



2021

ANNUAL REPORT

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2021

ANNUAL REPORT



This is the Annual Report of Institute of Chartered Accountants of the Maldives (CA Maldives) for the year 2021. The Annual Report includes the Council report, audited financial statements of the Institute for the year ending 31 December 2021 and key highlights of the year then ended.

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Foreword

by the President of CA Maldives

On behalf of the Board of council, stakeholders and personnel, I take great pleasure in presenting to you the Annual Report of the Institute of Chartered Accountants of the Maldives for the financial year ending 31st December 2021.

I hope that this report demonstrates that the Institute did all possible, within the constraints of limited resources, to accomplish this objective, and much more.

Institute of Chartered Accountants of the Maldives (CA Maldives) marks its second anniversary this year since its inception on 08th September 2020. Our team takes great pride in recognizing the courage and dedication of those who paved the way for creating this institution and laid the foundation for its sustained growth and development as an institution that seeks to promote the public interest. Therefore, in order to accomplish our present and future strategic objectives, the Institute and its dedicated team are resolved to challenge traditions, explore new paths, identify opportunities, and take calculated risks due to the unparalleled pace and scope of change in the world today.

Given the challenges posed by the Covid-19 epidemic, 2021 was not a simple year for both the Institute and the country's economy. We are grateful for the professionalism shown by our skilled personnel and the trust placed in us by our stakeholders who contributed immensely towards achieving the goals we set for the development of the accounting profession in the Maldives, despite the obstacles brought about by the pandemic. In addition, I would also like to highlight the training programs and also the CPD sessions

that were conducted in the development of the members of the Institute and accountants working in the Maldives. It gives me great pleasure to reflect on the achievements of our team throughout the second year of CA Maldives.

During the year 2021, CA Maldives actively engaged with multiple international Professional Accountancy Organizations including the South Asian Federation of Accountants (SAFA). The Institute also signed a memorandum of understanding with the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Association of Certified Chartered Accountants (ACCA Sri Lanka). Indeed, these MoUs constitute a huge step towards securing support and contribution towards meeting the Institute's strategic goals and objectives. I take this opportunity to thank CA Sri Lanka, ACCA Sri Lanka and CIMA Sri Lanka for their immense support towards the development of the accounting profession in the Maldives.

I would like to also express my sincere appreciation to all members of the Council and its statutory committees, who were with us during 2021, for their dedication and commitment towards the future of the Institute. I also thank the reliable and hardworking team of CA Maldives and Auditor General's Office who demonstrated unwavering commitment and dedication to ensure the success of the historic first year of the Institute.

May the Almighty Allah bless our collective effort and grant us success!

Mr. Hussain Niyazy
President, Auditor General





Our Vision

A globally respected accountancy body recognized for its relevance and impact in shaping the future of the profession.



Our Mission

To regulate and advance the accountancy profession to ensure international competitiveness, promote sustainable practices, accountability, and good governance to create long-term value to its members and society.



Core Values

Sustainability • Relevance • Innovation

Integrity • Collaboration

Strategic Goals

Goal

1

- ▶ Promoting **Good Governance**, **establishing Frameworks** and Operational Structures to en-sure agility, Adaptability and Relevance in a Fast-changing World

Promoting **Excellence, Enterprise** and **Future Readiness** among Members within a Strong Foundation of Highest Standards of Ethics and Professional Conduct

Goal

2

- ▶ Contribute to **National Development**, engage in Advocacy for **Good Governance** and Promote **Sustainable** Business Practices

Goal

3

Key Highlights of 2021

Year in review

The Year 2021 will indeed be marked as an eventful year in the history of the Institute of Chartered Accountants of the Maldives. During this year, CA Maldives accomplished a lot of key milestones in line with the legal mandate of the Institute and in terms of establishing infrastructure and publishing key regulations to promote and develop the Accounting Profession of Maldives. The year 2021 also marked the first anniversary of the establishment of the Institute and hosted the Maldives Accountant's Forum, organized by CA Maldives.

