

Registration No.
PPM-007-10-28081999

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

REPORTS AND FINANCIAL STATEMENTS
31ST DECEMBER 2015

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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 2015 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 information, 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 about 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 of the financial statements that give a true and fair view 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 directors, 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 2015 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
1245/4/17(1)

Kuala Lumpur
Date: 24 FEB 2016

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

BALANCE SHEETS - 31ST DECEMBER 2015

	Note	The Group		The Society	
		2015 RM	2014 RM	2015 RM	2014 RM
PROPERTY, PLANT AND EQUIPMENT	3	32,703	71,552	32,703	63,648
INVESTMENT IN A SUBSIDIARY	4	-	-	52,882	52,882
CURRENT ASSETS					
Receivables, deposits and prepayment	5	519,921	126,947	519,921	82,981
Amount due from subsidiary	6	-	-	-	2,143
Current tax asset		1,194	-	-	-
Fixed deposits	7	195,798	189,680	195,798	189,680
Cash and bank balances		249,700	285,818	176,112	238,030
		966,613	602,445	891,831	512,834
LESS: CURRENT LIABILITIES					
Sundry payables and accruals	8	443,012	286,014	433,724	254,990
Current tax liability		-	2,000	-	-
		443,012	288,014	433,724	254,990
NET CURRENT ASSETS		523,601	314,431	458,107	257,844
DEFERRED TAX LIABILITY	9	-	(1,581)	-	-
		<u>556,304</u>	<u>384,402</u>	<u>543,692</u>	<u>374,374</u>
Financed by:-					
ACCUMULATED FUNDS		<u>556,304</u>	<u>384,402</u>	<u>543,692</u>	<u>374,374</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 2015

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
INCOME				
Donations	53,380	-	53,380	-
Grant				
- current year	101,620	120,000	101,620	120,000
- over-recognition in previous year	-	(30,000)	-	(30,000)
Grant for Ti-M Core Funding	64,000	60,000	64,000	60,000
Membership fee	45,300	48,600	45,300	48,600
Fixed deposit interest received	6,118	5,883	6,118	5,883
Sundry income	21,531	12,197	12,928	3,190
Income from consultancy, workshop, conference and seminars	518,946	311,832	257,456	-
	810,895	528,512	540,802	207,673
DIRECT COSTS	(149,317)	(200,354)	-	-
OTHER INCOME				
Reimbursement of/(Additional) expenses for:				
- FGI Project	-	22,081	-	22,081
- Asean Integrity Community Project	1,981	-	1,981	-
Surplus/(Deficits):				
- of TIM Strategic Planning				
- over-recognition in previous years	-	(21,500)	-	(21,500)
- International Anti-Corruption Conference (IACC)	1,116	-	1,116	-
- Walk Against Corruption	3,014	-	3,014	-
- Youth International Grant	3,876	-	3,876	-
- from other TIS projects				
- over-recognition in previous year	-	(25,000)	-	(25,000)
- other projects	-	483	-	483
- Berlin Innovation Grant	-	19,545	-	19,545
Gain on disposal of property, plant and equipment	5,580	-	4,177	-
Rental income	2,000	-	20,000	-
	17,567	(4,391)	34,164	(4,391)

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
DEPRECIATION	(14,502)	(16,749)	(12,118)	(13,710)
ADMINISTRATIVE STAFF COSTS (Appendix I)	(299,488)	(272,062)	(226,425)	(197,785)
OTHER OPERATING EXPENSES (Appendix I)	<u>(192,041)</u>	<u>(256,532)</u>	<u>(167,105)</u>	<u>(219,628)</u>
PROFIT/(LOSS) BEFORE TAXATION	173,114	(221,576)	169,318	(227,841)
TAXATION (Note 10)	<u>(1,212)</u>	<u>(51,958)</u>	<u>-</u>	<u>(49,293)</u>
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>171,902</u>	<u>(273,534)</u>	<u>169,318</u>	<u>(277,134)</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 2015

	ACCUMULATED FUNDS RM
The Group	
AS AT 1ST JANUARY 2014	657,936
NET LOSS FOR THE FINANCIAL YEAR	<u>(273,534)</u>
AS AT 31ST DECEMBER 2014	<u>384,402</u>
AS AT 1ST JANUARY 2015	384,402
NET PROFIT FOR THE FINANCIAL YEAR	<u>171,902</u>
AS AT 31ST DECEMBER 2015	<u>556,304</u>
The Society	
AS AT 1ST JANUARY 2014	651,508
NET LOSS FOR THE FINANCIAL YEAR	<u>(277,134)</u>
AS AT 31ST DECEMBER 2014	<u>374,374</u>
AS AT 1ST JANUARY 2015	374,374
NET PROFIT FOR THE FINANCIAL YEAR	<u>169,318</u>
AS AT 31ST DECEMBER 2015	<u>543,692</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 2015

