

CHAMBER OF ADVOCATES MALTA

Report and financial statements

31 December 2022

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CHAMBER OF ADVOCATES MALTA

Council Members' report

Year ended 31 December 2022

Council members:

Dr. Louis de Gabriele	– President
Dr. Stefan Camilleri	– Secretary
Dr Peter Fenech	– Treasurer
Dr Anna Mifsud Bonnici	– Member
Dr Steve Tonna Lowell	– Member
Dr Karl Briffa	– Member
Dr Jesmond Manicaro	– Member
Dr Timothy Bartolo	– Member
Dr Keith Borg	– Member
Dr Edward Gatt	– Member
Dr Matthew Brincat	– Member

Registered office: The Law Courts Republic Street, Valletta, VLT 2000, Malta.

The Council Members of the Association present their annual report and the accounts for the year ended 31 December 2022.

Composition of the Board

The Council is composed of 10 elected members.

Principal activities

The Chamber of Advocates has been established with the main purpose of safeguarding and protecting the dignity, honour and reputation of the advocacy profession; to encourage and independent, strong, diverse and effective legal profession; to promote and maintain adherence to high professional principles and rules of ethical behaviour by advocates; to enhance the level and standard of competence and skill within the advocacy profession and to act as a professional body for the advocacy profession.

Results

During the year under review the Association generated a surplus of *Eur12,688* opposed to a deficit of *Eur13,490* in 2021.

CHAMBER OF ADVOCATES MALTA

Council Members' report (continued)

Year ended 31 December 2022

Council members' responsibilities

The Council Members' are required to prepare financial statements in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015, and the Schedule accompanying and forming an integral part of those Regulations, which give a true and fair view of the state of affairs of the Association at the end of each financial year and of the income and expenditure of the Council for the year then ended. In preparing the financial statements, the Council Members' should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in its activity as a going concern.

The Council members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Association. This responsibility includes designing, implementing and maintaining such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Council members are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Likely future business developments

The Council Members' consider that the year-end financial position was satisfactory and that the Association is well placed to sustain the present level of activity in the foreseeable future.

Approved by the Council members and signed on its behalf on 19 June 2023 by:


Dr. Louis de Gabriele
President


Dr. Anna Mifsud Bonnici
Board Member

CHAMBER OF ADVOCATES MALTA

Income and expenditure account

Year ended 31 December 2022

	<i>Note</i>	2022 Eur	2021 Eur
Income			
Membership fees		102,654	96,752
Other income		21,077	9,795
		<hr/> 123,731	<hr/> 106,547
Expenditure			
Activity expenses		(10,790)	(8,177)
Finance cost		-	-
Administrative expenses		(107,097)	(111,860)
		<hr/> (117,887)	<hr/> (120,037)
Surplus / (deficit) for the year	3	<hr/> 5,844	<hr/> (13,490)

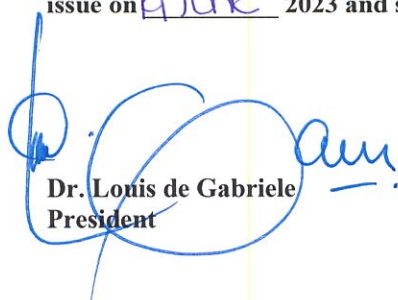
CHAMBER OF ADVOCATES MALTA

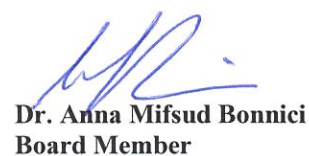
Statement of affairs

31 December 2022

	Notes	2022 Eur	2021 Eur
ASSETS			
Current assets			
Trade and other receivables	6	120	-
Cash and cash equivalents		8,069	11,170
Total assets		8,189	11,170
EQUITY AND LIABILITIES			
Equity			
Other equity	9	66,658	66,658
Retained earnings		(72,550)	(78,394)
Total equity		(5,892)	(11,736)
Liabilities			
Current liabilities			
Trade payables	7	14,081	6,803
Other borrowings	8	-	16,103
Total liabilities		14,081	22,906
Total equity and liabilities		8,189	11,170