Timeline



The Institute in Numbers

Registered



24 Audit firm



8 sole
practitioners



83 members

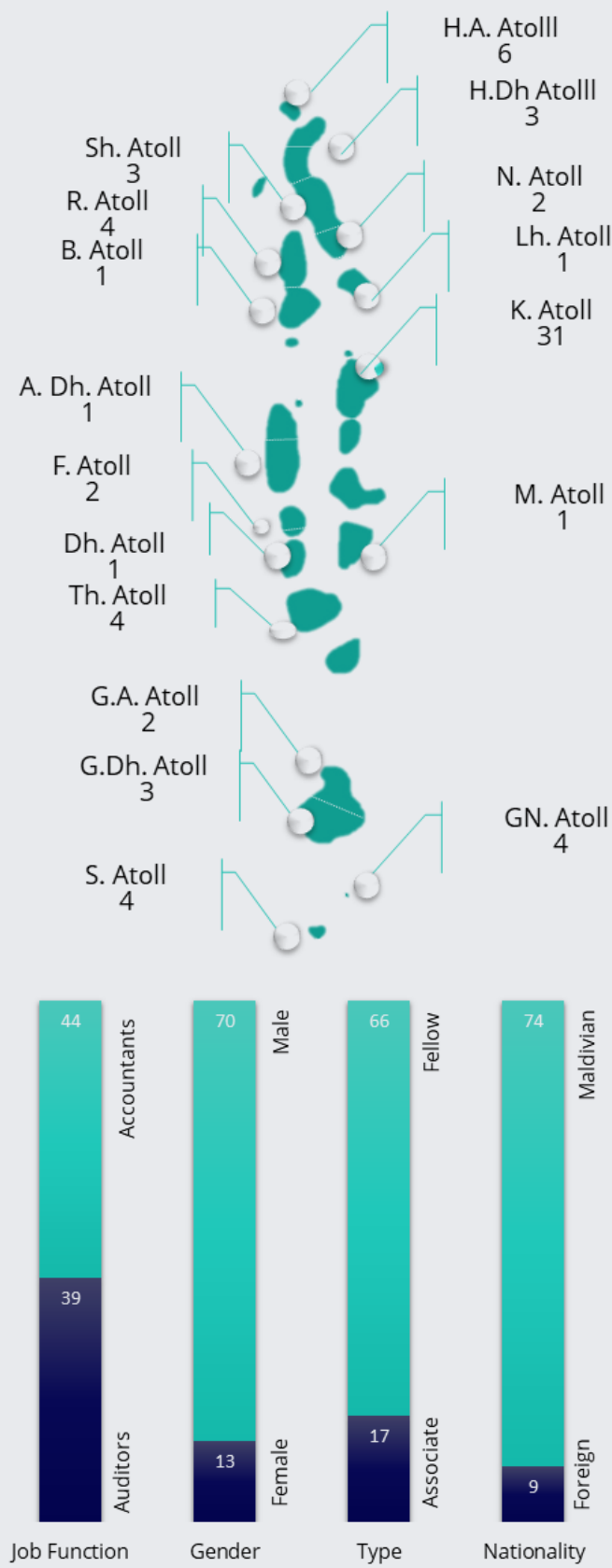


39 hours of
CPD

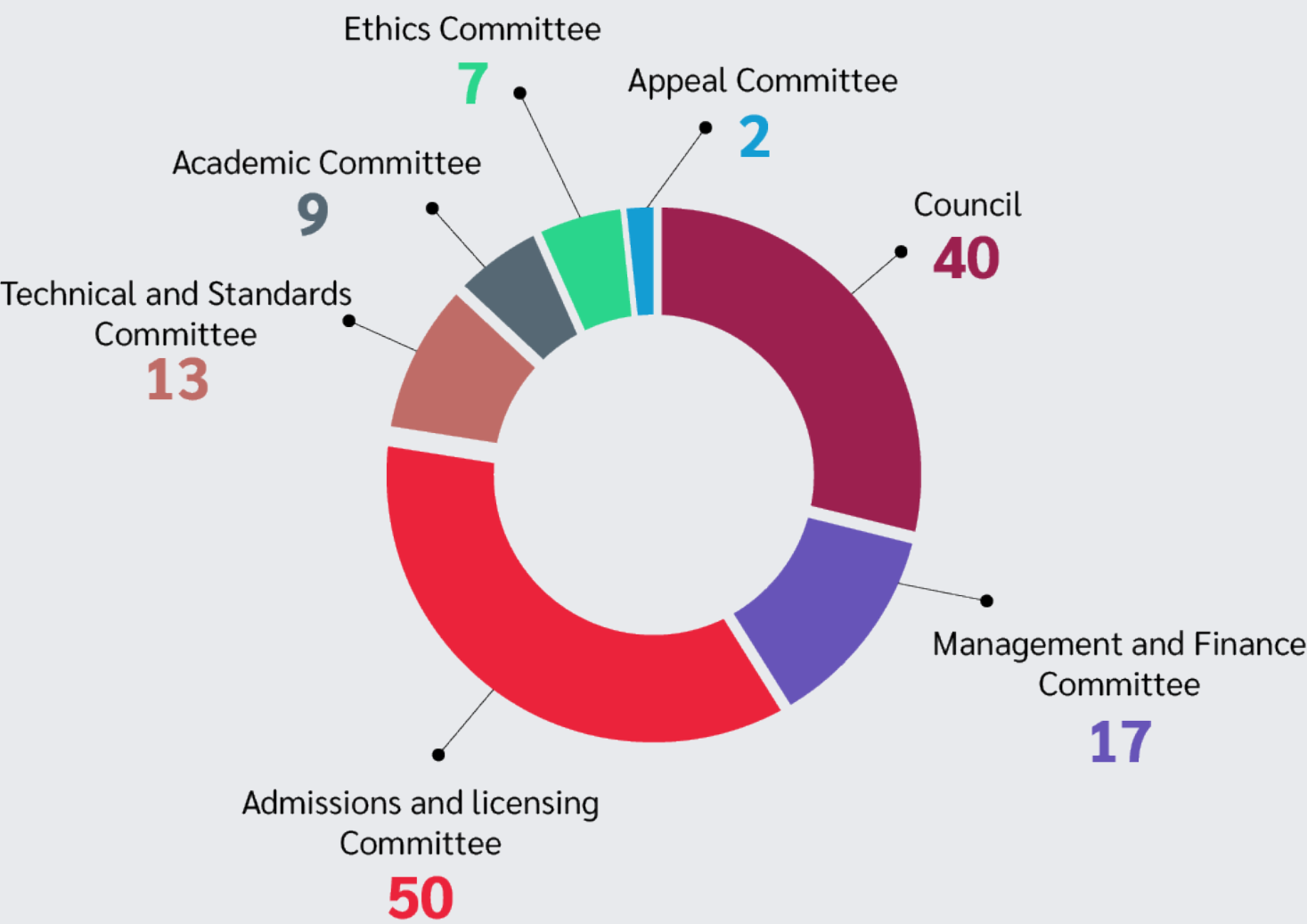


8 Public
Interest Entity
Auditors

Member demographics



Committee Meetings



Financial Overview

MVR **4,779,020**

TOTAL INCOME

MVR **1,666,560**

NET SURPLUS

MVR **514,500**

SUBSCRIPTIONS AND FEES

MVR **222,000**

TRAINING INCOME

MVR **3,112,460**

EXPENDITURE

MVR **1,607,551**

NET ASSETS

Globally Aligned



South Asian Federation of Accountants
Ensuring Eminence of South Asia in the world of accountancy

MoUs Established



Think Ahead



Ministry of
Economic Development
Republic of Maldives

Corporate Governance

Council

Members of Council during the year of 2021



Mr. Hussain Niyazy
President, Auditor General
From 7th July 2021



Mr. Hassan Mohamed
Vice President



Mr. Fathuhulla Jameel
Council Member



Ms. Fathimath Razeena
Council Member



Ms. Fareeha Shareef
Council Member



Mr. Rifaath Jaleel
Council Member



Mr. Ibrahim Fazeel
Council Member



Mr. Mohamed Haleem Abdulla
Council Member
From 4th March 2021



Mr. Ahmed Salih
Council Member
From 11th August 2021



Mr. Hassan Ziyath
President, Auditor General
Till 12th May 2021



Mr. Malik Mohamed
Council Member
Till 3rd March 2021

Academic Committee

9 meetings held during the year

Responsibilities

- ▶ To approve accounting and related educational courses recognised by the Institute; and
- ▶ To facilitate the issuance of academic certificates awarded by the Institute.

Major Activities undertaken and completed:

- ▶ Developed CA Maldives Continuing Professional Development (CPD) framework.
 - ▶ Developed CPD Calendar 2021 of the Institute.
 - ▶ Developed and presented draft of course content format of CA Maldives to the Council.
 - ▶ Commented on the Implementation Matrix of the Institute’s strategic plan 2021-2023.
 - ▶ Submitted proposal to Ministry of Economic Development to address the skill gap in the Accounting Profession in the Maldives.
- ▶ Held discussions with Maldives Qualification Authority on recognising membership of CA Maldives in the Maldives National Qualification Framework.
 - ▶ Discussions were held in the Committee on course framework and on revisions to be brought to Membership Regulation regarding CPD.
 - ▶ Worked with the Ministry of Higher Education to promote its 150 scholarship opportunities to train chartered accountants.

Members of the Academic Committee



Mr. Mohamed Haleem Abdullah
Chairperson,
Since July 2021
Member
February 2021 – July 2021

CA Maldives Council



Ms. Fareeha Shareef
Chairperson,
October 2020 – July 2021
CA Maldives Council



Ms. Fathimath Razeena
Vice Chairperson,
Since July 2021
CA Maldives Council



Mr. Hussain Niyazy
Vice-Chairperson,
October 2020 – February 2021
CA Maldives Council



Mr. Ismail Zabeeh
Member,
Since October 2020
Ministry of Higher Education



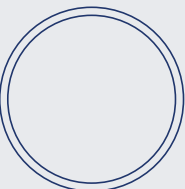
Ms. Hamida Shakeela
Member,
Since October 2020
Maldives Monetary Authority



Mr. Adam Naseer Ibrahim
Member,
October 2020 – September 2021
Auditor General’s Office



Mr. Ahmed Ashfaq
Member,
Since September 2021
Auditor General’s Office



Mr. Abdulla Nisam
Member,
Since October 2020
Maldives National University



Mr. Abdul Haleem Abdul Latheef
Member,
Since October 2020
Solarelle Insurance

Admissions and Licensing Committee

50 meetings held during the year

Responsibilities

- ▶ To determine the eligibility criteria for Membership of the Institute;
- ▶ To carry out the process of issuing licences for conducting statutory audits in the Maldives; and
- ▶ To carry out any other work conducive to issuing such licences

Major Activities undertaken and completed:

- ▶ Prepared and presented to the Council ISQC1 checklist and Audit Manual Checklist for Statutory Audit Licensing.
- ▶ Incorporated projects of Admissions and Licensing Committee under strategic plan 2021-2023 and contributed to setting Key Performance Indicators for the same.
- ▶ Reviewed 91 Membership applications and approval of 83 of those applications which met the membership criteria of Regulation R-121/2020.
- ▶ Reviewed 69 Audit Licence applications and approval of 64 of those applications which met the criteria required by Regulation R-3/2021.
- ▶ Drafted concept papers for Regulation to register Accountants in Business, Regulation for Quality Management Rating, and Regulation for Registration of Public Interest Entity Auditors.
- ▶ Reviewed and approved of 9 applications for registration as Public Interest Entity Auditors.

