



**INDEPENDENT AUDITOR'S REPORT**  
**BAR COUNCIL OF THE MALDIVES**  
31<sup>st</sup> December 2020

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE COUNCIL BAR COUNCIL OF THE MALDIVES

#### Opinion

We have audited the accompanying financial statements of the Bar Council of the Maldives (the Council) for the period ended 31<sup>st</sup> December 2020 which comprise of Statement of Receipts and Payments, Statement of Comparison of Budget and Actuals and notes to the financial statements which include summary of significant accounting policies and other explanatory information set out in pages 5 to 6.

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. In accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Maldives, we are independent of the entity 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.

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

Management of the Bar Council of the Maldives is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash Basis of Accounting, as described in Note 2.1; this includes determining that the basis for accounting for cash receipts and payment, and for such internal control as the Bar Council of the Maldives determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud and error.

#### 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.

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

9 February 2021



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Hassan Mohamed  
Managing Partner  
License No: IA0006



AUT: 61161057CM2021101



**BAR COUNCIL OF THE MALDIVES**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
for the period ended 31st December 2020  
*All amounts are stated in Maldivian Rufiyaa*

	Note	31-Dec-20 MVR	31-Dec-19 MVR
Receipts	4	10,282,235	7,516,000
Recurrent expenditure	5	(2,387,400)	(319,405)
Capital expenditure	6.1	(625,323)	-
<b>Increase in cash and cash equivalents</b>		<b>7,269,512</b>	<b>7,196,595</b>
Cash and cash equivalents at the beginning of the year		7,196,595	-
<b>Cash and cash equivalents at the end of the year</b>		<b>14,466,107</b>	<b>7,196,595</b>

We draw your attention to accounting policies and notes on page 5 through 6, which are an integral part of the financial statements.

**For and on behalf of the Council:**

Name  
1. MARIUM JABYV  
SECRETARY GENERAL

Signature

  




**BAR COUNCIL OF THE MALDIVES**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUALS**  
*for the period ended 31st December 2020*  
*All amounts are stated in Maldivian Rufiyaa*

	Authorized Budget	Actual Receipts/ Disbursements	Variance
	MVR	MVR	MVR
<b>Receipts</b>			
Government grant	10,000,000	10,000,000	-
Other income	-	282,235	(282,235)
<b>Total receipts</b>	<b>10,000,000</b>	<b>10,282,235</b>	<b>(282,235)</b>
<b>Disbursements</b>			
Salary & allowances	5,185,980	1,641,136	3,544,844
Pension	152,930	121,856	31,075
Transportation	194,000	-	194,000
Administrative supplies	634,135	36,507	597,628
Administrative services	4,827,402	525,817	4,301,585
Training expense	4,330,000	62,085	4,267,915
Repairs and maintenance	218,000	-	218,000
<b>Total disbursements (excluding capital expenditure)</b>	<b>15,542,448</b>	<b>2,387,400</b>	<b>13,155,048</b>
<b>Capital Expenditure</b>			
Furniture & fittings	551,400	102,788	448,612
Machinery & equipments	470,900	130,500	340,400
Tools	4,500	1,060	3,440
Telecommunication equipment	27,500	1,170	26,330
Computer software	204,470	-	204,470
IT equipment	345,000	389,804	(44,804)
	50,000	-	50,000
<b>Total capital expenditure</b>	<b>1,653,770</b>	<b>625,323</b>	<b>1,028,446</b>
<b>Surplus for the period</b>	<b>(7,196,217)</b>	<b>7,269,512</b>	<b>(14,465,729)</b>

We draw your attention to accounting policies and notes on page 5 through 6, which are an integral part of the financial statements.



**BAR COUNCIL OF THE MALDIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> December 2020**

**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 of the Maldives. The financial statements encompass the reporting entity as specified in the Law no: 5/2019 (The Legal Profession Act of the Maldives)

**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.

**1.1 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.

**(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 2020 government of Maldives approved a grant of MVR 10,000,000 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.

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>MVR</b>	<b>MVR</b>
<b>3 Cash &amp; Cash Equivalent</b>		
Cash at bank	14,463,402	7,196,222
Cash in hand	2,704	373
<b>Total</b>	<b>14,466,107</b>	<b>7,196,595</b>
<b>4 Receipts</b>		
Government grant	10,000,000	7,500,000
Other Income	282,235	16,000
<b>Total</b>	<b>10,282,235</b>	<b>7,516,000</b>
<b>5 Recurrent expenditure</b>		
Salaries and allowances	1,641,136	132,300
Pension, retirement benefits and gratuities	121,856	-
Administrative supplies	36,507	-
Administrative services	525,817	121,502
Training expense	62,085	65,603
<b>Total</b>	<b>2,387,400</b>	<b>319,405</b>



## 6 Property, Plant & Equipment

6.1 Capital expenditure	Balance As at 01-Jan-20	Additions	Disposals	Balance As at 31-Dec-20
Furniture & fittings	-	102,788	-	102,788
Machinery & equipment	-	130,500	-	130,500
Communication equipments	-	1,170	-	1,170
IT equipments	-	389,804	-	389,804
Tools & other assets	-	1,060	-	1,060
	-	<b>625,323</b>	-	<b>625,323</b>

  

6.2 Depreciation	Balance As at 01-Jan-20	Charge for the period	Disposals	Balance As at 31-Dec-20
Furniture & fittings	-	3,454	-	3,454
Machinery & equipment	-	7,843	-	7,843
Communication equipments	-	55	-	55
IT equipments	-	1,014	-	1,014
Tools & other assets	-	169	-	169
	-	<b>12,535</b>	-	<b>12,535</b>

  

<b>Net Book Value</b>	-			<b>612,788</b>
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## 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 2021.

