

Registration No.  
PPM-007-10-28081999

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**REPORTS AND FINANCIAL STATEMENTS**  
**31ST DECEMBER, 2014**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)  
(Registration No.PPM-007-10-28081999)

**Report on the Financial Statements**

We have audited the financial statements of The Malaysian Society For Transparency & Integrity, which comprise the balance sheets as at 31st December, 2014 of the Group and of the Society, the income statements, statements of changes in equity and cash flows statements of the Group and of the Society for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 21.

*Executive Committee's Responsibility for the Financial Statements*

The executive committee of the Society is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Private Entity Reporting Standards in Malaysia. The directors are also responsible for such internal control as the executive committees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Society as of 31st December, 2014 and of its financial performance and cash flows for the year then ended in accordance with Private Entity Reporting Standards in Malaysia.

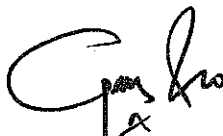
### **Report on Other Legal and Regulatory Requirements**


In accordance with the rules and regulations of the Society, we also report the following:-

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Society have been properly kept.
- b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Society's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us.
- c) The audit report on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

### **Other Matters**

This report is made solely to the members of the Society, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

  
GOMEZ & CO.  
AF 0611  
CHARTERED ACCOUNTANTS

  
JEFFREY GERARD GOMEZ  
1245/4/15(J)

Kuala Lumpur  
Date: 27 FEB 2015

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**BALANCE SHEETS - 31ST DECEMBER, 2014**

	Note	The Group		The Society	
		2014 RM	2013 RM	2014 RM	2013 RM
PROPERTY, PLANT AND EQUIPMENT	3	71,552	72,239	63,648	66,668
INVESTMENT IN A SUBSIDIARY	4	-	-	52,882	52,882
<b>CURRENT ASSETS</b>					
Receivables, deposits and prepayment	5	126,947	2,576,595	82,981	2,554,876
Amount due from subsidiary	6	-	-	2,143	2,143
Fixed deposits	7	189,680	183,797	189,680	183,797
Cash and bank balances		285,818	815,185	238,030	749,537
		<u>602,445</u>	<u>3,575,577</u>	<u>512,834</u>	<u>3,490,353</u>
<b>LESS: CURRENT LIABILITIES</b>					
Sundry payables and accruals	8	286,014	2,987,221	254,990	2,958,395
Current tax liabilities		2,000	2,000	-	-
		<u>288,014</u>	<u>2,989,221</u>	<u>254,990</u>	<u>2,958,395</u>
NET CURRENT ASSETS		314,431	586,356	257,844	531,958
DEFERRED TAX LIABILITY	9	(1,581)	(659)	-	-
		<u>384,402</u>	<u>657,936</u>	<u>374,374</u>	<u>651,508</u>
<b>Financed by:-</b>					
ACCUMULATED FUNDS		<u>384,402</u>	<u>657,936</u>	<u>374,374</u>	<u>651,508</u>

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**INCOME STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2014**

	The Group		The Society	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>INCOME</b>				
Donations	-	14,000	-	14,000
Grant				
- current year	120,000	167,700	120,000	167,700
- over-recognition in previous year	(30,000)	-	(30,000)	-
Grant for Ti-M Core Funding	60,000	63,536	60,000	63,536
Membership fee	48,600	70,250	48,600	70,250
Fixed deposit interest received	5,883	5,345	5,883	5,345
Sundry income	12,197	38,976	3,190	6,404
Contribution from individuals	-	28,933	-	28,933
Income from consultancy, workshop and seminars	311,832	95,594	-	-
	528,512	484,334	207,673	356,168
<b>DIRECT COSTS</b>	(200,354)	(79,813)	-	(600)
<b>OTHER INCOME</b>				
Reimbursement of expenses for:				
- FGI Project	22,081	338,128	22,081	338,128
- Business Integrity Programme	-	187,200	-	187,200
Surplus/(Deficits):				
- of TIM Strategic Planning				
- over-recognition in previous years	(21,500)	-	(21,500)	-
- of Business Integrity Programme	-	131,807	-	131,807
- of CRINIS	-	16,774	-	16,774
- from other TIS projects				
- current year	-	98,342	-	98,342
- over-recognition in previous year	(25,000)	-	(25,000)	-
- other projects	483	-	483	-
- Berlin Innovation Grant	19,545	-	19,545	-
	(4,391)	772,251	(4,391)	772,251