Members of the Admissions and Licensing Committee



Mr. Hussain Niyazy

Chairperson,
October 2020 – June 2021
CA Maldives Council



Mr. Ahmed Salih

Chairperson,
Since July 2021
Member,
October 2020 – June 2021
CA Maldives Council
Auditor General's Office



Mr. Ibrahim Fazeel

Vice Chairperson,
Since October 2020
CA Maldives Council



Mr. Ibrahim Naeem

Member,
Since October 2020
Auditor General's Office



Mr. Mohamed Shan

Member,
Since October 2020
Auditor General's Office



Ms. Hawwa Saaiga

Member,
Since October 2020
Auditor General's Office



Ms. Hawwa Jannath

Member,
Since July 2021
Auditor General's Office



Mr. Moosa Haleem

Member,
October 2020 – October 2021
Maldives Inland Revenue Authority



Ms. Nafa Waheed

Member,
Since October 2021
Maldives Inland Revenue Authority

Ethics Committee

7 meetings held during the year

Responsibilities

- ▶ Gives recommendations to the Council on appropriate courses of action to be taken against the Institute’s members in respect of cases investigated by the Institute on its own initiative or those following a complaint made by a member of public against alleged non-compliances (violation of the Act, Regulations made under the Act, and the Code of Professional Conduct and Ethics).

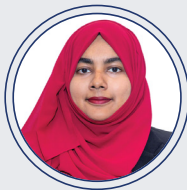
Major Activities undertaken and completed:

- ▶ Met with President and Vice President of CA Maldives to discuss Terms of Reference of Ethics Committee. The vision of the Council regarding the Ethics Committee was communicated in the meeting.
- ▶ Presented a paper to the Council regarding Ethics Committee procedures to address the issues and challenges faced in undertaking the responsibilities assigned to the Ethics Committee. A clear understanding of the procedures and mandate was obtained.
- ▶ Finalised the first draft of the Complaint Form to set up a mechanism for submitting complaints. An understanding was obtained of the issues that need to be cleared related to the complaint procedures.
- ▶ Commented on the Implementation Matrix of the Strategic Plan 2021-2023 related to the Ethics Committee to develop actions and timeline to implement the Ethics Committee’s responsibilities. An action plan for the Ethics Committee was finalised.
- ▶ Drafted Rules of Procedure of Ethics Committee to establish guidelines to govern the proceedings of the Committee.
- ▶ Met with CA Sri Lanka virtually to gain an understanding of the responsibilities undertaken by the Ethics Committee of CA Sri Lanka.

Members of the Ethics Committee



Mr. Ibrahim Aiman
Chairperson,
Since October 2020
Auditor General’s Office



Ms. Fathimath Shiuma
Vice-Chairperson,
Since October 2020
Maldives Inland Revenue Authority



Ms. Siya Ahmed Najeeb
Member,
Since October 2020
Maldives Monetary Authority



Mr. Ibrahim Saleem
Member,
Since October 2020
Capital Market Development Authority



Ms. Khadheeja Jameela
Member,
Since October 2020
Civil Service Commission



Mr. Ibrahim Mahfooz
Member,
Since October 2020
Emmjay Associates, Private Sector

Management and Finance Committee

17 meetings held during the year

Responsibilities

Advises the Council on matters related to finances of the Institute.

Major Activities undertaken and completed:

- ▶ Develop budget of the Institute for the year 2021.
- ▶ Prepared and presented financial statements for the year ending 31 December 2020 to the external auditor for audit.
- ▶ Put out to tender a) the external audit; b) legal services; and c) digital marketing services of the institute.
- ▶ Evaluated proposals submitted to the Institute for external audit of the Institute, Legal retainer and digital marketing service.
- ▶ Reviewed and endorsed the audited financial statements for the year ending 31 December 2020, before tabling it for the Council's approval.
- ▶ Developed and submitted to the Council, Debit Card Policy and amendments to Procurement Policy.
- ▶ Finalised contracts for full-time and part-time staff members of the Institute.
- ▶ Developed and proposed to the Council regulation on Appointment and Removal of Council and Committee members.
- ▶ Provided comments to the Strategic Plan 2021-2023 and its implementation matrix.
- ▶ Assigned concept designing, developing BoQ and architectural works of CA Maldives office space after bid evaluation.
- ▶ Discussions were held in the Committee on preparatory work for Maldives Accountants Forum 2021.

Members of the Management and Finance Committee



Mr. Rifaath Jaleel
Chairperson,
October 2020 – April 2021
CA Maldives Council



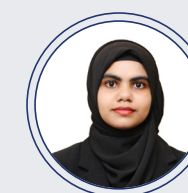
Mr. Hassan Mohamed
Chairperson,
Since April 2021
CA Maldives Council



Mr. Malik Mohamed
Vice - Chairperson,
October 2020 – April 2021
CA Maldives Council



Mr. Hussain Niyazy
Vice-Chairperson,
April 2021 – July 2021
CA Maldives Council



Ms. Khaula Rameez
Vice-Chairperson,
Since July 2021
CA Maldives Management



Mr. Ahmed Salah
Member,
October 2020 – April 2021
QVL Advisory LLP



Ms. Nishwa Firaq
Member,
October 2020 – April 2021
Auditor General's Office



Ms. Sudhuna Sulaiman
Member,
October 2020 – April 2021
AIX Associates LLP



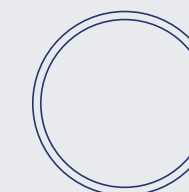
Mr. Adam Naseer Ibrahim
Member,
April 2021 – September 2021
Auditor General's Office



Mr. Mohamed Mihad
Member,
October 2020 – April 2021
KPMG



Mr. Mohamed Shafeez
Member,
Since October 2020
Maldives Pension Administration's Office



Mr. Ibrahim Shaheed
Member,
Since April 2021
Auditor General's Office

Technical and Standards Committee

13 meetings held during the year

Responsibilities

- ▶ Addresses the technical issues relating to setting and enforcing private sector accounting and auditing standards in the Maldives; setting code of ethics and independence standards for the members of the Institute;
- ▶ Comments on exposure drafts of the International Accounting Standards Board (IASB) and International Auditing and Assurance Standards Board (IAASB);
- ▶ Conducting awareness and training programmes on new standards of IASB and IAASB; and
- ▶ Takes part in technical committees of regional professional accountancy organisations

Major Activities undertaken and completed:

- ▶ Prepared of Committee workplan and Committee Rules of Procedure.
 - ▶ Finalised and approved discussion paper and project proposals to endorse IFRS and ISAs and other pronouncements of IAASB.
 - ▶ Researched the need for setting standards for micro and not-for-profit entities in the Maldives.
 - ▶ Researched on setting a separate auditing standard for less complex entities
 - ▶ Committee discussed on:
 - ▶ Project Proposal for Auditing Standards for Less Complex Entities
- ▶ Project proposal for Code of Ethics and Independence Standards for the Members of CA Maldives
 - ▶ Project proposal for endorsing sustainability standards of International Sustainability Standards Board (ISSB)
 - ▶ Action Plan for sustainability reporting awareness programmes
 - ▶ Provided comments to the Exposure Draft on International Standards on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE).

Members of the Technical and Standards Committee



Mr. Hassan Mohamed
Chairperson,
October 2020 – July 2021
CA Maldives Council



Mr. Ibrahim Fazeel
Chairperson,
Since July 2021
Vice-Chairperson,
October 2020 – July 2021
CA Maldives Council



Mr. Ahmed Salih
Vice - Chairperson,
Since July 2021
Member,
October 2020 – June 2021
CA Maldives Council
Auditor General's Office



Mr. Jatindra Kumar Bhatray
Member,
Since October 2020
PriceWaterhouse Coopers



Mr. Ibrahim Shabeen
Member,
Since October 2020
Prudent Chartered LLP



Mr. Mohamed Siraj Muneer
Member,
October 2020 – February 2021
Maldives Inland Revenue Authority



Mr. Ali Muaz
Member,
Since March 2021
Maldives Inland Revenue Authority



Mr. Ahmed Hisham Fawzy
Member,
October 2020 – July 2021
Ernst & Young



Mr. Duminda B Rathnadiwakara
Member,
Since July 2021
KPMG



Ms. Fathimath Shirumeena
Member,
Since July 2021
Auditor General's Office

Appeal Committee

2 meetings held during the year

Responsibilities

- Looks into the appeals lodged by members not satisfied with the decisions of the Council or Committee of the Institute.

