure	6.1	(826,656)	(1,258,234)
Increase in cash and cash equivalents		<u>(2,097,051)</u>	<u>(1,875,317)</u>
Cash and cash equivalents at the beginning of the year		12,589,790	14,465,107
Cash and cash equivalents at the end of the year		<u>10,492,739</u>	<u>12,589,790</u>

We draw your attention to accounting policies and notes on page 5 through 7, which are an integral part of the financial statements.

Signed for and on behalf of the Management:

Name

1. Marium Jabyn
Secretary General

Signature

BAR COUNCIL OF THE MALDIVES
STATEMENT OF COMPARISON OF BUDGET AND ACTUALS
for the year ended 31st December 2022
All amounts are stated in Maldivian Rufiyaa

	Authorized Budget	Actual Receipts/ Disbursements	Variance
	MVR	MVR	MVR
Receipts			
Government grant	-	3,000,000	(3,000,000)
Other income	-	3,335,428	(3,335,428)
Total receipts	-	6,335,428	(6,335,428)
Disbursements			
Salary & allowances	4,654,210	3,103,172	1,551,038
Pension	128,684	112,392	16,292
Transportation	15,000	195	14,805
Administrative supplies	281,891	159,463	122,428
Administrative services	2,612,118	2,202,077	410,041
Training expense	387,121	315,851	71,270
Repairs and maintenance	204,200	135,444	68,756
Government grants, subsidies and subscriptions	218,900	173,968	44,932
Total disbursements (excluding capital expenditure)	8,502,124	6,202,562	2,299,562
Capital Expenditure			
Furniture & fittings	243,000	144,397	98,603
Machinery & equipments	244,384	244,907	(524)
Tools	4,500	-	4,500
Reference book	15,420	-	15,420
Telecommunication equipment	93,800	93,627	173
Computer software	357,544	169,846	187,698
IT equipment	78,000	22,081	55,919
Total capital expenditure	1,036,648	674,858	361,790
ABA Funds for Justice	2,057,568	1,549,479	508,089
Surplus for the period	(11,596,340)	(2,091,471)	(9,504,869)

We draw your attention to accounting policies and notes on page 5 through 7, which are an integral part of the financial statements.

BAR COUNCIL OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31st December 2022

1 Reporting Entity

These financial statements relate to Bar Council of the Maldives, a self-governing, independent, State institution mandated to regulate the legal profession in the Maldives. The financial statements encompass the reporting entity as specified in the Law no: 5/2019 (The Legal Professional Act of the Maldives)

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the statement of financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with “International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting”. On this basis the receipts are recognized when received rather than when committed, and expenses are recognized when paid rather than when incurred. They are presented in the Maldivian Rufiyaa (MVR).

(a) Receipts

Receipts are accounted in the period in which such receipts are received. Receipts consists of budgetary support and other income.

As per clause twenty-four of The Legal Professional Act of the Maldives, government of Maldives is required to provide grant assistance to the council for activities planned and carried out by the council. During 2022, government of Maldives approved a grant of MVR 3,000,000 and the grant was transferred to the council's bank account during the year.

(b) Payments

Payments are accounted for in the period in which such payments are made.

BAR COUNCIL OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2022
All amounts are stated in Maldivian Rufiyaa

		31-Dec-22	31-Dec-21		
		MVR	MVR		
3	Cash & Cash Equivalent				
	Cash at bank	9,553,856	12,159,928		
	Cash in hand	5,093	4,581		
	ABA Fund for Justice	933,370	425,281		
	Other funds	420	-		
	Total	10,492,739	12,589,790		
4	Receipts				
	Government grant	3,000,000	3,000,000		
	ABA Fund for Justice (Note 4.1)	2,057,568	586,207		
	Registration and license fees	1,242,500	-		
	UNDP	6,000	-		
	Other Income	29,360	-		
	Total	6,335,428	3,586,207		
4.1	On August 4, 2021 the entity has entered into the Sub Award Agreement with American Bar Association for the Strong & Inclusive Maldivian Democracy Program. The Subaward became effective on August 1, 2021 and will conclude on July 21, 2025 where the Bar Council of the Maldives is entitled to an amount not exceeding \$ 610,328 under the Subaward. This subaward will support expenses related to the entity's core operations where the entity will received funding to meet their staffing, logistical, infrastructure, training and other needs.				
5	Recurrent expenditure				
	Salaries and allowances	3,824,924	2,775,710		
	Pension, retirement benefits and gratuities	137,937	96,950		
	Transportation	195	25		
	Administrative supplies	184,742	106,932		
	Administrative services	2,718,955	1,166,731		
	Training expense	376,315	33,520		
	Repairs and maintenance	135,444	1,865		
	Government grants, subsidies and subscriptions	222,850	21,557		
	Exchange loss	4,461	-		
	Total	7,605,823	4,203,290		
6	Property, Plant & Equipment				
6.1	Capital expenditure	Balance	Additions	Disposals	Balance
		As at			As at
		01-Jan-22			31-Dec-22
	Furniture & fittings	368,917	147,772	-	516,689
	Machinery & equipment	142,030	244,907	20,935	366,002
	Communication equipments	390,471	93,627	-	484,098
	Computer Software	353,447	169,846	-	523,293
	IT equipment	553,362	165,363	-	718,725
	Tools and other assets	75,329	5,141	-	80,470
		1,883,556	826,656	20,935	2,689,277

7 Events After the End of the Reporting Period

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

8 Approval of Financial Statements

These financial statements were approved by the board members of the council and authorised for issue on 3rd February 20XX.