



EMMJAY ASSOCIATES,
CHARTERED ACCOUNTANTS, MALE'.

TRANSPARENCY MALDIVES

**Financial Statements for the year ended
31st December 2020.**

EMMJAY ASSOCIATES

Reg. No: P-01/2007
Audit Reg No : ICAM-FL-AHL

CHARTERED ACCOUNTANTS
4th Floor, Marina Buliding
Koli Umar Maniku Goalhi,
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Republic of Maldives

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TRANSPARENCY MALDIVES

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Transparency Maldives (Non Governmental and non Profit making Organization registered in the Maldives), which comprises the statement of financial position as at 31st December 2020, and the statement of comprehensive income, statement of changes in retained earnings and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of financial position of the Organization as at 31st December 2020 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.

Basis of Opinion

We have conducted our auditing in accordance with International Standards on Auditing (ISA's). We are independent from Transparency Maldives in accordance with International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled all other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) 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 "Transparency Maldives" ability to continue as 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 group or to cease operation.

Auditor's responsibilities for 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.

- Audit report continued in page 2.

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- Audit report continues from page 1.

Reasonable assurance is high level of assurance, but is not a guarantee that an audit conduct in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can rise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticisms throughout the audit. we also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 effectiveness of group's internal controls.
- 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 group'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 evidence obtained up to the date of auditor's report. However, future events or conditions may cause the group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

The partner in charge for this Independent Audit Report is Dr. Ibrahim Mahfooz (Audit Licence Number: ICAM-IL-R17).

02nd May 2021.
Male'.



S. J. Anselmo
EMMJAY ASSOCIATES
CHARTERED ACCOUNTANTS

TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Statement of Financial Position

(All amounts are stated in United States Dollars)

Statement of Financial Position		Year	
(All amounts are stated in United States Dollars)		2020	2019
ASSETS			
Current assets			
Cash & cash equivalents	5	309,029	144,829
Prepaid expenses	6	5,586	2,823
Deposits	7	28,141	3,733
Project & other receivables	8	103,581	88,753
		446,337	240,138
Non Current Assets			
Property, plant and equipment	9	280	2,400
TOTAL ASSETS		446,617	242,538
EQUITY AND LIABILITIES			
Capital & Reserves			
Retained earnings		232,646	207,843
Current liabilities			
.	10	38,887	34,695
Deferred revenue	11	175,084	-
TOTAL EQUITY AND LIABILITIES		446,617	242,538

These financial statements were approved by the Executive Committee as per all pertinent laws: regulations, and by-laws on 02 June 2021.

Executive Committee

Ahmed Muizzu (Chairperson)

Mohamed Inaz (Financial Controller)

Signature

Ahmed Muizzu



The notes on pages 7 to 14 form an integral part of the financial statements.
Audit report is given on pages 1 and 2.



TRANSPARENCY MALDIVES
Financial Statements - for the year ended 31st December 2020
Statement of Comprehensive Income

(All amounts are stated in United States Dollars)

Statement of Comprehensive Income		Year	
(All amounts are stated in United States Dollars)	Notes	2020	2019
Income / Receipts			
Income from Grants and Contracts			
Multilateral Institutions	12	25,310	98,069
Government, Embassies, Commissions	13	242,247	204,588
Transparency International Secretariat	14	128,393	231,978
Other NGOs, Institutes		-	-
Other income	15	4,795	5,103
Program income	16	-	27
Income from Grants and Contracts, total		400,745	539,765
Expenditures			
Operating and Administrative Expenses			
Operating expenses	17	9,281	16,077
Program expenses	18	51,333	243,381
Contract services	19	81,349	37,474
Personnel expenses	20	233,979	232,657
Operating and administrative expenses, total		375,942	529,589
Net Income / Excess Receipts over Expenses		24,803	10,176

The notes on pages 7 to 14 form an integral part of the financial statements.

