



annual report 2007

The Malaysian Institute of Certified Public Accountants
(Institut Akauntan Awam Bertauliah Malaysia) (3246-U)

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of the Institute will be held at **Bilik Meranti, Level 4, Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur on June 21, 2008 at 10:00 a.m.** for the following purposes:

1. To receive and adopt the Report of the Council and the Financial Statements of the Institute for the year ended December 31, 2007.
2. To elect the following nominees as Council members:
 - Dato' Abdul Halim Mohyiddin
 - Dato' Gan Ah Tee
 - Peter Lim Thiam Kee
 - Dato' Hj Maidin Syed Ali
 - Ng Kim Tuck
 - Loo Mi Li
 - Dato' Nordin Baharuddin
 - Poon Yew Hoe
 - Sam Soh Siong Hoon
 - Tan Bun Poo
3. To appoint two auditors.
4. Any other business.

By order of the Council

Foo Yoke Pin (Mr)
Secretary

Kuala Lumpur
May 30, 2008

Note:

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy must be a member of the Institute. The instrument appointing the proxy must be deposited at the office of the Institute at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur, not less than 48 hours before the time set for holding the meeting.

1. Pursuant to bye-law 89, the following are lists of members nominated for membership of the Council and for appointment as auditors:

i. In accordance with bye-law 5, the following Council members shall retire at the Annual General Meeting:

Dato' Abdul Halim Mohyiddin
Peter Lim Thiam Kee
Dato' Hj Maidin Syed Ali
Ng Kim Tuck
Dato' Nordin Baharuddin
Poon Yew Hoe
Sam Soh Siong Hoon

ii. The following members who were appointed to fill casual vacancies in the Council shall retire at the Annual General Meeting in accordance with bye-law 13:

Dato' Gan Ah Tee (*Appointed on 15.03.2008*)
Loo Mi Li (*Appointed on 22.09.2007*)
Tan Bun Poo (*Appointed on 22.09.2007*)

Pursuant to bye-law 6, these Council members are deemed to be nominated for re-election.

iii. In accordance with bye-law 120, the following members shall retire as auditors of the Institute at the Annual General Meeting. Pursuant to bye-law 121, they are deemed to be nominated for re-appointment as auditors for the ensuing year:

Ng Eng Kiat
Ooi Chee Kun

2. During the year, the following members have resigned as a member of the Council:

Datuk Dr Abdul Samad Hj Alias
Ho Heng Chuan
Tan Ghee Kiat

Objects of the Institute

The principal objects of the Institute as set out in the Memorandum and Articles of Association are as follows:

- * To advance the theory and practice of accountancy in all its aspects.
- * To recruit, educate, train and assess by means of examination or otherwise a body of members skilled in these areas.
- * To preserve at all times the professional independence of accountants in whatever capacities they may be serving.
- * To maintain high standards of practice and professional conduct by all its members.
- * To do all such things as may advance the profession of accountancy in relation to public practice, industry, commerce, education and the public service.

Our Vision

To be the premier business qualification in Malaysia, comparable to the best in the world.

Our Mission

To enhance the value and distinctiveness of the Certified Public Accountant (CPA) qualification.

*

To promote high standards of professional conduct and technical competence of members to safeguard public interest.

*

To provide quality professional education and training thereby creating a competitive advantage for members.

Council Members for 2007/2008



Dato' Nordin Baharuddin
President



Dato' Ahmad Johan
Mohammad Raslan
Vice President



Dato' Abdul Halim
Mohyiddin



Abdul Halim Md Lassim



Abdul Jabbar Abdul Majid



Ahmad Mustapha Ghazali



Beh Tok Koay



Datin Hj Fadzilah Saad



Dato' Gan Ah Tee



Goh Lee Hwa



Lee Tuck Heng



Peter Lim Thiam Kee



Lim Tian Huat



Loh Lay Choon



Dato' Hj Maidin Syed Ali



Mohamed Raslan
Abdul Rahman



Ng Kim Tuck



Loo Mi Li



Poon Yew Hoe



Pushpanathan a/l
S A Kanagarayar



See Huey Beng



Seow Yoo Lin



Sam Soh Siong Hoon



Sukanta K Dutt



Robert Tan Bun Poo



Tan Chin Hock



Dr Veerinderjeet Singh



Venkatramanan
Viswanathan



Dato' Yeo How



Datuk Robert Yong
Kuen Loke

MICPA COUNCIL - 2007/2008

Attendance at
Council Meetings

President

Dato' Nordin Baharuddin (2000) Kuala Lumpur 5

Vice-President

Dato' Ahmad Johan Mohammad Raslan (2003) Kuala Lumpur 1 (LOA-2)