These financial statements were approved by the Council members, authorised for issue on 9 June 2023 and signed on its behalf by:


Dr. Louis de Gabriele
President


Dr. Anna Mifsud Bonnici
Board Member

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

1. Basis of preparation

Basis of measurement and statement of compliance

CHAMBER OF ADVAOCATES MALTA (“the Association”) is an Association registered as an Association under Civil Code (Second Schedule) (Register of Beneficial Owners – Associations) Regulations, registered at The Law Courts Republic Street, Valletta, VLT 2000, Malta. The principal activity of the Association is the safeguarding and protecting the dignity, honour and reputation of the advocacy profession; to encourage and independent, strong, diverse and effective legal profession; to promote and maintain adherence to high professional principles and rules of ethical behaviour by advocates; to enhance the level and standard of competence and skill within the advocacy profession and to act as a professional body for the advocacy profession.

The financial statements of the Association have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (“GAPSME”). The financial statements have been prepared on the historical.

2. Significant accounting policies

Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Furniture, fixtures and other equipment	-	25% per annum
Computer software	-	25% per annum

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Association's balance sheet when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Financial assets, financial liabilities and equity (continued)

An equity instrument is any contract that evidences a residual interest in the assets of the Association after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

(i) Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

(ii) Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

Impairment

The Association's property, plant and equipment, and financial assets are tested for impairment.

(i) Property, plant and equipment

The carrying amounts of the Association's property, plant and equipment and investment in associate are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Impairment (continued)

(i) Property, plant and equipment (continued)

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Association's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss

(ii) Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Impairment (continued)

(ii) Financial assets (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Association and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Membership fees

The fee is recognised as revenue when no significant uncertainty as to its collectability exists.

(ii) Provision of services

Revenue from the provision of services is recognised in the period in which the services are rendered.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

2. Significant accounting policies (continued)

Employee benefits

The Association contributes towards the state pension in accordance with local legislation. The only obligation of the Association is to make the required contributions. Costs are expensed in the period in which they are incurred.

Foreign currencies

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and monetary liabilities denominated in foreign currencies at balance sheet date are translated at [year] end closing rates of exchange. Any exchange differences arising on the settlement of monetary assets and monetary liabilities, or on translating foreign denominated monetary assets and liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

3. Surplus / (deficit) for the year

Total remuneration paid to the Association's auditors during the year amounts:

	2022	2021
	Eur	Eur
<i>This is stated after charging:</i>		
Audit fee	1,770	1,770

The average number of persons employed by the Association during the year was as 2 (2021: 2).

4. Income tax expense

During the financial year ending 31 December 2020, the Association received the confirmation of the tax exemption from the Ministry of Finance.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

5. Property, plant and equipment

	Computer equipment Eur	Fixture and fittings Eur	Total Eur
Cost			
At 01.01.2022 / 31.12.2022	14,279	16,017	30,296
Accumulated depreciation			
At 01.01.2022 / 31.12.2022	14,279	16,017	30,296
Net book value			
At 31.12.2021	-	-	-
At 31.12.2022	-	-	-

6. Trade and other receivables

	2022 Eur	2021 Eur
Other receivables	120	-

No interest is charged on other receivables.

7. Trade and other payables

	2022 Eur	2021 Eur
Trade payables	-	554
Other payables	3,697	2,709
Accruals and deferred income	10,384	3,540
	14,081	6,803

No interest is charged on trade and other payables.

CHAMBER OF ADVOCATES MALTA

Notes to the financial statements

31 December 2022

8. Other borrowings

	2022 Eur	2021 Eur
Amount due to related party	-	16,103

Amount due to related parties is unsecured, interest-free, and is repayable on demand.

9. Other equity

This amount represents the net surplus which the Chamber of Advocates has recorded since constitution which were reported prior to the preparation financial statements requirement introduced in the last statute dated 07 February 2017.

10. Related party

At the year end, the company had outstanding balances with related companies. The amounts due to these specific categories of related parties at year end are disclosed in note 9. No guarantees have been received.

