

Report of The Executive Management For The Year 2020

EXECUTIVE MANAGEMENT REPORT 2020 Board of Directors Members,

In accordance with the law number (19) 2006, and according to the item number (9) from the article number (12), which require raising up a financial position reports quarterly for the Board of Directors about the Authority, and implying to article number (19) for the auditing of the Authority financial statements, we are pleased to present to the distinguished Board the audited financial report of the Authority for the period ended on the 31 December 2020. This report is according to the auditors' report and internal financial reports.

The audited financial reports consist of the following points:

1. During the fiscal year ending 31 December 2020, the Authority achieved a cash surplus to the amount of BD2,475,535 based on total revenues from the approved budget from the Ministry of Finance plus health care fees and other revenue amounted to BD 15,201,485:
 - Operation Budget: BD 9,147,540.
 - Health Care Fees: BD1,050,856.
 - Bank Interest: 591,631.
 - Administrative Fees: 4,386,020.
 - Other Revenues: BD25,438.
 - Total: BD15,201,485.
- While the total Authority expenditure amounted to BD 12,725,950.

The book surplus for the year of 2020 is amounted to BD 2,514,222 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 2020 amount it to BD 3,432,022.
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 2020 is BD98,210,053 while the accrued fees against the Business Owners till the end of the year 2020 is BD13,521,408.

Highlights of the achievements of LMRA during the year 2020:

1. Total number of new work permits (other than dependants and domestic expatriate employees) issued was 132,169 out of which:
 - 41,180 Work Permits outside Bahrain.
 - 90,989 Work Permits inside Bahrain.
 - 17,563 Transfer Permits for expatriate employees inside Bahrain including Branch to Branch.
- *The above statistics include 3,365 permits for Investors.
2. Renewals for work permits (other than dependants) totaled 285,598 out of which 280,538 were workers and 5,060 renewals of Investors permits.
3. 3,461 Change of occupation requests were approved in accordance with the requirements.
4. 157,841 work permits were terminated (other than dependants).
5. LMRA has issued 14,917 new work permits for domestic employees and their equivalents and renewed 25,550 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, were the complaints received reached 0.32% of the total of foreign workers in the Kingdom.

Total Absent from work complaint	Total Expatriate and domestic for year 2020
Expatriate in the Private and Public – 346	Expatriate in the Private and Public – 9,438
Domestic Work Permit – 1,349	Expatriate in the Private - 459,956
	Domestic Worker Permit – 65,628
1,695	535,022

7. LMRA carried out 5555 inspection visits during 2020 covering all governorates among the Kingdom of Bahrain. 160 in breach violations were recorded as per Labour Market Regulation Law. 275 expatriate registered under illegal workers violations, ended in 101 settlements cases by the employers representing a total number of 142 workers. In addition to arresting 623 illegal workers during inspection joint campaigns.
8. LMRA in conjunction with Nationality, Passport and Residence Affairs issued 18,555 and renewed 47,078 permits and terminated 27,738 permits for dependants of expatriate employees.
9. The LMRA sent 42 staff members from various directorates on training courses. The number of courses provided are 6. Number of hours spent on training hours summed to 504 at the cost of 18,224 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.
10. During 2020 LMRA accomplished a number of critical projects in the Expatriate Management System (EMS) like: Vacancies announcement in the local newspapers for the New Work Permit, the project to upgrade the biological data collection system collected by the security authorities. The launch of the first and second stage of LMRA system transition to the cloud computing system and the upgrade of applicable file management system and the expatriate security protection system to conform to the cloud computing environment. Expatriate Management System has also been prepared to deal with the decision to exempt from the Labour Market Regulatory Authority fees due to the Coronavirus (Covid-19) pandemic in three stages, and the system was updated to link with the Ministry of Industry, Commerce and Tourism for records suspended by the National Bureau for Revenue. In addition to the upgrade of the electronic link between the LMRA system, and the Information and eGovernment Authority, to allow the domestic expatriate employee employer to know the status of his work permits. The Directorate completed 7 major releases of the Expatriate Management System which contained 32 new functions and enhancements between medium and large and some small modifications and contained fixes for 23 system issues.
11. LMRA has worked in coordination with other bodies like all the governorates and Municipal councils in the Kingdom, Ministry of Interior, Ministry of Industry, Commerce and Tourism, Ministry of Works, Municipalities and Urban Planning, Ministry of Labour and Social Development and other governmental bodies, to regulate the process of issuing permits and to control the illegal workers in order for LMRA to be more effective. LMRA has also carried out many joint projects and programs in conjunction with the Bahrain Chamber of Commerce and Industry and its many committees and Executive management.