	The Group		The Society	
	2014 RM	2013 RM	2014 RM	2013 RM
DEPRECIATION	(16,749)	(11,461)	(13,710)	(11,338)
ADMINISTRATIVE STAFF COSTS (Appendix I)	(272,062)	(493,514)	(197,785)	(469,059)
OTHER OPERATING EXPENSES (Appendix I)	<u>(256,532)</u>	<u>(351,234)</u>	<u>(219,628)</u>	<u>(335,946)</u>
(LOSS)/PROFIT BEFORE TAXATION	(221,576)	320,563	(227,841)	311,476
TAXATION (Note 10)	<u>(51,958)</u>	<u>(2,659)</u>	<u>(49,293)</u>	<u>-</u>
NET (LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u><u>(273,534)</u></u>	<u><u>317,904</u></u>	<u><u>(277,134)</u></u>	<u><u>311,476</u></u>

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2014**

	ACCUMULATED FUNDS RM
<b>The Group</b>	
AS AT 1ST JANUARY, 2013	340,032
NET PROFIT FOR THE FINANCIAL YEAR	<u>317,904</u>
AS AT 31ST DECEMBER, 2013	<u><u>657,936</u></u>
AS AT 1ST JANUARY, 2014	657,936
NET LOSS FOR THE FINANCIAL YEAR	<u>(273,534)</u>
AS AT 31ST DECEMBER, 2014	<u><u>384,402</u></u>
<b>The Society</b>	
AS AT 1ST JANUARY, 2013	340,032
NET PROFIT FOR THE FINANCIAL YEAR	<u>311,476</u>
AS AT 31ST DECEMBER, 2013	<u><u>651,508</u></u>
AS AT 1ST JANUARY, 2014	651,508
NET LOSS FOR THE FINANCIAL YEAR	<u>(277,134)</u>
AS AT 31ST DECEMBER, 2014	<u><u>374,374</u></u>

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**CASH FLOWS STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2014**

	<b>The Group</b>		<b>The Society</b>	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before taxation	(221,576)	320,563	(227,841)	311,476
Adjustments for:				
Depreciation	16,749	11,461	13,710	11,338
Property, plant and equipment written off	1,805	-	1,805	-
Operating (loss)/profit before working capital changes	(203,022)	332,024	(212,326)	322,814
Change in receivables	2,449,648	(309,890)	2,471,895	(288,171)
Change in payables	(2,701,207)	241,930	(2,703,405)	213,104
Cash (used in)/generated from operations	(454,581)	264,064	(443,836)	247,747
Tax paid	(51,036)	-	(49,293)	-
Net cash (used in)/generated from operating activities	(505,617)	264,064	(493,129)	247,747



	The Group		The Society	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Advances to subsidiary	-	-	-	(2,143)
Acquisition of subsidiary	-	-	-	(52,882)
Purchase of property, plant and equipment	(17,867)	(32,756)	(12,495)	(27,062)
Net cash used in investing activities	<u>(17,867)</u>	<u>(32,756)</u>	<u>(12,495)</u>	<u>(82,087)</u>
Net (decrease)/increase in cash and cash equivalents	(523,484)	231,308	(505,624)	165,660
Cash and cash equivalents at the beginning of the financial year	<u>998,982</u>	<u>767,674</u>	<u>933,334</u>	<u>767,674</u>
Cash and cash equivalents at the end of the financial year (Note 11)	<u><u>475,498</u></u>	<u><u>998,982</u></u>	<u><u>427,710</u></u>	<u><u>933,334</u></u>

In the previous financial year, the Society acquired a subsidiary by:-

	RM
Shares issued at par	50,002
Cost of incorporation of a subsidiary	<u>2,880</u>
	<u><u>52,882</u></u>

The annexed notes form an integral part of the financial statements.

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014**

**1. GENERAL INFORMATION**

The principal activity of the Society is to promote transparency and integrity. There has been no significant change in this activity during the financial year.

The average number of employees during the financial year numbered 8 (2013 – 7).

The Society is an entity registered with the Registrar of Societies.

The address of the registered office and principal place of business of the Society is as follows:-

No.23, Jalan Pantai 9/7  
46000 Petaling Jaya  
Selangor Darul Ehsan.

**2. ACCOUNTING POLICIES**

a) Basis of Preparation

The financial statements of the Group and of the Society have been prepared under the historical cost convention and comply with Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board.

The financial statements are presented in Ringgit Malaysia (“RM”).