Major Activities undertaken and completed:

- Commented on Strategic Plan 2021-2023 and Implementation Matrix.
- Held discussions in the Committee on drafting the Appeal Regulation

Members of the Appeal Committee



Mr. Mohamed Faisal
Chairperson,
Since October 2020
BAR Council of the Maldives



Ms. Shirumeena Hussain
Vice-Chairperson,
October 2020 – July 2021
Auditor General’s Office



Ms. Rauhath Hussain
Vice-Chairperson,
Since July 2021
Auditor General’s Office



Ms. Mariyam Yasha
Member,
Since October 2020
Maldives Inland Revenue Authority



Mr. Ibrahim Siaau
Member,
Since October 2020
Capital Market Development Authority



Mr. Mohamed Naseem
Member,
Since October 2020
Auditor General’s Office

Management Team

Responsibilities

- During the year 2021, the Institute recruited full-time staff members to establish sound operations structures for efficient and effective delivery of services for members and the stakeholders.



Ms. Khaula Rameez
Manager



Ms. Shamra Mahmood
Executive Associate



Mr. Adam Yaish
Executive Associate



Mr. Lujain Ali Waheed
Public Relations Executive



Member Services, Development and Events



Continuing Professional Development (CPD)

Continuing Professional Development (CPD) benefits members in terms of enhancing their knowledge and skill. CPD events are aimed at, ensuring that members remain relevant and up-to-date with the recent developments in the profession. CA Maldives hosts a variety of CPD activities for its members, including trainings, workshops and webinars.

During the year, CA Maldives organised a total of 39 hours of CPD activities. To ensure that the CPD events were conducted safely during the COVID-19 pandemic, CA Maldives delivered them virtually as far as practically feasible. Also, for the limited CPD events that were conducted face-to-face, we ensured compliance with Health Protection Agency's guidelines for social distancing.

A training was conducted on Public Practice Training Program by CA Maldives on February

7th – 9th February 2021 for individuals interested in obtaining statutory audit licence. A total of 48 participants took part in the training.

In July 2021, a joint webinar with the Chartered Institute of Management Accountants (CIMA) was hosted virtually on the topic Performance Measurement and Evaluation for Senior Accountants in the Public Sector. This was followed by a Panel discussion.

In August 2021, CA Maldives organised a training on Documentation for IFRS - Compliant Financial Statement Audits. More than 30 participants attended the session, including special invitees and participants nominated by CA Maldives Licenced Auditors and Audit Firms.

A training session on IFRS 9 was conducted in October 2021 with more than 24 participants in attendance, including CA Maldives Licence Auditors and participants nominated by their respective audit firms.

Maldives Accountants Forum was held from November 15th to 17th 2021 The

event covered 17 sessions in total with 152 participants from the accounting profession. The forum included key topics of the accounting profession under the theme, ‘Readiness Mindset – Striving for Excellence’.



Career Guidance Sessions

Career guidance sessions targeted to raise awareness about the opportunities in choosing a career in the accounting profession were conducted by CA Maldives in the year 2021. a total of 7 sessions were delivered during the year. A special webinar was held for the students on choosing accounting as a career choice, the opportunities available in the profession, and the accounting courses available for O’ Level graduates from various institutes. The panel included officials from the education, private and public sectors institutions of the Country.

In September 2021, CA Maldives, in collaboration with the Auditor General’s Office and Institute of Audit and Assurance, conducted a career guidance session for over 200 secondary and higher secondary school students and school leavers in the northern region of the Maldives.

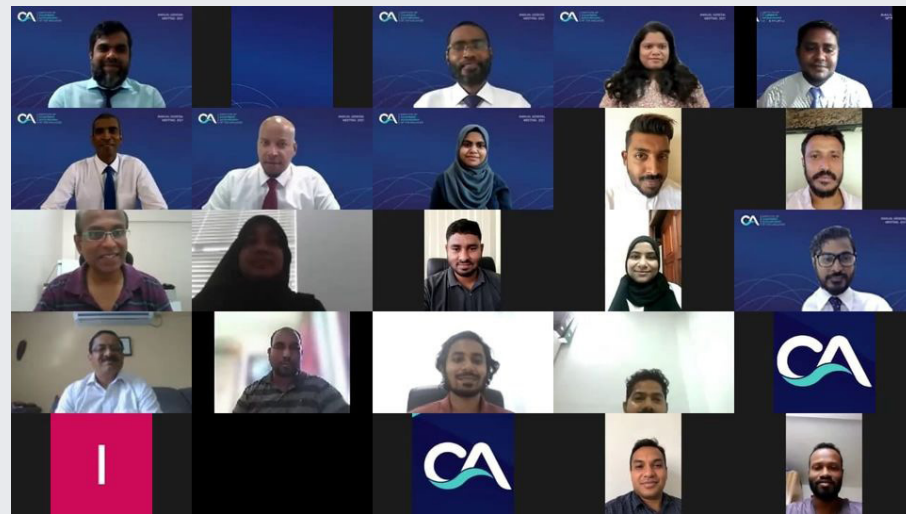
In October 2021, CA Maldives conducted a career guidance session and discussion on the opportunities in the accounting profession in Fuvahmulah City. The session was attended by over 100 students.



Corporate Events

Annual General Meeting 2020

In August 2021, CA Maldives held the Annual General Meeting (AGM) of the year 2020. The AGM, which was held virtually, was attended by CA Maldives members and guest invitees.



First Anniversary

In September 2021, CA Maldives marked its first anniversary with an eventful function. During the event, the President of CA Maldives and Auditor General, Mr. Hussain Niyazy briefed on the work of the Institute during the past year and thanked parties that contributed during the initial

stages of forming the Institute. The event was attended by members and committee members of CA Maldives, special invitees, and the management team of CA Maldives along with the staff members of the Auditor General's Office.



A token of appreciation was presented to the past President of CA Maldives and former Auditor General, Mr. Hassan Ziyath, in appreciation of his hard and dedicated work that led to the formation of the Institute.

Maldives Accountants Forum 2021



In November 2021, CA Maldives held its first ever Maldives Accountants Forum. The forum, which used to be hosted annually by the Auditor General's Office, is aimed at bringing together the accounting professionals working in the Country and hear from the regulators and business community, in order to enable the accountants and auditors to better attune their work to the needs the of industry stakeholders and to provide a capacity development opportunity for the professionals while creating greater understanding and a stronger bond among all concerned.

The theme for the forum was "Readiness Mindset – Striving for Excellence". The forum was attended by over 150 participants, and 18 sessions including panel discussions on various related topics were conducted.



Advocacy

Members are given the opportunity to comment on exposure drafts – draft regulations and consultant paper to adopt professional standards. This creates an open exchange of ideas and opinions and allows CA Maldives to interact with the members. Within the year, the following were opened for comments to members:

- ▶ Comments on the Consultation Paper, Endorsing International Financial Reporting Standards in the Maldives to determine an appropriate way forward in relation to endorsing financial reporting standards, April 2021.

- ▶ Comments on the Consultation Paper on Endorsing International Standards on Auditing (ISAs) and Other Pronouncements of IAASB were invited from members in April 2021.
- ▶ Comments were also invited from members in August 2021 on the exposure draft of the regulation Registration of Public Interest Entity Auditors.



Communication and Engagement

Social Media

Social media is used as the main communication channel to connect with members, prospective members, and the general public. All our news and announcements are promoted on Facebook, Instagram, and LinkedIn.

During the year 2021, CA Maldives posted public announcements, information about ongoing work and events d on social media

accounts - Facebook, Twitter, Linked in and Instagram - of the Institute.

