



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020**



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

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**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

STATEMENT BY MEMBERS OF THE COMMITTEE

We, **ALVIN NEO** and **MURALI VELAUTHAM** do hereby state that in our opinion, the financial statements set out on pages 6 to 14 are drawn up so as to give a true and fair view of the state of affairs of **BAR COUNCIL LEGAL AID CENTRE SELANGOR** as at 31 December 2020 and of the income and expenditure account and cash flows of the Centre for the financial year ended on that date in accordance with the Malaysian Private Entities Reporting Standard in Malaysia.

On behalf of the Committee Members

ALVIN NEO
CHAIRPERSON
LEGAL AID CENTRE SELANGOR

MURALI VELAUTHAM
CHAIRMAN
SELANGOR BAR COMMITTEE

Kuala Lumpur
Dated: 26 JAN 2021

**INDEPENDENT AUDITORS' REPORT**

TO

**BAR COUNCIL LEGAL AID
CENTRE SELANGOR****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Bar Council Legal Aid Centre Selangor ("the Centre")**, which comprise the statement of financial position as at 31 December 2020, and the income statement, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 14.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Centre as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Centre in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT**

TO

**BAR COUNCIL LEGAL AID
CENTRE SELANGOR
(CONTINUED)****Responsibilities of the Committee for the Financial Statements**

The committee of the Centre are responsible for the preparation of financial statements of the Centre that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard in Malaysia. The committee are also responsible for such internal control as the committee determines necessary to enable the preparation of financial statements of the Centre that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Centre 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Centre, 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 audit opinion on the effectiveness of the Centre's internal control.

**INDEPENDENT AUDITORS' REPORT****TO****BAR COUNCIL LEGAL AID
CENTRE SELANGOR
(CONTINUED)****Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee'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 Centre'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 of the Centre or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Centre, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee 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.



DANIEL & CO
Chartered Accountants (M)

FIRM NO: AF 001930

INDEPENDENT AUDITORS' REPORT

TO

**BAR COUNCIL LEGAL AID
CENTRE SELANGOR
(CONTINUED)**

Other Matters

This report is made solely to the Centre in accordance with Malaysian Private Entities Reporting Standard in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DANIEL & CO
No. AF 001930
CHARTERED ACCOUNTANTS (M)

ISAAC DANIEL
No. 02787/01/2022 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated: **26 JAN 2021**



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020**

| | <u>Note</u> | <u>2020</u> RM | <u>2019</u> RM |
|---|-------------|-------------------|-------------------|
| PLANT AND EQUIPMENT | 2 | 83,403 | 95,999 |
| CURRENT ASSETS | | | |
| Sundry receivables and deposits | 3 | 6,367 | 6,564 |
| Cash and bank balances | | 14,305 | 20,897 |
| | | <u>20,672</u> | <u>27,461</u> |
| CURRENT LIABILITIES | | | |
| Sundry payables and accrued liabilities | 4 | 9,167 | 3,232 |
| NET CURRENT ASSETS | | <u>11,505</u> | <u>24,229</u> |
| | | <u>94,908</u> | <u>120,228</u> |
| Represented by:- | | | |
| ACCUMULATED FUND | | <u>94,908</u> | <u>120,228</u> |



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | <u>2020</u> RM | <u>2019</u> RM |
|---|-------------------|-------------------|
| INCOME | | |
| Bar Council allocation | 350,113 | 306,063 |
| Reimbursement from YBGK | 16,100 | 13,123 |
| | <u>366,213</u> | <u>319,186</u> |
| Less: EXPENDITURE | <u>(391,533)</u> | <u>(336,281)</u> |
| DEFICIT FOR THE YEAR | (25,320) | (17,095) |
| ACCUMULATED FUND BROUGHT FORWARD | 120,228 | 137,323 |
| ACCUMULATED FUND CARRIED FORWARD | <u>94,908</u> | <u>120,228</u> |



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------|----------------|----------------|
| | RM | RM |
| Advertisement | - | 64 |
| Audit fee | 3,000 | 3,000 |
| Bank charges | 259 | 322 |
| Bonus and allowances | 46,030 | 29,086 |
| E.P.F, EIS and SOCSO | 35,091 | 28,438 |
| Electricity and water | 5,785 | 7,225 |
| Medical fee | 2,685 | 2,710 |
| Miscellaneous | - | 102 |
| Office maintenance | 8,596 | 8,573 |
| Postage and courier | 1,205 | 1,465 |
| Printing and stationery | 5,597 | 3,976 |
| Rental of photocopier machine | 3,360 | 3,360 |
| Rental of premises | 5,400 | 5,400 |
| Rental of storage | 1,590 | 2,168 |
| Salaries and overtime | 241,416 | 202,640 |
| Staff refreshment | 1,831 | 2,211 |
| Telephone, facsimile and internet | 10,683 | 13,029 |
| Travelling | 5,699 | 9,112 |
| Upkeep of office equipment | 325 | 315 |
| Depreciation | 12,981 | 13,085 |
| | <u>391,533</u> | <u>336,281</u> |