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Society and its subsidiary. Subsidiary is a company in which the Group has an equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary acquired or disposed off during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the fair value at the date of acquisition of the Group's share of their identifiable net assets.

c) Investment in a Subsidiary

In the Society's balance sheet, investment in a subsidiary is stated at the cost less any accumulated impairment losses, if any. On disposal of the investments, the difference between net disposal proceeds and their carrying amounts included in statement of income statement.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Office equipment	10%
Computer equipment	25%
Furniture and fittings	10%

The carrying values of property, plant and equipment 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. An impairment loss is charged to the income statement immediately.

e) Projects/Programmes funding

The Society carries out projects or programmes and recognises the funding or contributions from donors for these projects or programmes as payables and the correspondence expenditures for the projects or programmes as receivables. In the event, there is a surplus/deficit when the projects or programmes are properly completed, the surplus/deficit from the funding is recognised as income/expense.

f) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for any considered to be doubtful of collection.

g) 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.

h) Income Recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and when the income can be measured reliably on the following basis:

- (i) Contribution from members are recognised on an accrual basis.
- (ii) Grants are recognised where there is reasonable assurance that the Society will comply with the conditions attaching to them and the grants will be received. Grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.
- (iii) Donation income are recognised on receipt basis.
- (iv) Surplus/(Deficit) from projects/programmes funds undertaken are recognised upon proper completion of the projects/programmes.
- (v) Service income from consulting, workshop, seminar and training are recognised upon services rendered.
- (vi) Interest income is recognised on a time proportion basis.
- (vii) Reimbursement of expenses incurred by the Society in carrying out projects/programmes is recognised on actual basis.

i) Currency Translations

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at exchange rates approximating those ruling at balance sheet date. All exchange differences are taken to the income statement.

The closing rate used in translating foreign monetary assets and liabilities is as follows:-

EUR1.00 : RM4.2518

j) Employee Benefits

i) Short term benefits

Wages, salaries, paid leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

Non-monetary benefits such as medical care and other staff related expenses are charged to the income statement as and when incurred.

ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the financial year to which they relate.

k) 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.

The 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.

l) Operating leases

Lease rental under operating lease are recognised as an expense on straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessors is, if any, recognised as a reduction of rental expense over the lease term on a straight-line basis.

m) Income Tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

n) Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. **PROPERTY, PLANT AND EQUIPMENT**

The details of property, plant and equipment are as follows:-

<b>The Group</b>	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
<b>Cost</b>				
As at 1 <sup>st</sup> January, 2014	44,241	87,903	60,078	192,222
Additions	4,169	8,438	5,260	17,867
Written off	(22,366)	(55,094)	-	(77,460)
As at 31 <sup>st</sup> December, 2014	<u>26,044</u>	<u>41,247</u>	<u>65,338</u>	<u>132,629</u>
<b>Accumulated Depreciation</b>				
As at 1 <sup>st</sup> January, 2014	26,928	71,425	21,630	119,983
Charge for the financial year	3,284	7,879	5,586	16,749
Written off	(20,561)	(55,094)	-	(75,655)
As at 31 <sup>st</sup> December, 2014	<u>9,651</u>	<u>24,210</u>	<u>27,216</u>	<u>61,077</u>
<b>Net Book Value</b>				
As at 31 <sup>st</sup> December, 2014	<u>16,393</u>	<u>17,037</u>	<u>38,122</u>	<u>71,552</u>
As at 31 <sup>st</sup> December, 2013	<u>17,313</u>	<u>16,478</u>	<u>38,448</u>	<u>72,239</u>
<b>Depreciation charge</b>				
Financial year ended 31 <sup>st</sup> December, 2013	<u>2,934</u>	<u>3,668</u>	<u>4,859</u>	<u>11,461</u>



<b>The Society</b>	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
<b>Cost</b>				
As at 1 <sup>st</sup> January, 2014	44,241	82,209	60,078	186,528
Additions	1,989	5,246	5,260	12,495
Written off	(22,366)	(55,094)	-	(77,460)
As at 31 <sup>st</sup> December, 2014	<u>23,864</u>	<u>32,361</u>	<u>65,338</u>	<u>121,563</u>
<b>Accumulated Depreciation</b>				
As at 1 <sup>st</sup> January, 2014	26,928	71,302	21,630	119,860
Charge for the financial year	3,091	5,033	5,586	13,710
Written off	(20,561)	(55,094)	-	(75,655)
As at 31 <sup>st</sup> December, 2014	<u>9,458</u>	<u>21,241</u>	<u>27,216</u>	<u>57,915</u>
<b>Net Book Value</b>				
As at 31 <sup>st</sup> December, 2014	<u>14,406</u>	<u>11,120</u>	<u>38,122</u>	<u>63,648</u>
As at 31 <sup>st</sup> December, 2013	<u>17,313</u>	<u>10,907</u>	<u>38,448</u>	<u>66,668</u>
<b>Depreciation charge</b>				
Financial year ended 31 <sup>st</sup> December, 2013	<u>2,934</u>	<u>3,545</u>	<u>4,859</u>	<u>11,338</u>

