

REGISTRATION NO.: PPM-007-10-28081999

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

REPORTS AND FINANCIAL
STATEMENTS: 31 DECEMBER 2021

MR | MUSTAPHA
RAJ CHARTERED
ACCOUNTANTS
(201806000705 (LLP0015086-LCA) & AF 001361)

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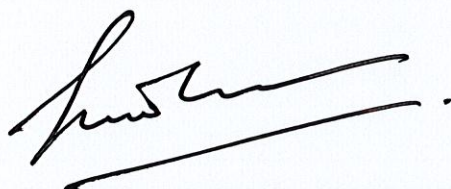
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THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY**REPORT OF THE EXECUTIVE COMMITTEE**

We, the Executive Committee responsible for the financial statements of **THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY**, Registration No: **PPM-007-10-28081999**, hereby state that to the best of our knowledge and belief:-

- a) The accounting records produced together with the vouchers, information and explanations given to the auditors, **MUSTAPHARAJ PLT** constitute a true record of all transactions, assets and liabilities of the **SOCIETY** for the financial year ended 31 December 2021 and;
- b) The Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows together with the Notes set out on pages 4 to 15 are properly drawn up in accordance with the approved accounting standards by the Committee and show a true and fair view of the state of affairs of the **SOCIETY** as at 31 December 2021 and of the results of the operations for the financial year ended on that date.

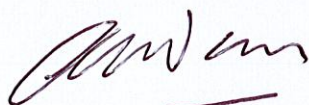
Signed on behalf of the Executive Committee



**DR. MUHAMMAD MOHAN KITTU BIN
ABDULLAH**
President



RAYMON RAM
Secretary General



DR. ABADAN JASMON
Treasurer

Dated: **15 MAR 2022**

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY
INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the **THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY**, as set out on pages 4 to 15. The preparation of the financial statements is the responsibility of the Executive Committee. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the approved Standards of Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. The audit also includes an assessment of the accounting principles used and significant estimates made by the management as well as evaluating the overall adequacy of the presentation of information in the financial statements.

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

In our opinion, the Statement of Financial Position, Statement of Comprehensive Income, Statement of General Funds, and Statement of Cash Flows together with the Notes set out on pages 4 to 15, have been properly prepared in accordance with the approved accounting standards by the Committee and show a true and fair view of the state of affairs of the **SOCIETY** at 31 December 2021 and of the results of the operations for the financial year ended on that date.

Mustapha Raj

MUSTAPHARAJ PLT
(Firm No : AF 001361)
Chartered Accountants
(Malaysia)

Dated: **15 MAR 2022**

Ralph Ratnaswamy

RALPH RAVIN RATNASWAMY
Approval No:
Bil.3214/10/23 (J)

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
NON CURRENT ASSETS			
Plant and Equipment	5	<u>28,310</u>	<u>2,660</u>
CURRENT ASSETS			
Trade and Other Receivables	6	6,450	63,708
Cash and Cash Equivalents	7	763,846	370,541
		<u>770,296</u>	<u>434,249</u>
TOTAL ASSETS		<u><u>798,606</u></u>	<u><u>436,909</u></u>
EQUITY			
General Funds		<u>202,760</u>	<u>171,087</u>
CURRENT LIABILITIES			
Membership Received in Advance		1,600	500
Trade and Other Payables	8	<u>594,246</u>	<u>265,322</u>
		<u>595,846</u>	<u>265,822</u>
TOTAL EQUITY AND LIABILITIES		<u><u>798,606</u></u>	<u><u>436,909</u></u>

The notes set out on pages 8 to 15, form an integral part of and should be read in conjunction with these financial statements.

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM	2020 RM
INCOME		
Donations	33,903	24,181
Grant Income	192,124	127,646
Membership Fee	52,000	58,700
British High Commission	24,000	-
Events	9,654	-
Sponsorship	32,298	-
	<u>343,979</u>	<u>210,527</u>
OTHER INCOME		
SOCSSO Subsidiary	10,800	-
Interest Income	-	301
	<u>10,800</u>	<u>301</u>
TOTAL INCOME	354,779	210,828
LESS: ADMINISTRATIVE EXPENSES (SCHEDULE I & II)	<u>(323,106)</u>	<u>(196,387)</u>
TOTAL SURPLUS BEFORE TAXATION	31,673	14,441
TAXATION	<u>-</u>	<u>-</u>
TOTAL SURPLUS OF INCOME OVER EXPENDITURE FOR THE FINANCIAL YEAR AFTER TAXATION	<u>31,673</u>	<u>14,441</u>

The notes set out on pages 8 to 15, form an integral part of and should be read in conjunction with these financial statements.

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY**STATEMENT OF GENERAL FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	ACCUMULATED FUNDS RM
2021	
At 01 January 2021	171,087
Total Surplus for the Financial Year After Taxation	31,673
At 31 December 2021	<u>202,760</u>
2020	
At 01 January 2020	156,646
Total Surplus for the Financial Year After Taxation	14,441
At 31 December 2020	<u>171,087</u>

The notes set out on pages 8 to 15, form an integral part of and should be read in conjunction with these financial statements.