- ▶ Engagements reached on Facebook: 102,994
- ▶ Engagement reached on Instagram: 10,899
- ▶ Followers on Linked In: 1,070
- ▶ Engagements on Twitter: 10,362

Media Engagements

Regular media interaction is critical to getting CA Maldives’ message out to its stakeholders. CA Maldives interacts with them by means of interviews, press releases, and news articles.

Major Events

CA Maldives organised press events over the year to publicise and create awareness among the public on the accomplishments of the Institute. The major events held during the year 2021 were:



- ▶ Unveiling and launching of CA Maldives logo and website, February 2021
- ▶ Commencing Issuance of Statutory Audit Licence, March 2021
- ▶ Launching of CA Maldives Strategic Plan for the year 2021 – 2023, April 2021
- ▶ Issuance of Statutory Audit License (14 individuals and 8 firms), April 2021
- ▶ Signing MoU with CA Sri Lanka, April 2021
- ▶ Issuance of Statutory Audit Licence (05 individuals and 4 firms), April 2021
- ▶ Signing Ceremony of Memorandum of Understanding with Ministry of Economic Development to establish a pathway to address the skills gaps in the accounting profession and ways to collaborate on providing training and conducting awareness programmes in the profession, October 2021
- ▶ Publishing of Regulation for Registration of Public Interest Entity Auditors, November 2021
- ▶ Signing Ceremony for Memorandum of Understanding with PSM as official media partner for the Maldives Accountants Forum 2021, November 2021
- ▶ Launching of Maldives Accountants Forum 2021, November 2021
- ▶ Commencing the Registration of Public Interest Entity Auditors, December 2021
- ▶ Signing of MoU with ACCA Sri Lanka, December 2021

Meetings with Stakeholders

During the year 2021, the Council of the Institute paid courtesy calls on leaders of various key stakeholder offices of the Institute to explore avenues to collaborate and work together to achieve common goals, such as building a skilled and competent workforce and creating more opportunities for the Maldivians in the accountancy profession. Meetings were held with heads of public institutions including:

- ▶ Courtesy call on the Civil Service Commission;
- ▶ Discussing the Payment system and payment services bill with the sub-Committee of Public Accounts Committee of Peoples Majlis;
- ▶ Senior Officials of the Academic Institutes on how CA Maldives can collaborate on the project for funding the skill gap in the Accounting Profession of Maldives;
- ▶ Minister of Economic Development on discussions of the project for funding the skill gap in the Accounting Profession of the Maldives;
- ▶ Maldives National University and Ministry of Economic Development on discussions of the project for funding the skill gap in the Accounting Profession of the Maldives;
- ▶ Governor of Maldives Monetary Authority to obtain feedback and comments on Regulation for Registration of Public Interest Entity Auditors; and
- ▶ CEO of Capital Market Development Authority Governor to obtain feedback and comments on Regulation for Registration of Public Interest Entity Auditors.



- ▶ CA Maldives paid a courtesy call on the Civil Service Commission (CSC), where discussions were made on future collaborative opportunities, such as providing technical support in developing an accountancy framework and working together to provide short-term essential trainings to accounting professionals, *January 2021*
- ▶ Council Members of CA Maldives held a meeting with the Sub-Committee of Public Accounts Committee of Parliament to discuss the payment system and payment services bill proposed by the government, *March 2021*
- ▶ Maldivian members of the Chartered Institute of Management Accountants (CIMA) met with CA Maldives to discuss the challenges in the accounting profession in the Maldives. The discussion points include forming a local chapter for Maldivian CIMA members and ways of working together to contribute to the development of the accounting profession in Maldives, *April 2021*
- ▶ CA Maldives met with ACCA Members Association of the Maldives to discuss the challenges in the accounting profession in the Maldives. The discussion points included ways of working together to contribute to the development of the accounting profession in the Maldives, *April 2021*
- ▶ Council members of CA Maldives had a fruitful meeting with senior officials of the Academic Institutes that provide professional accounting courses in the Maldives. The meeting was held to have an open dialog on how academic Institutes and CA Maldives can collaborate on the project for funding the skill gap in the Accounting Profession of the Maldives. Senior officials from Maldives National University, MAPS College, Villa College, and Clique College attended the meeting, *July 2021*
- ▶ CA Maldives President, Auditor General Mr. Hussain Niyazy, Council Member Ms. Fareeha Shareef, and Manager, Ms. Khaula Rameez paid a courtesy call on the Minister of Economic Development. During the meeting, discussions were held on the ongoing work by the Institute to bridge the skill gap of the accounting profession in the Maldives and ways on how CA Maldives and the Ministry of Economic Development can collaborate to achieve this objective, *August 2021*

- ▶ CA Maldives met with Maldives National University to discuss ways to increase opportunities to participate in technician-level programs of Accounting for Students and Employees across the Maldives. The Institute plans to hold such discussions with other Academic Institutes providing professional accounting courses in the Maldives in the future, *August 2021*
- ▶ CA Maldives Council met with the Governor of MMA, Honourable Mr. Ali Hashim, to hear and discuss the comments and feedback of the Central Bank on the draft regulation for registration of Public Interest Entity Auditors, *October 2021*
- ▶ CA Maldives Council also met with the CEO of CMDA, Mr. Mohamed Hussain Maniku to discuss any comments and feedback from CMDA on the draft regulation for Registration of Public Interest Entity Auditors, *November 2021*



- ▶ CA Maldives Council also met with the CEO of CMDA, Mr. Mohamed Hussain Maniku to discuss any comments and feedback from CMDA on the draft regulation for Registration of Public Interest Entity Auditors, *November 2021*



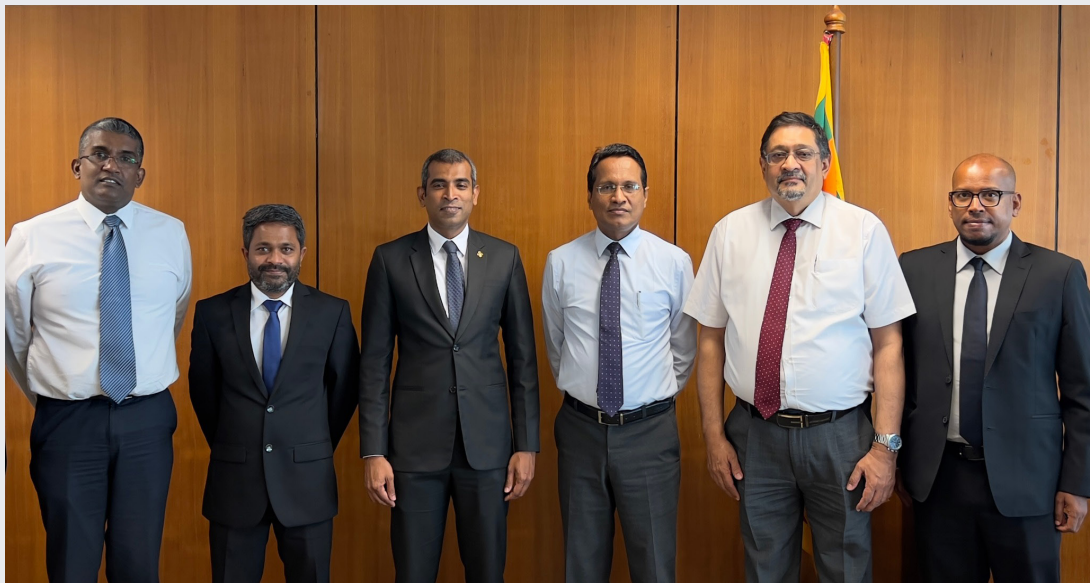
- The Institute also held international meetings with stakeholders and other Professional Accounting Organizations including:
- ▶ Meeting with CA Sri Lanka.
 - ▶ Meeting with Director General of Securities and Exchange Commission of Sri Lanka.
 - ▶ CEO of Colombo Stock Exchange.
 - ▶ Secretary General and CEO of Ceylon Chamber of Commerce.
 - ▶ Country Manager at CIMA Sri Lanka.
 - ▶ Auditor General of Sri Lanka.