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	173,114	(221,576)	169,318	(227,841)
Adjustments for:				
Depreciation	14,502	16,749	12,118	13,710
Gain on disposal of property, plant and equipment	(5,580)	-	(4,177)	-
Property, plant and equipment written off	19,925	1,805	18,002	1,805
	<u>201,961</u>	<u>(203,022)</u>	<u>195,261</u>	<u>(212,326)</u>
Operating profit/(loss) before working capital changes	201,961	(203,022)	195,261	(212,326)
Change in receivables	(392,974)	2,449,648	(436,940)	2,471,895
Change in payables	156,998	(2,701,207)	178,734	(2,703,405)
	<u>(34,015)</u>	<u>(454,581)</u>	<u>(62,945)</u>	<u>(443,836)</u>
Cash used in operations	(34,015)	(454,581)	(62,945)	(443,836)
Tax paid	(5,987)	(51,036)	-	(49,293)
	<u>(40,002)</u>	<u>(505,617)</u>	<u>(62,945)</u>	<u>(493,129)</u>
Net cash used in operating activities	(40,002)	(505,617)	(62,945)	(493,129)

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Repayment from subsidiary	-	-	2,143	-
Proceeds from disposal of property, plant and equipment	10,151	-	5,151	-
Purchase of property, plant and equipment	(149)	(17,867)	(149)	(12,495)
Net cash generated from/(used in) investing activities	<u>10,002</u>	<u>(17,867)</u>	<u>7,145</u>	<u>(12,495)</u>
Net decrease in cash and cash equivalents	(30,000)	(523,484)	(55,800)	(505,624)
Cash and cash equivalents at the beginning of the financial year	<u>475,498</u>	<u>998,982</u>	<u>427,710</u>	<u>933,334</u>
Cash and cash equivalents at the end of the financial year (Note 11)	<u><u>445,498</u></u>	<u><u>475,498</u></u>	<u><u>371,910</u></u>	<u><u>427,710</u></u>

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2015

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 full time employees during the financial year numbered 4 (2014 – 8).

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.8, Lorong 12/17C
Seksyen 12
46200 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	:	RM4.6918
USD1.00	:	RM4.2920

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:-

The Group	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
Cost				
As at 1st January 2015	26,044	41,247	65,338	132,629
Additions	149	-	-	149
Disposals	(2,968)	(20,215)	-	(23,183)
Written off	(1,400)	(1,699)	(34,613)	(37,712)
As at 31st December 2015	<u>21,825</u>	<u>19,333</u>	<u>30,725</u>	<u>71,883</u>
Accumulated Depreciation				
As at 1st January 2015	9,651	24,210	27,216	61,077
Charge for the financial year	2,421	6,723	5,358	14,502
Disposals	(1,639)	(16,973)	-	(18,612)
Written off	(233)	(943)	(16,611)	(17,787)
As at 31st December 2015	<u>10,200</u>	<u>13,017</u>	<u>15,963</u>	<u>39,180</u>
Net Book Value				
As at 31st December 2015	<u>11,625</u>	<u>6,316</u>	<u>14,762</u>	<u>32,703</u>
As at 31st December 2014	<u>16,393</u>	<u>17,037</u>	<u>38,122</u>	<u>71,552</u>
Depreciation charge				
Financial year ended 31st December 2014	<u>3,284</u>	<u>7,879</u>	<u>5,586</u>	<u>16,749</u>

The Society	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Total RM
Cost				
As at 1st January 2015	23,864	32,361	65,338	121,563
Additions	149	-	-	149
Disposals	(2,188)	(13,028)	-	(15,216)
Written off	-	-	(34,613)	(34,613)
As at 31st December 2015	21,825	19,333	30,725	71,883
Accumulated Depreciation				
As at 1st January 2015	9,458	21,241	27,216	57,915
Charge for the financial year	2,258	4,502	5,358	12,118
Disposals	(1,516)	(12,726)	-	(14,242)
Written off	-	-	(16,611)	(16,611)
As at 31st December 2015	10,200	13,017	15,963	39,180
Net Book Value				
As at 31st December 2015	11,625	6,316	14,762	32,703
As at 31st December 2014	14,406	11,120	38,122	63,648
Depreciation charge				
Financial year ended 31st December 2014	3,091	5,033	5,586	13,710

4. INVESTMENT IN A SUBSIDIARY

	The Society	
	2015 RM	2014 RM
Unquoted shares in Malaysia, at cost	52,882	52,882

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.