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Total Surplus for the Financial Year Before Taxation	31,673	14,441
Adjustments for:		
Bad Debts Written Off	57,600	-
Depreciation of Plant and Equipment	5,541	2,522
Loss on Disposal of Plant and Equipment	1,108	3,756
	<u> </u>	<u> </u>
Operating Surplus Before Working Capital Changes	95,922	20,719
Change in Working Capital:		
Receivables and Deposits	(342)	3,902
Payables and Accruals	328,923	259,322
Membership Received in Advance	1,100	100
	<u> </u>	<u> </u>
	425,603	284,043
Tax Refund	-	-
	<u> </u>	<u> </u>
	425,603	284,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant and Equipment	(32,298)	-
Proceeds from Disposal of Plant and Equipment	-	781
	<u> </u>	<u> </u>
	-	781
NET INCREASE IN CASH AND CASH EQUIVALENTS	393,305	284,824
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	370,541	85,717
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 7)	<u>763,846</u>	<u>370,541</u>

The notes set out on pages 8 to 15, form an integral part of and should be read in conjunction with these financial statements.

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY**NOTES TO THE FINANCIAL STATEMENTS: 31 DECEMBER 2021****1. GENERAL INFORMATION**

The principal activity of the Society is to promote transparency and integrity.

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:

319, Block A,
Kelana Centre Point,
Jalan SS7/19, Kelana Jaya,
47301 Petaling Jaya,
Selangor.

The financial statements are reported in Ringgit Malaysia (RM).

2. BASIS OF PREPARATION

The financial statements of the Society have been properly prepared on a going concern basis under the historical cost convention and comply with the provisions of the Societies Act 1966, and in accordance with Malaysian Private Entities Reporting Standards ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB").

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Property, Plant and Equipment and Depreciation**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Provision for depreciation is calculated on the straight-line basis so as to write off the cost of the assets over their anticipated useful lives. The principal annual rates of depreciation used are as follows:

Description	%
Furniture and Fittings	10
Office Equipment	10
Computer Equipment	25

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2. Trade and Other Receivables

Trade and other receivables are carried out at the invoiced amount less an allowance for doubtful debts. Known bad debts are written-off and specific allowance is made for any debts considered to be doubtful in collection.

3.3 Projects / Programmes funding

The Society carries out projects or programmes and recognizes the funding or contributions from donors for these projects or programmes as payables and the corresponding expenditures for the projects or programmes as receivables. In the event there is a surplus / deficit from the funding, it will be recognised as income /expense.

3.4 Liabilities and Provisions

Payables and accruals are stated at cost.

Provisions for liabilities are recognized when the Society has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

3.5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Initial recognition and measurement

On initial recognition, a financial asset or a financial liability is measured at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through income statement, transaction costs are expensed to income statement when incurred.

A financial asset or a financial liability (including derivative instruments) is recognised only when the entity becomes a party to the contractual provisions of the instrument.

An arrangement constitutes a financing transaction, if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

(b) Subsequent measurement (cont'd)

Derivative financial instruments (other than derivatives designated as a hedging instrument) are measured at fair values and changes in fair values are recognised in income statement.

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, unless the arrangement constitutes, in effect, a financing transaction.

Investments in non-convertible preference shares and non-puttable ordinary or preference shares, that are publicly traded or their fair values can otherwise be measured reliably without undue cost or effort, are measured at fair values with changes in fair values recognised in income statement. All other such investments are measured at cost less impairment.

All financial assets are subject to review for impairment, except for financial assets measured at fair values through income statement.

(c) Impairment

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as to whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognised in income statement immediately.

For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an 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 in income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

(d) Derecognition (cont'd)

A financial asset is derecognised only when (i) the contractual rights to receive the cash flows from the financial asset expire or are settled; or (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, including circumstances when the entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, is cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

3.6 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand, balances with banks and 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.

3.7 Taxation

Current tax liability is recognised for tax payable on taxable profit for the current and past periods. If the amount paid for the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset. Current tax liability or asset is measured at the amount it expects to pay or recover using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (i) the initial recognition of goodwill; or (ii) the initial recognition of an asset or a liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred tax liability or asset is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which, at the reporting date, the carrying amount of the related assets and liabilities is expected to be recovered or settled.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Taxation (cont'd)

Deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates and interests in joint ventures, only to the extent that it is probable that: (a) the temporary difference will reverse in the foreseeable future; and (b) taxable profit will be available against which the temporary difference can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that (a) the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future. Current or deferred tax assets and liabilities are not discounted.

3.8 Income Recognition

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

- (i) Members' contributions are recognised on an accruals 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 is recognised on a receipt basis.
- (iv) Surplus / (Deficit) from projects / programmes funds undertaken are recognised upon proper completion of the projects / programmed.
- (v) Service income from workshop and proposals are recognised upon services rendered.
- (vi) Interest income is recognised on a time proportion basis.