President of CA Maldives Mr. Hussain Niyazy along with Vice President Mr. Hassan Mohamed and Council Members Mr. Rifaath Jaleel and Mr. Ibrahim Fazeel met with council members of the Institute of Chartered Accountants of Sri Lanka during the official trip to Colombo. During the meeting, potential areas for sharing-knowledge and experience and bilateral training opportunities between the two institutions were discussed. In addition, collaborative efforts that can be made in relation to the Memorandum of Understanding that was already signed between the two institutes were addressed.



President of CA Maldives Mr. Hussain Niyazy, Vice President of CA Maldives Mr. Hassan Mohamed, and Council Member of CA Maldives Mr. Rifaath Jaleel met with the Chairman Mr. Viraj Dayaratne PC and Director General Mr. Chinthaka Mendis of Securities and Exchange Commission of Sri Lanka on 14th December 2021. During the meeting, the need for assistance from

the SEC in developing a guide for audit quality reviews in connection to the newly implemented Regulation for Registration of PIE Auditors and Regulation on the Audit and Accountability of State-Owned Enterprises of the AGO were highlighted. In addition, future areas of collaboration between both organisations were discussed.



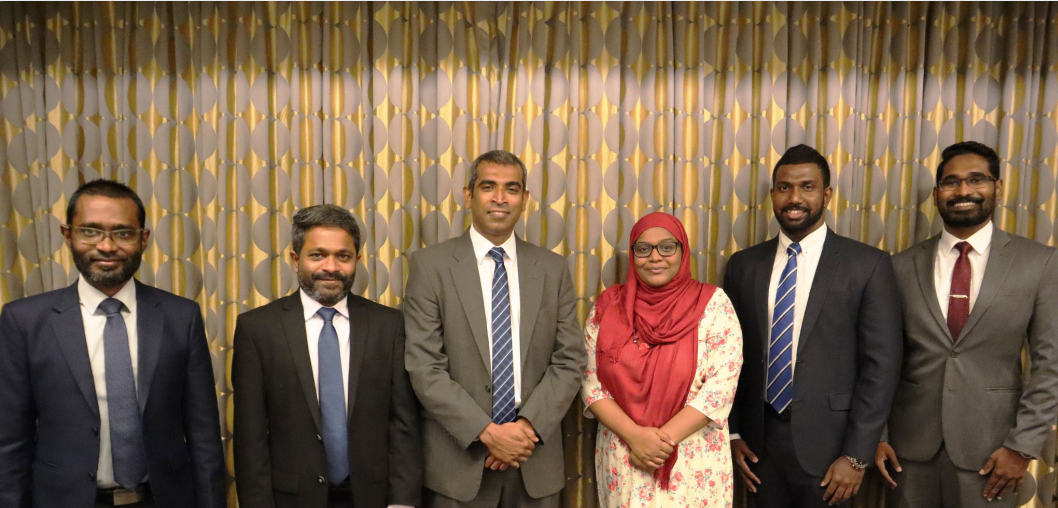
CA Maldives held a meeting with the CEO Mr. Rajeeva Bandaranaike at Colombo Stock Exchange to discuss the current practices, regulatory changes to the standards/ regulations, and areas of collaborative opportunity by both institutions on 14th December 2021. On behalf of CA Maldives, Auditor General and President of CA Maldives Mr. Hussain Niyazy along with Vice President Mr. Hassan Mohamed and Council Member Mr. Rifaath Jaleel participated in the meeting.



President of CA Maldives Mr. Hussain Niyazy, Vice President of CA Maldives Mr. Hassan Mohamed, and Council Member of CA Maldives, Mr. Rifaath Jaleel met with Secretary-General and CEO of Ceylon Chamber of Commerce Mr. Manjula De Silva on 16th December 2021. During the meeting, both institutions shared their experience and challenges faced concerning the economic and financial challenges due to Covid19. In addition, future collaborative capacity-building opportunities were also discussed.



Delegation of CA Maldives consisting of Auditor General and President of CA Maldives Mr. Hussain Niyazy, Vice President of the CA Maldives, Mr. Hassan Mohamed, and Council Member Mr. Ibrahim Fazeel met with Ms. Zahara Ansary, Country Manager at CIMA Sri Lanka, and her team to discuss the future strategies to increase educational opportunities by CIMA in the Maldives. It was noted that this would be an important contribution to the CA Maldives efforts to build professional accountants in the Country.



Auditor General and President of CA Maldives Mr. Hussain Niyazy made a formal visit to Mr. Chulantha Wickramaratne, the Auditor General of Sri Lanka 17th December 2021. Mr. Niyazy was accompanied by CA Maldives Vice President Mr. Hassan Mohamed and Council Member Mr. Ibrahim Fazeel. During the meeting AG of Sri Lanka briefed about the standards and guidelines for the financial statement audits of state-owned enterprises in Sri Lanka were discussed.



Developing the profession

Actively working with the government agencies and parties in the industry in order to find placements for aspiring young and talented individuals wishing to join the industry is one of the strategic goals of CA Maldives. To achieve this goal, CA Maldives conducts several promotional events and projects aimed at higher secondary and university students.

- ▶ 50 slots for the accounting profession were allocated under the Higher Education Loan Scheme 2021.
- ▶ 150 scholarships were offered for Chartered Professional Accountants.

Standard setting and the regulatory environment

- ▶ Endorsement of International Financial Reporting Standards in the Maldives to determine an appropriate way forward about endorsing financial reporting standards, April 2021
- ▶ Endorsement of International Standards on Auditing (ISAs) and Other Pronouncements of IAASB, April 2021
- ▶ The Institute also responded to the International Auditing and Assurance Standards Board's (the Board) Exposure Draft, proposed International Standards on Auditing for Audits of Financial Statements of Less Complex Entities.

Professional representation

The year began with a historic milestone for the Institute; CA Maldives was admitted as an Associate Member of the South-Asian Federation of Accountants (SAFA). The membership of the Institute was sponsored by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). As an Associate member of SAFA, CA Maldives participated

in 15 meetings including SAFA Board and committee meetings.

CA Maldives also held meetings with International Federation of Accountants (IFAC) to discuss on becoming a member of the IFAC.

Looking ahead to 2022

The year 2021 ended on a high note with the Institute accomplishing historic milestones and achieving key goals and objectives of the Strategic Plan 2021-2023. Amidst the setbacks brought by Covid-19 Pandemic, CA Maldives marked a colourful first year on being the first ever Professional Accounting Organisation in the Maldives.

CA Maldives looks forward to accomplish and achieve many more in the coming year. Some of the key milestones to look for in the year 2022 are:

- ▶ Development of Infrastructures of the Institute – CA Maldives Office and Web Portal.
- ▶ 500 Scholarship Opportunities for Accounting students.
- ▶ Maldives Accountants Forum 2022.
- ▶ IFRS & ISAS Forum
- ▶ Development of Competency Framework



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 **MILE & ASSOCIATES**
chartered accountants

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES

Opinion

We have audited the financial statements of Institute of Chartered Accountants of the Maldives (the Institute), which comprise the statement of financial position as at December 31, 2021, and the statement of income and expenditure, statement of changes in funds and reserves and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies set out in pages 3 to 17.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at December 31, 2021, and its financial performance and its cash flows for the period then ended in accordance with *International Financial Reporting Standards (IFRSs)*.

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 Institute in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of the 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 *International Financial Reporting Standards (IFRSs)*, and for such internal control as the Council 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 management is responsible for assessing the Institute'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 management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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.



 **MILE & ASSOCIATES**
chartered accountants

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

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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Institute'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 our auditors' report. However, future events or conditions may cause the Institute 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.