Members

● ■ Dato' Abdul Halim Mohyiddin	(1987)	Kuala Lumpur	3
■ Abdul Halim Md Lassim	(2006)	Selangor	3
● ■ Abdul Jabbar Abdul Majid	(1981)	Kuala Lumpur	2 (LOA-3)
Ahmad Mustapha Ghazali	(2004)	Selangor	1 (LOA-2)
● Beh Tok Koay	(1989)	Kuala Lumpur	3 (LOA-1)
■ Datin Hj Fadzilah bte Saad	(1987)	Kuala Lumpur	3
Dato' Gan Ah Tee (<i>Appointed on 15.03.2008</i>)	(2008)	Kuala Lumpur	2
Goh Lee Hwa	(2006)	Selangor	3
Lee Tuck Heng	(2007)	Kuala Lumpur	4 (LOA-1)
Peter Lim Thiam Kee	(2002)	Kuala Lumpur	4
Lim Tian Huat	(1999)	Kuala Lumpur	2 (LOA-2)
Loh Lay Choon	(2004)	Kuala Lumpur	3 (LOA-1)
■ Loo Mi Li (<i>Appointed on 22.09.2007</i>)	(2007)	Kuala Lumpur	3 (LOA-1)
■ Dato' Hj Maidin Syed Ali	(2002)	Kedah	2 (LOA-1)
Mohamed Raslan Abdul Rahman	(2002)	Kuala Lumpur	4
Ng Kim Tuck	(2005)	Kuala Lumpur	3
Poon Yew Hoe	(1998)	Kuala Lumpur	3 (LOA-1)
Pushpanathan a/l S A Kanagarayar	(2001)	Kuala Lumpur	4
See Huey Beng	(2006)	Kuala Lumpur	2 (LOA-3)
Seow Yoo Lin	(2007)	Kuala Lumpur	2 (LOA-2)
Sam Soh Siong Hoon	(1983)	Johor	3
Sukanta K Dutt	(1999)	Kuala Lumpur	3 (LOA-2)
Tan Bun Poo (<i>Appointed on 22.09.2007</i>)	(2007)	Selangor	2 (LOA-1)
Tan Chin Hock	(2002)	Kuala Lumpur	2 (LOA-1)
Tan Ghee Kiat (<i>Resigned on 15.12.2007</i>)	(1989)	Kuala Lumpur	1 (LOA-1)
Dr Veerinderjeet Singh	(2004)	Kuala Lumpur	3 (LOA-2)
Venkatramanan Viswanathan	(1986)	Melaka	2 (LOA-1)
■ Dato' Yeo How	(2003)	Selangor	2 (LOA-2)
■ Datuk Robert Yong Kuen Loke	(1998)	Kuala Lumpur	2 (LOA-3)

Secretary

Mr Foo Yoke Pin

Registered Office

No.15, Jalan Medan Tuanku
50300 Kuala Lumpur

Auditors

Siew Kah Toong (*Resigned on 12.01.2008*)
Datuk Tan Kim Leong, JP (*Resigned on 12.01.2008*)
Ng Eng Kiat (*Appointed on 12.01.2008*)
Ooi Chee Kun (*Appointed on 12.01.2008*)

Penang District Society

c/o J. Ramachandran
P.O. Box 325, 10200 Penang

● Denotes Past President
■ Denotes member not in practice
() Denotes year in which member first joined Council
LOA Leave of absence

COMMITTEES - 2007/2008

Executive Committee

No. of meetings: 5

	Attendance
Dato' Nordin Baharuddin (Chairman)	5
Dato' Ahmad Johan Mohammad Raslan	4
Dato' Abdul Halim Mohyiddin	5
Abdul Jabbar Abdul Majid	2 (LOA-1)
Beh Tok Koay	5
See Huey Beng (<i>Appointed on 29.06.2007</i>)	1 (LOA-3)
Seow Yoo Lin (<i>Appointed on 29.06.2007</i>)	1 (LOA-3)
Tan Ghee Kiat (<i>Resigned on 15.12.2007</i>)	1
Datuk Robert Yong Kuen Loke	2

Terms of Reference:-

To identify and implement plans of action on specific issues of current concern affecting members, the Institute and the accountancy profession.