The subsidiary has temporarily ceased operations during the financial year.

5. **RECEIVABLES, DEPOSITS AND PREPAYMENT**

	The Group		The Society	
	2015	2014	2015	2014
	RM	RM	RM	RM
Receivables				
Consultancy, workshop, conference and seminars	257,456	43,411	257,456	-
ALAC Project	-	26,433	-	26,433
Walk against Corruption	-	31,898	-	31,898
Bhutan Private Sector				
Integrity Programme	34,729	-	34,729	-
Aduan.ku Project	2,627	-	2,627	-
PFIM Books	22,722	-	22,722	-
Annual Membership Meeting	189,737	-	189,737	-
	<u>507,271</u>	<u>101,742</u>	<u>507,271</u>	<u>58,331</u>
Deposits	12,650	24,650	12,650	24,650
Prepayment	-	555	-	-
	<u>519,921</u>	<u>126,947</u>	<u>519,921</u>	<u>82,981</u>

6. **AMOUNT DUE FROM SUBSIDIARY**

The amount due from subsidiary in the previous financial year represented unsecured advances, which was interest free with no fixed term of repayment.

7. **FIXED DEPOSITS**

The fixed deposits placed with licensed banks earn interest at 3.15 – 3.20% per annum and have maturity periods of less than one year.

8. **SUNDRY PAYABLES AND ACCRUALS**

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
Sundry Payables				
Advances received for:				
- ALAC Project	980	133,075	980	133,075
- Walk against corruption	-	25,830	-	25,830
- Bhutan Private Sector Integrity Programme	25,329	-	25,329	-
- Aduan.ku Project	12,000	-	12,000	-
- PFIM Books	27,000	-	27,000	-
- Annual Membership Meeting	193,888	-	193,888	-
- UNCAC Coalition	4,953	-	4,953	-
Membership fee received in advance	11,900	24,300	11,900	24,300
TIM Core funding received	-	64,000	-	64,000
Grant received in advance	150,000	-	150,000	-
Other payables	3,462	5,103	174	285
	<u>429,512</u>	<u>252,308</u>	<u>426,224</u>	<u>247,490</u>
Accruals				
Audit fee	8,500	8,500	4,000	4,000
Tax fee	2,750	3,050	1,250	1,250
Bonus	-	17,106	-	-
Accountancy fee	2,250	2,250	2,250	2,250
Consultancy fee	-	2,500	-	-
Intern salary	-	300	-	-
	<u>13,500</u>	<u>33,706</u>	<u>7,500</u>	<u>7,500</u>
	<u>443,012</u>	<u>286,014</u>	<u>433,724</u>	<u>254,990</u>

9. **DEFERRED TAX LIABILITY**

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
At 1st January	1,581	659	-	-
(Reversal)/Origination during the financial year	(1,581)	467	-	-
Underprovision in previous financial year	-	455	-	-
At 31st December	<u>-</u>	<u>1,581</u>	<u>-</u>	<u>-</u>

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

10. **TAXATION**

	The Group		The Society	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax:				
- current year	3,300	2,000	-	-
- (over)/under provision in previous year	(507)	49,036	-	49,293
	2,793	51,036	-	49,293
Deferred tax:				
- (reversal)/origination for the financial year	(1,581)	467	-	-
- underprovision in previous year	-	455	-	-
	<u>(1,581)</u>	<u>922</u>	<u>-</u>	<u>-</u>
	<u>1,212</u>	<u>51,958</u>	<u>-</u>	<u>49,293</u>

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

Profit/(Loss) before taxation	<u>173,144</u>	<u>(221,576)</u>	<u>169,318</u>	<u>(227,841)</u>
Taxation at applicable rate of 20% (2014 - 20%)	34,623	(44,315)	33,864	(45,568)
Tax effect of :				
- non-deductible expenses	2,573	26,470	1,613	25,256
- non-taxable income	(14,344)	-	(14,344)	-
- utilisation of deferred tax asset not recognised in previous year	(21,133)	-	(21,133)	-
- deferred tax assets not recognised during the financial year	-	20,312	-	20,312
(Over)/Underprovision in previous financial year:				
- current tax	(507)	49,036	-	49,293
- deferred tax	-	455	-	-
	<u>1,212</u>	<u>51,958</u>	<u>-</u>	<u>49,293</u>

As at 31st December, 2015, 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.