4. **INVESTMENT IN A SUBSIDIARY**

	<b>The Society</b>	
	2014 RM	2013 RM
Unquoted shares in Malaysia, at cost	<u>52,882</u>	<u>52,882</u>

The subsidiary is TI BIP Malaysia Sdn. Bhd., a wholly owned subsidiary of the Society, and is incorporated in Malaysia. The principal activities of the subsidiary is to act as management consultant and conduct workshops, seminars, training to promote integrity and good governance within Malaysia and internationally.

5. **RECEIVABLES, DEPOSITS AND PREPAYMENT**

	<b>The Group</b>		<b>The Society</b>	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Receivables</b>				
Consultancy, workshop and seminars	43,411	21,719	-	-
ALAC Project	26,433	-	26,433	-
Walk against Corruption Forestry Governance Integrity (FGI) Project	31,898	-	31,898	-
Berlin Innovation Grant (fix my street)	-	2,438,811	-	2,438,811
Grant receivable	-	20,600	-	20,600
TIM strategic Planning	-	30,000	-	30,000
Staff emergency medical loan	-	21,500	-	21,500
	-	12,815	-	12,815
	<u>101,742</u>	<u>2,545,445</u>	<u>58,331</u>	<u>2,523,726</u>
<b>Deposits</b>	24,650	24,650	24,650	24,650
<b>Prepayment</b>	555	6,500	-	6,500
	<u>126,947</u>	<u>2,576,595</u>	<u>82,981</u>	<u>2,554,876</u>

6. **AMOUNT DUE FROM SUBSIDIARY**

The amount due from subsidiary represents unsecured advances, which is interest free with no fixed term of repayment.

7. **FIXED DEPOSITS**

The fixed deposits placed with licensed banks earn interest at 3% per annum and have maturity periods of less than one year.

8. **SUNDRY PAYABLES AND ACCRUALS**

	<b>The Group</b>		<b>The Society</b>	
	2014	2013	2014	2013
	RM	RM	RM	RM
<b>Sundry Payables</b>				
Advances received for:				
- ALAC Project	133,075	-	133,075	-
- Forestry Governance Integrity (FGI) Project	-	2,722,119	-	2,722,119
- Walk against corruption	25,830	-	25,830	-
Membership fee received in advance	24,300	200	24,300	200
TIM Core funding received	64,000	124,000	64,000	124,000
Berlin Innovation Grant (fix my street)	-	101,476	-	101,476
Other payables	5,103	5,260	285	-
	<u>252,308</u>	<u>2,953,055</u>	<u>247,490</u>	<u>2,947,795</u>
<b>Accruals</b>				
Audit fee	8,500	9,350	4,000	6,350
Tax fee	3,050	3,050	1,250	1,250
Bonus	17,106	17,653	-	-
EPF	-	1,113	-	-
Accountancy fee	2,250	3,000	2,250	3,000
Consultancy fee	2,500	-	-	-
Intern salary	300	-	-	-
	<u>33,706</u>	<u>34,166</u>	<u>7,500</u>	<u>10,600</u>
	<u>286,014</u>	<u>2,987,221</u>	<u>254,990</u>	<u>2,958,395</u>

9. **DEFERRED TAX LIABILITY**

	<b>The Group</b>		<b>The Society</b>	
	2014	2013	2014	2013
	RM	RM	RM	RM
At 1 <sup>st</sup> January	659	-	-	-
Origination during the financial year	467	659	-	-
Underprovision in previous financial year	455	-	-	-
At 31 <sup>st</sup> December	<u>1,581</u>	<u>659</u>	<u>-</u>	<u>-</u>

Deferred tax liability represent excess of net book value over tax written down value of property, plant and equipment.