Abdulla Leeman Zahir
Partner
Certified Auditor ICAM-FL-17F



19th May 2022

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

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INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 MVR	2020 MVR
INCOME	4		
Contribution from Government of Maldives		3,500,000	500,000
Sponsorships and Donations		542,520	-
Subscription and Fees		514,500	-
Revenue from trainings		222,000	-
		4,779,020	500,000
LESS: EXPENDITURE	5		
Governance and Strategic Leadership		673,000	232,000
Academic Programs and Trainings		79,500	31,500
Membership Services and Audit Licence Regulatory Expenses		420,000	114,000
Accounting and Auditing Standards Setting		129,000	40,500
Employee Benefits and Staff Related Costs		690,267	41,952
Information Technology (IT) Related Expenses		24,163	26,082
Event, Ceremonies and Public Relations (PR) Activities		932,044	62,836
Administrative Expenses		149,462	61,365
Career guidance related expenses		9,103	-
Utilities		921	-
Donations/Contributions		5,000	-
		3,112,460	610,235
INCOME OVER EXPENDITURE BEFORE TAX		1,666,560	(110,235)
Income Tax Expense		-	-
INCOME OVER EXPENDITURE AFTER TAX		1,666,560	(110,235)

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Institute set out on pages 7 to 17. The reports of the Independent Auditors is given on pages 1 to 2.

19 May 2022



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 MVR	2020 MVR
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	97,924	-
Intangible Assets	7	-	-
		97,924	-
Current Assets			
Cash and Cash Equivalents	8	1,499,127	309,206
Trade and Other Receivables	9	10,500	684
		1,509,627	309,890
Total Assets		1,607,551	309,890
FUNDS AND LIABILITIES			
Funds			
Accumulated Funds	4, 5	1,556,325	(110,235)
		1,556,325	(110,235)
Current Liabilities			
Trade and Other Payables	10	51,226	420,125
Total Current Liabilities		51,226	420,125
Total Funds and Liabilities		1,607,551	309,890

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Institute set out on pages 7 to 17. The reports of the Independent Auditors is given on pages 1 to 2.

The financial statements were approved by the Council and signed on its behalf by:



Vice President of the Council
Hassan Mohamed



Council Member
Ibrahim Fazeel

19 May 2022



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Accumulated Fund MVR	Total MVR
Balance as at 8 th September 2020		-	-
Income Over Expenditure For The Period	4, 5	(110,235)	(110,235)
Balance as at 31 st December 2020		<u>(110,235)</u>	<u>(110,235)</u>
Balance as at 1st January 2021		(110,235)	(110,235)
Income Over Expenditure For The Period	4, 5	1,666,560	1,666,560
Balance as at 31st December 2021		<u>1,556,325</u>	<u>1,556,325</u>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Institute set out on pages 7 to 17. The reports of the Independent Auditors is given on pages 1 to 2.

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 MVR	2020 MVR
Cash Flows from Operating Activities			
Income Over Expenditure	4, 5	1,666,560	(110,235)
Adjustments for:			
Depreciation		-	-
Amortisation		-	-
Operating Loss before Working Capital Changes		<u>1,666,560</u>	<u>(110,235)</u>
Changes in Working Capital			
Trade and Other Receivables	9	(9,816)	(684)
Trade and Other Payables	10	(368,900)	420,125
Net Cash Generated from Operating Activities		<u>(378,716)</u>	<u>309,206</u>
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	6	(97,924)	-
Proceeds from disposal of Property	6	-	-
Net Cash (Used in)/ from Investing Activities		<u>(97,924)</u>	<u>-</u>
Cash Flows from Financing Activities			
Loan Borrowings during the Year		-	-
Net Cash (Used in)/ from Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		1,189,921	309,206
Cash and Cash Equivalents at Beginning of the Year		309,206	-
Cash and Cash Equivalents at End of the Year	8	<u>1,499,127</u>	<u>309,206</u>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Institute set out on pages 7 to 17. The reports of the Independent Auditors is given on pages 1 to 2.

19 May 2022

19 May 2022



**INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

1 GENERAL ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Institute of Chartered Accountants of the Maldives (Institute) is a statutory body incorporated by the Chartered Accountants of the Maldives Act No: 13/2020, and domiciled in Maldives, situated at Ghaazee Building, Ameer Ahmed Magu, Male'.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The main objective of the Institute is to regulate and advance the accountancy profession in the Maldives in accordance with international standards and to determine classes of its membership, codes of professional conduct and ethics, and other relevant matters.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB).

2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Maldivian Rufiyaa (MVR), which is the Institute's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

2.4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires the Council to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the respective notes.



**INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021**

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Institute.

3.1 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translations are recognized in profit or loss.

Non-monetary assets and liabilities, which are stated at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies, are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates that the values were determined.

3.2 FINANCIAL INSTRUMENTS

i. Financial Assets (Non-derivative)

The Institute initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Institute becomes a party to the contractual provisions of the instrument.

The Institute derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Institute is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Institute has the following financial assets (non-derivative):

- Loans and Receivables
- Cash and Cash Equivalents

Loans and Receivables

Loans and Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at transaction costs. Subsequent to initial recognition receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Receivables comprise trade and other receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and balances with banks. For the purpose of cash flows, the cash and cash equivalents are shown net of bank overdraft.



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Financial Liabilities (Non-derivative)

Financial liabilities are recognized initially on the trade date at which the Institute becomes a party to the contractual provisions of the instrument. The Institute derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Institute has non-derivative financial liabilities such as payables. Such financial liabilities are recognized initially at transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

3.3 PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii. Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii. Depreciation

Depreciation on property, plant and equipment of the Institute is charged on the straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold Improvements	Over the lease period
Furniture and fittings	10 years
Office Equipment	5 years
Computer Equipment	3 years

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

iii. Depreciation (Continued)

The charge for the depreciation commences from the date in which the property, plant and equipment are ready for use. Depreciation method, useful lives and residual are reviewed at each financial year-end and adjusted if appropriate.

iv. Amortization

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful life for the current and comparative periods is as follows:

Software	3 years
----------	---------

3.4 INVENTORIES

Inventories have been valued at the lower of cost and net realizable value. Cost is generally determined by reference to weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their condition and location.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5 IMPAIRMENT

i. Financial Assets (Including Receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Institute considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-Financial Assets

The carrying amounts of the Institute's non-financial assets except inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Non-Financial Assets (Continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

3.6 REVENUE RECOGNITION

i. Contribution from Government

Under Section 24(a) of the Chartered Accountants of the Maldives Act No 13/2020, the Government shall be providing budget support as may be necessary to properly discharge the responsibilities of the Institute during the Institute's 4 year interim period. The method for accounting for the government grant is income approach, where the grant is recognised in the statement of profit or loss as income.

ii. Subscription Fees

Subscription fees of the members are accounted on an accrual basis.

iii. Registration/ License charges

Registration/ License charges are recognized at the time of the issuance of the registration / license certificate.

iv. Net Income from Other Activities

Net income from other activities of the Institute is recognized in the year of completion of such activity after deducting the related expenses.

v. Donations

Donation income received shall be recognized as income in the statement of income and expenditure only to the extent of their realization under the reporting period.

3.7 EXPENSES

All expenses incurred in the running of the Institute and in maintaining the capital assets in a state of efficiency has been charged to the revenue in arriving at income over expenditure for the year.

Expenses incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the Institute or for the purpose of increasing the utilization capacity of the Society has been treated as capital expenses.

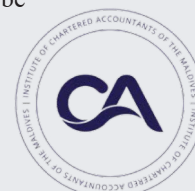
3.8 EMPLOYEE BENEFITS

Short-term employee benefit obligations of the Institute are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Institute has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9 PROVISIONS

A provision is recognized if, as a result of a past event, the Institute has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
	MVR	MVR
4 INCOME		
Contribution from Government of Maldives (Note 4.1)	3,500,000	500,000
Maldives accountants forum 2021	542,520	-
Audit licence related fees	307,000	-
Members subscription and fees	207,500	-
Registration fee for maldives accountants forum 2021	118,000	-
Revenue from trainings	104,000	-
	4,779,020	500,000

4.1 The Government of Maldives has contributed MVR 3,500,000 during the period as budget support under the section 24(a) of the Chartered Accountants of the Maldives Act No: 13/2020.