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TRANSPARENCY MALDIVES
Financial Statements - for the year ended 31st December 2020
Statement of Cash Flows

(All amounts are stated in United States Dollars)

Notes

	Year	
	2020	2019
Net Income / Excess Receipts over Expenses	24,803	10,176
Add: Depreciation	2,540	3,841
Operating profit before working capital changes	27,343	14,017
Changes in the working capital		
Prepaid expenses	(2,763)	4,867
Deposits	(24,408)	(3,733)
Receivables	(14,828)	(22,257)
Payables	4,192	(5,506)
Deferred revenue - liability	175,084	-
Funds from operational activities	137,277	(26,629)
Total source of fund	164,620	(12,612)
Application of funds		
Addition to property, plant & equipment	(420)	-
Prior year adjustments	-	(6,162)
	(420)	(6,162)
Net (decrease) in cash & cash equivalents	164,200	(18,774)
Cash and cash equivalents at the beginning of the year	144,829	163,603
Cash and cash equivalents at the end of the year	309,029	144,829

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TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Statement of Change in Retained Earnings

(All amounts are stated in United States Dollars)

	Retained Earnings	Total
Balance at 01 January 2019	203,829	203,829
Profit for the Year	10,176	10,176
Prior Year Adjustments	(6,162)	(6,162)
Balance at 31 December 2019	207,843	207,843
Balance at 01 January 2020	207,843	207,843
Profit for the Year	24,803	24,803
Prior Year Adjustments	-	-
Balance at 31 December 2020	232,646	232,646

The notes on pages 7 to 14 form an integral part of the financial statements.

Audit report is given on pages 1 and 2.



TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Notes to the Financial Statements

1. General Information

These financial statements relate to TRANSPARENCY MALDIVES, a non profit organisation, for the year ended 31st December 2020. The principal activities of the organisation are to promote, collaborate, initiate good governance and eliminate corruption from the daily lives of people. Transparency Maldives is the National Chapter of Transparency International (TI) in the Maldives. It aims to be a constructive force in the Maldives by working with all sectors, including government, media, business and other NGOs.

TM received formal registration (Registration No. T/2007/83/34) from the Ministry of Home Affairs on 19th July 2007.

1.1 Objectives

TM is a non-partisan organization that endeavors to be a constructive force by promoting collaboration and discussion on corruption, transparency, and accountability. TM seeks to engage with stakeholders from all sectors (government, business, politics and civil society, among others) to stimulate discussion and raise awareness of corruption's detrimental effects on development and society. Although based in Male' Maldives, the organization views corruption as a national issue and its planned activities extend to the country's outer islands.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of Preparation

The financial statements of Transparency Maldives have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention.

2.2 Functional and Presentation Currency

TM is maintaining the reporting currency as United States Dollars in the financial statements since most of the transactions (receipts & payments) are dealt in United States Dollars.

2.3 Property, Plant & Equipment

Property, plant and equipment is stated at historical cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Office Equipment - 3 years

Furniture and Fittings - 5 years

Software & Licenses - 3 years



TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Notes to the Financial Statements

2.4 Receivables

Receivables are stated as per the donor contracts / agreements and assessed as per 1) entitlement to the grant 2) virtual certainty that it will be received and 3) sufficient measurability of the amount.

2.5 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

2.6 Receipts / revenue recognition

Receipts or revenues are recognized when the donor is identified, assessed as per entitlement of the grant, certainty that it will be received and also sufficient measurability of the amount. Revenue is measured at the fair value of the consideration received.

2.7 Expenditure Recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the project / program guidelines. All expenditure incurred in the running of the organization and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.8 Events After Reporting Period

There have been no material events occurring after the reporting period that requires adjustments to or disclosure in the financial statements. We are not able to assess the effects of Covid-19 as of the reporting date.

3. Financial Risk Management Objectives and Policies

The reporting entity's principal financial instruments comprises - Receivables and Payables.

The main risks arising from the reporting entity's financial instruments are foreign currency risk, credit risk and liquidity risk. The executive board review and agree policies for managing each of these risks and they are summarized below.

3.1 Foreign Currency Risks

The reporting entity has transactional currency exposures. Such exposures arise from donor grants and purchase in currencies other than the entity's functional currency.

The reporting entity is exposed to currency risks primarily from the donor grants receivables that are dominated in United States Dollars (USD). The organisation has no specific policy to deal with the foreign currency risks associated with exchange.

The following significant exchange rates were applied during the year 2019.