10. TAXATION

	The Group		The Society	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax:				
- current year	2,000	2,000	-	-
- underprovision in previous year	49,036	-	49,293	-
	51,036	2,000	49,293	-
Deferred tax:				
- origination for the financial year	467	659	-	-
- underprovision in previous year	455	-	-	-
	922	659	-	-
	<u>51,958</u>	<u>2,659</u>	<u>49,293</u>	<u>-</u>

The numerical reconciliations between income tax expense and the product of accounting result multiplied by the applicable tax rate are as follow:-

(Loss)/Profit before taxation	<u>(221,576)</u>	<u>320,563</u>	<u>(227,841)</u>	<u>311,476</u>
Taxation at applicable rate of 20% (2013 - 20%)	(44,315)	64,113	(45,568)	62,295
Tax effect of :				
- non-deductible expenses	26,470	2,390	25,256	1,549
- non-taxable income	-	(3,917)	-	(3,917)
- deferred tax assets not recognised during the financial year	20,312	-	20,312	-
- utilisation of deferred tax assets not recognised previously	-	(59,927)	-	(59,927)
Underprovision in previous financial year:				
- current tax	49,036	-	49,293	-
- deferred tax	455	-	-	-
	<u>51,958</u>	<u>2,659</u>	<u>49,293</u>	<u>-</u>

As at 31<sup>st</sup> December, 2014, the Society has not recognised the tax effect of deferred tax assets arising from the following temporary differences as it is not probable that future taxable profit will be available against which the assets can be utilised.

	<b>The Group</b>		<b>The Society</b>	
	2014	2013	2014	2013
	RM	RM	RM	RM
Deductible temporary differences on:				
- unused tax losses	139,082	-	139,082	-
- unabsorbed capital allowances	4,783	-	4,783	-
	<u>143,865</u>	<u>-</u>	<u>143,865</u>	<u>-</u>
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	(42,306)	-	(42,306)	-
	<u>101,559</u>	<u>-</u>	<u>101,559</u>	<u>-</u>

#### 11. CASH AND CASH EQUIVALENTS

	<b>The Group</b>		<b>The Society</b>	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash and cash equivalents consist of:				
Fixed deposits	189,680	183,797	189,680	183,797
Cash and bank balances	285,818	815,185	238,030	749,537
	<u>475,498</u>	<u>998,982</u>	<u>427,710</u>	<u>933,334</u>

#### 12. EMPLOYEE BENEFIT EXPENSES

The employee benefit expenses excluding executive committee members and directors are:

	<b>The Group</b>		<b>The Society</b>	
	2014	2013	2014	2013
	RM	RM	RM	RM
Salaries, allowances and bonus	301,488	471,480	183,648	421,822
Defined contribution plan	21,261	49,144	7,823	43,668
Other staff related expenses	10,195	4,131	6,314	3,569
	<u>332,944</u>	<u>524,755</u>	<u>197,785</u>	<u>469,059</u>

13. **COMPARATIVE FIGURES**

The comparative figures for the Group cover the financial period from 28<sup>th</sup> March, 2013 to 31<sup>st</sup> December, 2013. Accordingly, the comparative figures for the income statement, statement of changes in equity, cash flows statement and the related notes of the Group thereon are not comparable to the financial year.

The following comparative figures have been reclassified for fairer presentation:-

<b>Income Statement</b>	<b>The Group</b>	
	<b>As restated RM</b>	<b>As previously reported RM</b>
Direct costs	79,813	600
Administrative staff costs	493,514	524,755
Other operating expenses	<u>351,234</u>	<u>399,206</u>

Registration No.  
PPM-007-10-28081999

**THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY**  
(Established under Societies Act, 1966)

**STATEMENT BY MEMBERS OF THE  
EXECUTIVE COMMITTEE**

We, DATO' AKHBAR SATAR and DR. LOI KHENG MIN, being two of the members of the Executive Committee of The Malaysian Society For Transparency & Integrity, state that, in the opinion of the Executive Committee, the financial statements set out on pages 3 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31st December, 2014 and of the income and expenditure account and receipts and payments of the Society for the financial year then ended in accordance with Private Entity Reporting Standards.

On behalf of the members of the Executive Committee



DATO' AKHBAR SATAR  
President



DR. LOI KHENG MIN  
Secretary General

Kuala Lumpur  
Date: 27/02/2015

**STATEMENT BY TREASURER**

I, MOHAMED RASLAN ABDUL RAHMAN, the person primarily responsible for the financial management of The Malaysian Society For Transparency & Integrity, do solemnly and sincerely declare that the financial statements set out on pages 3 to 21, are in my opinion, correct.



MOHAMED RASLAN ABDUL RAHMAN

Date: 27/02/2015