	The Group		The Society	
	2015	2014	2015	2014
	RM	RM	RM	RM
Deductible temporary differences on:				
- unused tax losses	41,989	154,895	41,989	154,895
- unabsorbed capital allowances	2,588	14,095	2,588	14,095
	<u>44,577</u>	<u>168,990</u>	<u>44,577</u>	<u>168,990</u>
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	<u>(18,801)</u>	<u>(37,547)</u>	<u>(18,801)</u>	<u>(37,547)</u>
	<u>25,776</u>	<u>131,443</u>	<u>25,776</u>	<u>131,443</u>

11. **CASH AND CASH EQUIVALENTS**

	The Group		The Society	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and cash equivalents consist of:				
Fixed deposits	195,798	189,680	195,798	189,680
Cash and bank balances	<u>249,700</u>	<u>285,818</u>	<u>176,112</u>	<u>238,030</u>
	<u>445,498</u>	<u>475,498</u>	<u>371,910</u>	<u>427,710</u>

12. **EMPLOYEE BENEFIT EXPENSES**

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

	The Group		The Society	
	2015	2014	2015	2014
	RM	RM	RM	RM
Salaries, allowances and bonus	265,603	301,488	199,569	183,648
Defined contribution plan	30,229	21,261	23,852	7,823
Other staff related expenses	<u>3,656</u>	<u>10,195</u>	<u>3,004</u>	<u>6,314</u>
	<u>299,488</u>	<u>332,944</u>	<u>226,425</u>	<u>197,785</u>

13. **CONTINGENT LIABILITY**

	The Group		The Society	
	2015	2014	2015	2014
	RM	RM	RM	RM
Legal claims have been taken against the Society for wrongful dismissal. The Society is of the opinion that there is a fair chance of defending the suits	<u>344,700</u>	<u>344,700</u>	<u>344,700</u>	<u>344,700</u>

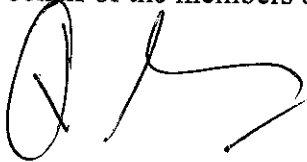
Registration No.
PPM-007-10-28081999

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

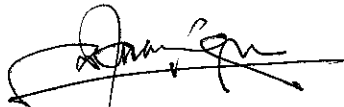
**STATEMENT BY MEMBERS OF THE
EXECUTIVE COMMITTEE**

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 2015 and of the results of the Society and cash flows 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
Deputy President

Kuala Lumpur

Date: 24 FEB 2016

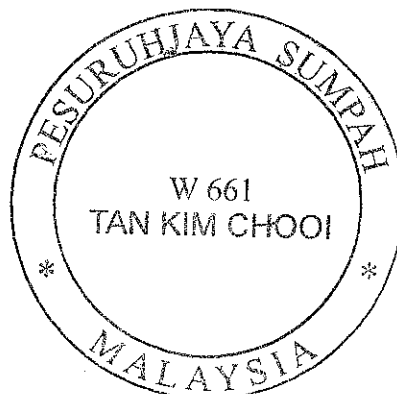
STATEMENT BY TREASURER

I, KANAKARAJA MUTHUSAMY, 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.

KANAKARAJA MUTHUSAMY

24 FEB 2016

Date:



16TH FLOOR, WISMA SIME DARBY
JALAN RAJA LAUT, 50350 KUALA LUMPUR

THE MALAYSIAN SOCIETY FOR TRANSPARENCY & INTEGRITY
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	2015 RM	2014 RM
ADMINISTRATIVE STAFF COSTS		
EPF	23,852	7,823
Meal allowances	2,721	4,760
Medical expenses	145	423
Salaries and allowances	196,848	178,888
Socso	2,331	879
Staff refreshments	528	3,012
Training expenses	-	2,000
	<u>226,425</u>	<u>197,785</u>
OTHER OPERATING EXPENSES		
Accounting fee	-	2,250
Advertisement	1,049	1,969
Annual General Meeting expenses	2,446	6,655
Audit fee		
- current year	4,000	4,000
- underprovision in previous year	500	-
- special audit	1,200	3,250
Bank charges	418	273
Courier and postage	2,045	2,606
Electricity and water	8,075	11,787
Entertainment	-	966
Insurance	6,357	4,997
Internet expenses	2,087	2,947
Meeting expenses:		
- current year	629	12,315
- overprovision in previous year	(2,930)	-
Newspapers and periodicals	320	375
Office re-location expenses	13,246	-
Office rental	65,239	84,500
Printing and stationery	4,688	7,007
Printing of newsletter	3,032	7,800
Property, plant and equipment written off	18,002	1,805
Service tax and GST	342	3,362
Sundry expenses	6,515	10,946
Tax fee	1,375	-
Telecommunication	5,342	4,834
Travel - local and overseas	5,472	18,283
Upkeep of office	7,765	9,855
Upkeep of office equipment and maintenance	2,641	8,121
Upkeep of website	7,250	8,600
Website development cost	-	125
	<u>167,105</u>	<u>219,628</u>