1 US\$: Maldivian Rufiyaa 15.28



TRANSPARENCY MALDIVES**Financial Statements - for the year ended 31st December 2020**

Notes to the Financial statements**3.2 Credit Risk**

Credit risk is the risk that a donor in a transaction may default. The reporting entity's exposure to credit risks is the receivable balances from the donor at the end of the reporting period.

The credit risk of the reporting entity's other financial assets, which comprises the cash and bank balances with a maximum exposure equal to the carrying amounts of these instruments.

3.3 Liquidity Risk

Liquidity risk is the risk that the reporting entity may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process

The reporting entity monitors its risk to a shortage of funds through management observation. The maturity profile of the reporting entity's financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

4. COMPARATIVES

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.



TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Notes to the Financial Statements

(All amounts are stated in United States Dollars)

Notes

Year

2020

2019

5. Cash & Cash Equivalents

State Bank of India -USD-20201

290,164

133,483

State Bank of India -MVR-20206

18,039

10,821

Bank of Maldives -MVR

826

525

Cash and Cash Equivalents, total

309,029

144,829

6. Prepaid Expenses

Prepaid Expenses

5,586

2,231

Advance to Subgrantees

-

592

Prepaid Rent

-

-

Prepaid Expenses, total

5,586

2,823

7. Advances & deposits

Bottle Deposits

68

68

Security Deposit

4,400

3,665

Advance for purchase of assets

23,673

-

Other Assets, total

28,141

3,733

8. Receivables

Receivable from Donors

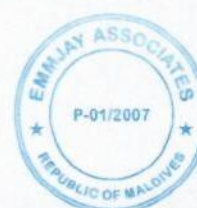
103,581

88,753

Receivables, total

103,581

88,753

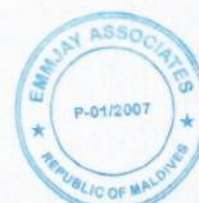


TRANSPARENCY MALDIVES
Financial Statements - for the year ended 31st December 2020
Notes to the Financial Statements

(All amounts are stated in United States Dollars)

9. Property, Plant & Equipment

	Furniture & Fittings	Office Equipment	Software & Licenses	Total
Year Ended 31 December 2019				
Opening Net Book Amount	137	5,781	323	6,241
Current Year Depreciation Charge	(69)	(3,449)	(323)	(3,841)
Closing Net Book Amount	68	2,332	-	2,400
As at 31 December 2019				
Cost	343	18,974	971	20,288
Accumulated Depreciation	(275)	(16,642)	(971)	(17,888)
Net Book Amount	68	2,332	-	2,400
Year Ended 31 December 2020				
Opening Net Book Amount	68	2,332	-	2,400
Additions during the year	-	420	-	420
Current Year Depreciation Charge	(68)	(2,472)	-	(2,540)
Closing Net Book Amount	0	280	-	280
As at 31 December 2020				
Cost	343	19,394	971	20,708
Accumulated Depreciation	(343)	(19,114)	(971)	(20,428)
Net Book Amount	0	280	(0)	280



TRANSPARENCY MALDIVES
Financial Statements - for the year ended 31st December 2020
Notes to the Financial Statements

(All amounts are stated in United States Dollars)

Notes

Year
2020
2019
10. Payables

Accounts Payable

38,874

27,428

Accrued Expenses

10.1

-

7,267

Other payables

13

-

Payables, total
38,887
34,695
10.1 Contingent Liability

1)Employee - Ali Shareef's case verdict: The case was concluded against TM on 09.03.2021 with compensation payable amounting to USD 25,003.29. However, the Board decided on 16.03.2021 to appeal the verdict to the High Court based on the opinion of TM's lawyers of the positive prospects of such a decision.

2) Ongoing compensation case of AIMA Construction Pvt Ltd: As per the Board's decision arrived on 01.11.2020 with the advice imparted by TM's lawyers, the compensation case is to be presented to the court for dismissal. The compensation payable claimed by AIMA Construction Pvt Ltd amounts to USD 327,552.