5 EXPENDITURE

Governance and Strategic Leadership (Note 5.1)	673,000	232,000
Academic Programs and Trainings (Note 5.2)	79,500	31,500
Membership Services and Audit Licence Regulatory Expenses (Note 5.2)	420,000	114,000
Accounting and Auditing Standards Setting (Note 5.2)	129,000	40,500
Employee Benefits and Staff Related Costs (Note 5.3)	690,267	41,952
Information Technology (IT) Related Expenses (Note 5.4)	24,163	26,082
Event, Ceremonies and Public Relations (PR) Activities	932,044	62,836
Administrative Expenses (Note 5.5)	149,462	61,365
Career guidance related expenses	9,103	-
Utilities	921	-
Donations/Contributions	5,000	-
	3,112,460	610,235

5.1 This includes sitting allowance of Council, Appeal Committee & Ethics Committee members. The Council has approved to pay a sitting allowance of MVR 2,500 per sitting to the eligible council members and MVR 1,500 per sitting to the eligible committee members respectively for the year 2021 to discharge its council and committee related duties under the section 24(g) of the Chartered Accountants of the Maldives Act No: 13/2020.

5.2 This mainly includes sitting allowance of members of Academic Committee, Admission and Licensing committee and Technical and Standards committee and its related expenses. The Council has approved to pay a sitting allowance of MVR 1,500 per sitting to the eligible committee members for the year 2020 to discharge its committee related duties under the section 24(g) of the Chartered Accountants of the Maldives Act No: 13/2020.

5.3 The Institute has entered into service agreements with the staff of Auditor General Office (AGO) of the Maldives to provide secretarial, administrative and finance services. A total of 7 staff was employed on part-time basis during the period.

5.4 The Institute has entered into a service agreement with the staff of Auditor General Office (AGO) of the Maldives to provide IT related services. A staff was employed on part-time basis during the period.

5.5 Administrative expenses include sitting allowance of members of Management and Finance committee, professional fees and bank charges.

5.6 The Council has resolved to set the maximum sitting allowance payable to committee meetings for each month for the year 2020 as per the resolution no: RES/2020/002, effective from 26th September 2020.



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

6 PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment MVR	Office Equipment MVR	Furniture & Fittings MVR	Motor Vehicles MVR	Total 31/12/2021 MVR
Cost					
Opening Balance as at 1 January 2021	-	-	-	-	-
Additions during the Year	-	97,924	-	-	97,924
Disposal during the Year	-	-	-	-	-
Closing Balance as at 31 December 2021	-	97,924	-	-	97,924
Accumulated Depreciation					
Opening Balance as at 1 January 2021	-	-	-	-	-
Charge for the Year	-	-	-	-	-
Closing Balance as at 31 December 2021	-	-	-	-	-
Net Carrying Value					
As at 31st December 2021	-	97,924	-	-	97,924

7 INTANGIBLE ASSET

	31/12/2021 MVR	31/12/2020 MVR
Cost		
As at 8 th September 2020	-	-
Additions during the Year	-	-
As at 31 st December 2020	-	-
Additions during the Year	-	-
As at 31 st December 2021	-	-
Accumulated Amortization		
As at 8 th September 2020	-	-
Amortization for the Year	-	-
As at 31 st December 2020	-	-
Amortization for the Year	-	-
As at 31 st December 2021	-	-
Net Book Value as at 31st December 2020	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

	31/12/2021 MVR	31/12/2020 MVR
8 CASH AND CASH EQUIVALENTS		
Cash in Hand	931	-
Balances with Banks (Note 8.1)	1,498,196	309,206
	1,499,127	309,206
Bank Overdraft	-	-
Cash and Cash Equivalents	1,499,127	309,206
8.1	The Institute has opened a bank account in MVR at Maldives Islamic Bank and in MVR and USD in Bank of Maldives. All transactions were made through the said accounts during the period.	
9 TRADE AND OTHER RECEIVABLES		
Trade Receivables	10,500	-
GST Receivables	-	684
	10,500	684
10 TRADE AND OTHER PAYABLES		
Trade Payables	(18,199)	53,091
Other Payables	-	-
Deferred Income	-	230,840
Accrued Expenses	69,425	136,194
	51,226	420,125



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

11 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

Overview

The Institute has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Institute's exposure to each of the above risks, the Institute's objectives, policies and processes for measuring and managing risk, and the Institute's management of capital.

Risk Management Framework

The Council members have overall responsibility for the establishment and oversight of the Institute's risk management framework.

(i) Credit Risk

Credit risk is the risk of financial loss to the Institute if a party fails to meet its contractual obligations, and arises principally from the Institute's receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Amount 31/12/2021 MVR	Carrying Amount 31/12/2020 MVR
Trade Receivables	10,500	-
Other Receivables	-	-
Cash at Bank	1,498,196	309,206
	1,508,696	309,206

Impairment Losses

The ageing of other receivables at the reporting date was:

	31/12/2021	
	Gross MVR	Impairment MVR
Past Due 0-30 days	-	-
Past Due 31-120 days	-	-
Past Due 121-365 days	-	-
Total	-	-

No provision for impairment is required as no other receivable balances outstanding as at 31st December 2021.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

11 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(ii) Liquidity Risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Institute's reputation.

The following are the contractual maturities of financial liabilities:

31st December 2021	Carrying Amount MVR	0-12 Months MVR
Financial Liabilities (Non- Derivative)		
Other Payables	-	-
	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Institute's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest Rate Risk

There are no interest bearing borrowings or lending by the Institute. Hence, the Institute does not face any interest rate risk as at the reporting date.

(b) Currency Risk

Exposure to Currency Risk

The Institute's exposure to foreign currency risk, in the risk of movements in exchange rates in relation to foreign currency transactions of US Dollars, is as follows:

	31/12/2021 US\$	31/12/2020 US\$
Cash and Cash Equivalents	345	-
Other Receivables	-	-
Gross Statement of Financial Position Exposure	345	-



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE MALDIVES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

12 CAPITAL COMMITMENTS

There were no material capital commitments approved or contracted as at the reporting date.

13 CONTINGENT LIABILITIES

There were no contingent liabilities which require disclosure in the financial statements as at the reporting date.

14 EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which require adjustment to or disclosure in these Financial Statements.

15 COUNCIL'S RESPONSIBILITY

The Council Members of the Institute is responsible for the preparation and presentation of these financial statements.

16 COMPARATIVE FIGURES

No comparative figures shown as the Institute of Chartered Accountants of the Maldives incorporated on 8th September 2020 under the Chartered Accountants of the Maldives Act No 13/2020.

17 RELATED PARTY DISCLOSURES

17.1 Transactions with Key Management Personnel

	2021 Amount (MVR)	2020 Amount (MVR)
Sitting Allowance for the Council	610,000	182,500
Sitting Allowance for the Committee	784,500	285,000

17.1.1 No sitting allowance has been paid to AG and CG during the period as they decided not to take allowance, with reference to the relevant Audit Act and Tax Administration Act, as they represent the Institute in the capacity of their Statutory Positions and the respective governing laws could be interpreted to disallow any other remuneration other than that approved by the Parliament although the CA Maldives Act section 24 (m) specifies a sitting allowance shall be paid to the Council Members for each meeting held.

17.2 Sitting Allowance to Key Management Personnel

The Council Members of the Institute of Chartered Accountants of the Maldives are the governing body and key management personnel. The Institute has paid sitting allowance to the Council Members during the period as per a pre-approved budget with caps on the number of paid meetings. The CA Maldives Act section 24 (m) specifies the Council Members shall be paid a sitting allowance for each meeting held.



