

Chief Executive Officer's Report 2021

Chairman and Members of the Board of Directors CHIEF EXECUTIVE OFFICER'S REPORT 2021

In accordance with Law No. (19) of 2006 regarding the regulation of the labour market and in accordance with clause (9) of Article (12), which requires submitting financial reports to the Board of Directors periodically every three months to determine the financial position of the Authority, and in reference to Article (19) regarding Auditing the Authority's accounts, it is my pleasure to submit to your esteemed council the audited financial report on the Authority's operations for the fiscal year ending in 31-Dec-2021 according to what was stated in the auditors' report and the internal financial reports.

The audited financial report consists of the following points:

1. During the fiscal year ending 31 December 2021, the Authority achieved a cash surplus to the amount of BD1,769,696 based on total revenues from the approved budget from the Ministry of Finance plus health care fees and other revenue amounted to BD13,666,039:

• Operation Budget: BD 8,336,000.

• Health Care Fees: BD 948,765.

• Bank Interest: BD 538,988.

• Administrative Fees: 3,730,225.

• Other Revenues: BD112,061.

• Total: BD13,666,039.

- While the total Authority expenditure amounted to BD 12,500,185.

The book surplus for the year of 2021 is amounted to BD 379,498 where the management have spent a lot of efforts to reduce the expenditure and to save a lot of expenses.

2. The carrying book value of the fixed Assets after deduction of Depreciation up to December 2021 amount it to BD 2,784,362.

3. The total fees amount collected for the benefits of Labour Fund (Tamkeen), Ministry of Finance, Ministry of Health, and Ministry of Interior during the year 2021 is BD148,691,407 while the accrued fees against the Business Owners till the end of the year 2021 is BD12,024,810.

Highlights of the achievements of LMRA during the year 2021:

1. Total number of new work permits (other than dependents) issued was 143,291 out of which:

• 68,440 Work Permits outside Bahrain.

• 74,851 Work Permits inside Bahrain.

• 26,653 Transfer Permits inside Bahrain.

*The above statistics include 4,746 permits for Investors.

2. Renewals for work permits (other than dependents) totaled 305,053 out of which 298,514 were workers and 6,539 renewals of Investors permits.

3. 3,941 Change of occupation requests were approved in accordance with the requirements.

4. 140,271 work permits were terminated (other than dependents).

5. LMRA has issued 25,467 new work permits for domestic workers and renewed 24,631 work permits for the same category.

6. The LMRA processed Absence from work complaints from employers after the employees absconded in violation of the work permit, where the complaints received reached 0.32% of the total of foreign workers in the Kingdom.

7. LMRA in conjunction with Nationality, Passport and Residence Affairs issued 29,895 permits and renewed 51,253 permits and terminated 22,855 permits for dependents of expatriate employees.

8. Carry out 15,650 inspection visits in different governorates.

9. Capturing 692 employers in violation of Law 19 for the year 2006 – article 23 by employing 1,092 workers without valid work permit.

10. Settlement of 557 cases of using of workers without valid work permit.

11. Transfer of 692 cases to Public Prosecution.

12. Execution of 43 joint inspection campaigns with the NPRA and 4 campaigns in cooperation with the General Directorate of Crime Detection and Forensic Evidence.

13. Participation in 64 joint campaigns with various government entities.

- The LMRA sent 319 staff members from various departments on Training courses. The number of courses provided are 46 out of which 2 sessions were outside of Bahrain and the rest were local. Number of hours spent on training hours summed to 8155 at the cost of 59187.5 Bahraini dinars. The training was organized in order to raise the capabilities of the staff and productivity of staff in order to make the LMRA more efficient.

Jamal Bin Abdelaziz Alalawi
Chief Executive Officer
27 March 2022

Audited Financial Statements For 2021

STATEMENT OF FINANCIAL POSITION At 31 December 2021

	Note	2021 BD	2020 BD
ASSETS			
Current assets			
Cash and balances with banks	4	24,831,091	21,400,499
Accounts receivable and prepayments	5	1,059,325	1,453,708
Total current assets		25,890,416	22,854,207
Non-current assets			
Furniture and equipment	6	2,784,362	3,432,022
Right-of-use assets	7	2,157,038	1,044,818
Total non-current assets		4,941,400	4,476,840
TOTAL ASSETS		30,831,816	27,331,047
LIABILITIES			
Current liabilities			
Due to related parties	8	13,353,082	10,679,676
Accruals and other payables	9	10,327,913	10,181,882
Lease liability payable	7	500,004	192,073
Total current liabilities		24,180,999	21,053,631
Non-current liabilities			
Lease liability	7	1,674,873	852,745
Total non-current liabilities		1,674,873	852,745
Total liabilities		25,855,872	21,906,376
Accumulated fund		4,975,944	5,424,671
TOTAL LIABILITIES AND ACCUMULATED FUND		30,831,816	27,331,047

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2021

	Note	2021 BD	2020 BD
Income			
Contribution from the Government	11	8,336,000	9,147,540
Collection fees from Ministry of Health	12	948,765	1,050,856
Administration fees	13	3,730,225	4,386,020
Interest and other income	14	651,049	617,069
Total income		13,666,039	15,201,485
Expenses			
Salaries and related costs	15	8,007,586	8,134,765
Other operating expenses	16	3,936,944	3,437,882
Depreciation on right-of-use assets	7	536,305	619,868
Depreciation on furniture and equipment	6	733,706	482,748
Directors' remuneration	8	72,000	12,000
Total expenses		13,286,541	12,687,263
Surplus for the year		379,498	2,514,222
Other comprehensive income		-	-
TOTAL SURPLUS AND COMPREHENSIVE INCOME FOR THE YEAR		379,498	2,514,222

STATEMENT OF CHANGES IN ACCUMULATED FUND For the year ended 31 December 2021

	Note	2021 BD	2020 BD
Balance at 1 January		5,424,671	7,601,453
Total comprehensive income for the year		379,498	2,514,222
Surplus transferred to the Ministry of Finance and National Economy ("MOFNE")	10	(828,225)	(4,691,004)
Balance at 31 December		4,975,944	5,424,671

STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	Note	2021 BD	2020 BD
OPERATING ACTIVITIES			
Surplus for the year		379,498	2,514,222
Adjustments for:			
Depreciation of right-of-use assets	7	536,305	619,868
Depreciation	6	733,706	482,748
Interest income	14	(538,988)	(591,631)
Interest Expense	7	80,254	44,337
Loss on disposal of furniture and equipment		-	(795)
Operating surplus before changes in operating assets and liabilities		1,190,775	3,068,749
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		442,008	(705,870)
Amounts due to related parties		2,673,406	(2,823,796)
Accruals and other payables		146,031	895,313
Cash flow from operating activities		4,452,220	434,396
INVESTING ACTIVITIES			
Interest income on bank deposits		491,363	591,631
Purchase of furniture and equipment	6	(86,046)	(810,291)
Proceeds from sale of furniture and equipment		-	795
Cash flows from/ (used in) investing activities		405,317	(217,865)
FINANCING ACTIVITIES			
Surplus transferred to the MOFNE	10	(828,225)	(4,691,004)
Lease liability paid	7	(598,720)	(664,205)
Cash flows used in financing activities		(1,426,945)	(5,355,209)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		3,430,592	(5,138,678)
Cash and cash equivalents at 1 January		21,400,499	26,539,177
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		24,831,091	21,400,499