Due to the uncertainty of the outcome of both the events, the management decided to recognise these as contingent liabilities under IAS 37 and hence only a disclosure is required

11 Deferred revenue - Liability

During the year, total funds received from U.S Agency for International Development (USAID) amounted to USD. 398,750.00 for the program Promoting Resilience in Maldives (PRIME), out of these funds an amount of USD. 175,064/- remained unspent as on 31.12.2020. Thus, the unspent amount was recorded as unearned/deferred revenue for the year 2020.

12. Multilateral Institutions

United Nations Development Programme (UNDP Maldives)

25,310

98,069

Multilateral Institutions, total
25,310
98,069
13. Government, Embassies, Commissions

U.S. Department of State

-

18,442

U.S Agency for International Development

228,685

-

Ministry of Foreign Affairs of the Netherlands

-

-

British High Commission Colombo

-

-

International Republican Institute

-

61,893

International Foundation for Electoral Systems (IFES)

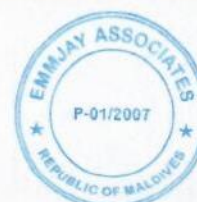
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124,253

Maldives Amplifying New Entrepreneurship Programme

13,562

-

Government, Embassies, Commissions, total
242,247
204,588


TRANSPARENCY MALDIVES
Financial Statements - for the year ended 31st December 2020
Notes to the Financial Statements

(All amounts are stated in United States Dollars)

Notes

Year
2020
2019
14. Transparency International Secretariat Projects:

Effective and Accountable Governance for

Sustainable Growth (ALAC)

- 7,865

Strengthening Local Governance in the Maldives

- 50,673

 Strong, Transparent, Responsive & Open Networks
for Good Governance (STRONGG)

32,304 -

Climate Policy and Finance Integrity

33,344 61,168

Global Anti-Corruption Consortium

- 24,152

Support to Anti-Corruption Framework in the Maldives

62,745 88,120

Transparency International Secretariat, total
128,393 231,978
15. Other Income

Individual and business contributions

- 229

Paid Consultancies, Fees, etc.

3,500 1,865

Travel Reimbursements

- 1,804

Membership Fees

287 13

Foreign Exchange Gain

1,008 1,192

Other Income, total
4,795 5,103
16. Program Income

Sale of Products

- 27

Program Income, total
- 27
17. Operating Expenses

Office Rent

- -

Utilities

- 14

Property Insurance

66 520

Communication

99 308

Printing & Copying

- -

Office & Computer Supplies

85 1,251

Repairs & Maintenance

2,886 3,070

Advertising & Recruitment

- 762

Housekeeping Services

- 69

Postage & Mailing Expense

- 22

Transportation Costs

59 3

Audit Fees

750 750

Bank Charges

102 162

Training & Workshops

172 249

Conference, Convention and Meeting Expenses

- 36

International Travel

2,162 4,987

Depreciation

2,540 3,841

Other Expense

360 33

Operating Expenses, total
9,281 16,077


TRANSPARENCY MALDIVES

Financial Statements - for the year ended 31st December 2020

Notes to the Financial Statements

(All amounts are stated in United States Dollars)

Notes

Year

2020

2019

18. Program Expenses

Office Rent	24,008	21,990
Utilities	1,463	176
Communication	3,737	1,625
Printing & Copying	-	4,475
Office & Computer Supplies	881	-
Repairs & Maintenance	2,474	1,547
Housekeeping Services	1,500	1,516
Postage & courier	463	-
Transportation Costs	1,052	-
Bank Charges	767	366
Training & Workshops	(1,125)	69,505
Conference, Convention and Meeting Expenses	14,027	91,439
Election Observation	-	35,450
Community Visits	-	367
Property insurance charges	414	-
Oversight Costs	-	-
Advertising & recruitment	229	-
Other Expense	1,443	600
Awards & Grants	-	14,325
Program Expenses, total	51,333	243,381

19. Contract Services

Legal Fees	428	2,000
Outside Contract Services	80,921	35,179
Volunteer Services	-	295
Contract Services, Total	81,349	37,474

20. Personnel Expenses

Salaries & Wages	217,956	218,200
Pension Contributions	11,781	11,551
Ramadan Bonus	2,186	2,552
Annual Leave Entitlement	2,056	354
Personnel Expenses, Total	233,979	232,657