Jameel Bin Mohammed Ali Humaidan
Chairman of the Board of the Directors
April 4th, 2021

Audited Financial Statements For 2020

STATEMENT OF FINANCIAL POSITION At 31 December 2020

	2020 BD	2019 BD
ASSETS		
Current assets		
Cash and balances with banks	21,400,499	26,539,177
Accounts receivable and prepayments	1,453,708	747,838
Total current assets	22,854,207	27,287,015
Non-current assets		
Furniture and equipment	3,432,022	3,104,479
Right-of-use assets	1,044,818	1,648,660
Total non-current assets	4,476,840	4,753,139
TOTAL ASSETS	27,331,047	32,040,154
LIABILITIES		
Current liabilities		
Due to related parties	10,679,676	13,503,472
Accruals and other payables	10,181,882	9,286,569
Lease liability payable	192,073	603,848
Total current liabilities	21,053,631	23,393,889
Non-current liabilities		
Lease liability payable	852,745	1,044,812
Total non-current liabilities	852,745	1,044,812
Total liabilities	21,906,376	24,438,701
Accumulated fund	5,424,671	7,601,453
TOTAL LIABILITIES AND ACCUMULATED FUND	27,331,047	32,040,154

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2020

	2020 BD	2019 BD
Income		
Contribution from the Government	9,147,540	9,811,000
Collection fees from Ministry of Health	1,050,856	1,123,658
Administration fees	4,386,020	4,137,045
Interest and other income	617,069	1,024,323
Total income	15,201,485	16,096,026
Expenses		
Salaries and related costs	8,134,765	6,381,543
Other operating expenses	3,437,882	3,364,658
Depreciation on right-of-use assets	619,868	623,583
Depreciation on furniture and equipment	482,748	221,092
Directors' remuneration	12,000	72,000
Total expenses	12,687,263	10,662,876
Surplus for the year	2,514,222	5,433,150
Other comprehensive income	-	-
TOTAL SURPLUS AND COMPREHENSIVE INCOME FOR THE YEAR	2,514,222	5,433,150

STATEMENT OF CHANGES IN ACCUMULATED FUND For the year ended 31 December 2020

	2020 BD	2019 BD
Balance at 1 January	7,601,453	8,514,585
Total comprehensive income for the year	2,514,222	5,433,150
Surplus transferred to the Ministry of Finance	(4,691,004)	(6,346,282)
Balance at 31 December	5,424,671	7,601,453

STATEMENT OF CASH FLOWS For the year ended 31 December 2020

	2020 BD	2019 BD
OPERATING ACTIVITIES		
Surplus for the year	2,514,222	5,433,150
Adjustments for:		
Depreciation of right-of-use assets	619,868	623,583
Depreciation	482,748	221,092
Interest income	(591,631)	(1,019,486)
(Loss) / gain on disposal of furniture and equipment	(795)	330
Operating surplus before changes in operating assets and liabilities	3,024,412	5,258,669
Changes in operating assets and liabilities:		
Accounts receivable and prepayments	(705,870)	(89,806)
Amounts due to related parties	(2,823,796)	616,176
Accruals and other payables	895,313	2,108,339
Cash flow from / (used in) operating activities	390,059	7,893,378
INVESTING ACTIVITIES		
Interest income on bank deposits	591,631	1,019,486
Purchase of furniture and equipment	(810,291)	(1,053,336)
Proceeds from sale of furniture and equipment	795	1,020
Cash flows used in investing activities	(217,865)	(32,830)
FINANCING ACTIVITIES		
Surplus transferred to the Ministry of Finance	(4,691,004)	(6,346,282)
Lease liability paid	(664,205)	(661,299)
Accretion of interest	44,337	37,716
Cash flows used in financing activities	(5,310,872)	(6,969,865)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,138,678)	890,683
Cash and cash equivalents at 1 January	26,539,177	25,648,494
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21,400,499	26,539,177