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | <u>2020</u> RM | <u>2019</u> RM |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Deficit for the year | (25,320) | (17,095) |
| Adjustments for: | | |
| Depreciation | <u>12,981</u> | <u>13,085</u> |
| Operating loss before working capital changes | (12,339) | (4,010) |
| Decrease in receivables | <u>197</u> | <u>219</u> |
| Increase/(Decrease) in payables | <u>5,935</u> | <u>(7,517)</u> |
| | <u>6,132</u> | <u>(7,298)</u> |
| Net cash used in operating activities | (6,207) | (11,308) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | <u>(385)</u> | <u>(6,666)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(6,592)</u> | <u>(17,974)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>20,897</u> | <u>38,871</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>14,305</u> | <u>20,897</u> |

Notes to the Cash Flow Statement

Cash and cash equivalents comprise:

| | | |
|------------------------|---------------|---------------|
| Cash and bank balances | <u>14,305</u> | <u>20,897</u> |
|------------------------|---------------|---------------|



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB).

(b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated on a straight-line method over the expected useful lives of the assets concerned. The principal annual rates are:

| | |
|------------------------|-----|
| Computers | 20% |
| Furniture and fittings | 10% |
| Law books | 10% |
| Office equipment | 10% |
| Renovation | 10% |

Where an indication of impairment exists, the carrying amount of the item of plant and equipment is assessed and written down immediately to its recoverable amount.

(c) Receivables

Receivables are carried at anticipated realisable value.

Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(d) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(e) Income recognition

Allocations from Malaysian Bar is recognised on receipt basis.



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, bonuses, annual leave entitlement, medical leave, and other short-term employee benefits are recognised in the period in which the associated services are rendered by the employees.

(ii) Defined Contribution Plan

As required by law, the Centre makes contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as and when incurred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank and deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Impairment of Assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Significant Accounting Judgements and Estimates

In the process of preparing these financial statements:

- (i) there were no significant judgements made in applying the accounting policies of the Centre which may have significant effects on the amounts recognised in the financial statements; and
- (ii) there were no significant estimation of uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

2. PLANT AND EQUIPMENT

| | Computer RM | Furniture and fittings RM | Law books RM | Office equipment RM | Renovation RM | Total RM |
|---------------------------|----------------|---------------------------------|--------------------|---------------------------|------------------|-------------|
| Cost: | | | | | | |
| At 1 January 2020 | 17,810 | 35,873 | 1,210 | 159 | 75,600 | 130,652 |
| Additions | - | 385 | - | - | - | 385 |
| At 31 December 2020 | 17,810 | 36,258 | 1,210 | 159 | 75,600 | 131,037 |
| Accumulated depreciation: | | | | | | |
| At 1 January 2020 | 11,673 | 7,230 | 549 | 81 | 15,120 | 34,653 |
| Charge for the year | 1,658 | 3,626 | 121 | 16 | 7,560 | 12,981 |
| At 31 December 2020 | 13,331 | 10,856 | 670 | 97 | 22,680 | 47,634 |
| Carrying amount: | | | | | | |
| At 1 January 2020 | 6,137 | 28,643 | 661 | 78 | 60,480 | 95,999 |
| At 1 December 2020 | 4,479 | 25,402 | 540 | 62 | 52,920 | 83,403 |



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

3. SUNDRY RECEIVABLES AND DEPOSITS

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|--------------|--------------|
| | RM | RM |
| GST – Refund from Bar Council | 767 | 964 |
| Electricity | 1,000 | 1,000 |
| Photocopier | 1,000 | 1,000 |
| Rental | 3,000 | 3,000 |
| Telephone | 600 | 600 |
| | <u>6,367</u> | <u>6,564</u> |

4. SUNDRY PAYABLES AND ACCRUED LIABILITIES

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|--------------|--------------|
| | RM | RM |
| Accruals | | |
| - Audit fee | 3,000 | 3,000 |
| - Electricity and water | 422 | - |
| - E.P.F. | 4,180 | - |
| - Postage and courier | 53 | - |
| - Rental of photocopier machine | 199 | 130 |
| - Rental of storage | 265 | 102 |
| - Telephone, facsimile and internet | 862 | - |
| - Travelling | 186 | - |
| | <u>9,167</u> | <u>3,232</u> |



**BAR COUNCIL LEGAL AID
CENTRE SELANGOR**

(DISBURSEMENT – CLIENTS’ ACCOUNT)

**STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | <u>2020</u> RM | <u>2019</u> RM |
|---------------------------------------|-------------------|-------------------|
| Balance as at 1 January | | |
| Cash at bank | 62,646 | 65,208 |
| Add: RECEIPTS | | |
| Refund to clients – Cheque cancelled | - | 600 |
| | 62,646 | 65,808 |
| Less: PAYMENTS | | |
| Bank charges | 10 | 62 |
| Administrative fee | - | - |
| Disbursement to solicitors | - | 800 |
| Refund to clients | - | 600 |
| Transfer to Legal aid Centre Selangor | 62,636 | |
| Payment to unclaimed money | - | 1,700 |
| | 62,646 | 3,162 |
| Balance as at 31 December | - | 62,646 |
| | | |
| Represented by:- | | |
| Cash at bank | - | 65,208 |