3.9 Employee Benefits

Short Term Employee Benefits

Wages, salaries, social security contributions, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Society.

Defined Contribution Plans

The Society contributes to the Employees Provident Fund (EPF), the national defined contribution plan. The contributions are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Society has no further payment obligations.

4. JUDGEMENTS AND ESTIMATION UNCERTAINTY

The management has made judgements in the process of applying the accounting policies. However, there is no significant effect on the amounts recognised in the financial statements during the year.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Measurement of provision

Management evaluates the estimates based on the historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under particular circumstances. A probability-weighted estimate of the outflows required to settle the obligation is used. The actual outcome may differ from the estimates made and this may have a significant effect on the Society's financial position and financial performance.

5. PLANT AND EQUIPMENT

	Office Equipment RM	Computer Equipment RM	Furniture and Fittings RM	Total RM
COSTS				
At 01 January 2021	21,825	19,333	14,383	55,541
Additions	-	32,298	-	32,298
Disposals	(4,677)	(16,295)	(5,086)	(26,058)
At 31 December 2021	17,148	35,336	9,297	61,781
LESS: ACCUMULATED DEPRECIATION				
At 01 January 2021	19,289	19,333	14,259	52,881
Charge for the Financial Year	1,120	4,297	124	5,541
Disposals	(3,570)	(16,295)	(5,086)	(24,951)
At 31 December 2021	16,839	7,335	9,297	33,471
NET BOOK VALUES				
31 December 2021	309	28,001	-	28,310
31 December 2020	2,536	-	124	2,660
Depreciation Charge for The Financial Year Ended				
31 December 2020	1,588	-	934	2,522

6. TRADE AND OTHER RECEIVABLES

	2021	2020
	RM	RM
<u>Trade Receivables</u>		
Receivables	6,350	54,850

Other Receivables

Deposits	100	8,560
Advances	-	298
	<u>100</u>	<u>8,858</u>
	<u>6,450</u>	<u>63,708</u>

7. CASH AND CASH EQUIVALENTS

	2021	2020
	RM	RM
Cash in Bank	763,846	369,593
Cash in Hand	-	948
	<u>763,846</u>	<u>370,541</u>

8. TRADE AND OTHER PAYABLES

	2021	2020
	RM	RM
<u>Trade</u>		
Grants Received	<u>579,706</u>	<u>260,014</u>
<u>Non-Trade</u>		
Other Payables	4,367	-
Accruals	10,173	5,308
	<u>14,540</u>	<u>5,308</u>
	<u>594,246</u>	<u>265,322</u>

9. TAXATION

	2021	2020
	RM	RM
Income Tax		
Current Financial Year	<u>-</u>	<u>-</u>

A reconciliation of the income tax expense on the surplus for the financial year before taxation with the applicable statutory income tax rate is as follows:

	2021	2020
	RM	RM
Surplus for the Financial Year before Taxation	31,673	14,441
Expenses not deductible for tax purposes	3,118	-
Income exempted for tax purposes	(4,626)	(14,441)
Unabsorbed business loss utilised	(26,935)	-
Capital allowances utilised	(3,230)	-
Tax Expense	<u>-</u>	<u>-</u>

10. FINANCIAL INSTRUMENTS

	2021	2020
	RM	RM
Financial Assets at amortised cost	100	434,249
Financial Liabilities at amortised cost	<u>585,824</u>	<u>265,822</u>

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021	2020
	RM	RM
Accounting Fees	25,750	-
Advertisements	366	-
AGM Expenses	1,922	2,089
Audit Fees	4,000	4,000
Bad Debts Written Off	57,600	-
Bank Charges	346	223
British High Commission	11,000	-
Courier and Postage	1,618	407
Depreciation of Property, Plant and Equipment	5,541	2,522
EPF and SOCSO	19,992	13,775
Insurance	816	2,310
Internship Allowances	-	3,125
Legal and Professional Fees	1,250	5,882
Loss on Disposal of Property, Plant and Equipment	1,108	3,756
Medical Expenses	592	645
Meeting Expenses	-	178
Office Refreshments	1,404	-
Office Relocation Cost	-	10,766
Office Rental	18,000	23,690
Penalty	277	-
Printing and Stationery	3,896	3,153
Programme Expenses	-	19,875
Programme Expenses – Overprovision Prior Financial Year	-	(17,079)
Salaries	146,440	102,207
Service Tax	2,490	221
Balance c/f	<u>304,408</u>	<u>181,745</u>

THE MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	2021	2020
	RM	RM
Balance b/f	<u>304,408</u>	<u>181,745</u>
Staff Refreshments	-	709
Stamping Fee	89	290
Storage Charges	2,075	-
Telephone and Internet	3,804	3,546
Travel and Accomodation	2,769	3,024
Training Expenses	4,193	-
Upkeep of Office	2,307	2,709
Upkeep of Computer	1,455	2,152
Utilities	<u>2,006</u>	<u>2,212</u>
	<u>323,106</u>	<u>196,387</u>