Accounting & Auditing Technical Committee

No. of meetings: 3

	Attendance
Sukanta K Dutt (Chairman)	3
Ng Kim Tuck (Alternate Chairman)	3
Ahmad Mustapha Ghazali	0
Loh Lay Choon	1
Loo Mi Li (<i>Appointed on 22.09.2007</i>)	3
Tan Bun Poo (<i>Appointed on 22.09.2007</i>)	1
Venkatramanan Viswanathan	1
Dato' Yeo How	0
Co-opted Members	
Chia Kum Cheng	4
Stephen Khoo	0
Lee Hin Kan	1
Ooi Chee Kun	2
Stephen Oong Kee Loong	3
YM Raja Azmi Raja Nazuddin	1
David Siew Kah Toong	1
Dr Susela Devi	0

Administrative & Financial Affairs Committee

No. of meetings: 2

	Attendance
Dato' Ahmad Johan Mohammad Raslan (Chairman)	0
Abdul Jabbar Abdul Majid	1
Seow Yoo Lin	1
Datuk Robert Yong Kuen Loke	2

Terms of Reference:-

1. To be responsible for the smooth running of the Secretariat.
2. To be responsible for the preparation of budgets and financial statements of the Institute.
3. To supervise the staff employed by the Institute.
4. To organise the General Meetings, Council Meetings and Annual Dinner.
5. To liaise with the Trustees of the MACPA Educational Trust Fund with regard to the maintenance of the Building and the administration of the Fund.

Commerce & Industry Committee

No. of meetings: 1

	Attendance
Dato' Yeo How (Chairman)	1
Abdul Halim Md Lassim	0
Beh Tok Koay	0
Datin Hj Fadzilah bte Saad	1
Co-opted Members	
Chai Lai Sim	1
Cho Oi Kwan	1
Chong Kee Hong	0
Ben Lee Keen Pong	1
Vincent Seow	0

Terms of Reference:-

1. To ensure that the interests and views of members in commerce and industry are properly reflected in the Institute's policies and activities.
2. To develop, in conjunction with other committees of the Institute, such activities as are of interest to members in commerce and industry, particularly in relation to continuing professional development programmes in management accounting and other topics.
3. To develop management accounting and reporting guidelines for recommendation to Council.
4. To provide a consultative media for members in commerce and industry.
5. To co-ordinate liaison with local, regional and international bodies on all matters concerning management accounting and reporting.

Disciplinary Committee

No. of meetings: 1

Attendance

Ahmad Mustapha Ghazali (Chairman)	–
Abdul Jabbar Abdul Majid (Alternate Chairman)	1
Loo Mi Li (<i>Appointed on 22.09.2007</i>)	–
Sukanta K Dutt	1
Dr Veerinderjeet Singh	0
Dato' Yeo How	1
Prof Hj Abdul Manap Said	1
Chua See Hua	1

Terms of Reference:-

1. On receipt of a formal complaint, to inform the defendant of the Committee's intention to consider the complaint and to hear the complaint.
2. Where the committee finds that a complaint has been proved, to take appropriate disciplinary action against the defendant which includes exclusion or suspension from membership in the case of a member and exclusion from the relevant register in the case of a registered student, censure, reprimand, admonishment or payment of a fine/costs.
3. To give notice of its finding and decision to the defendant.
4. To refer the complaint to the Council for a final decision if no unanimity is reached by the Committee.
5. To report all findings and decisions of the Committee to the Council for recording.

Education & Training Committee

No. of meetings: 2

Attendance

Dato' Abdul Halim Mohyiddin (Chairman)	2
Abdul Halim Md Lassim	1
Datin Hjh Fadzilah bte Saad	2
Dato' Gan Ah Tee (<i>Appointed on 15.03.2008</i>)	1
Loh Lay Choon	0
Pushpanathan a/l S A Kanagarayar	2
Dr Veerinderjeet Singh	0

Co-opted Members

Prof Hj Abdul Manap Said	2
Dr A Seetharaman	1
Asso Prof Dr Arfah Salleh	1
Datuk Prof Dr Daing Nasir Ibrahim	0
Dr Hafiz Majdi Ab. Rashid	0
Asso Prof Dr Ibrahim Ali	0
Prof Dr Ibrahim Kamal Abdul Rahman	1
Prof Dr Juhari Samidi	0
Prof Madya Dr Mahamad Bin Tayib	0
Prof Madya Dr Norman Mohd Salleh	1
Prof Dr Takhiah Mohd Iskandar	0
Dr Thillaisundaram	1
Asso Prof Susan Tho Lai Mooi	2
Mrs Joyce Yap	0
Asso Prof Dr Zakaria Abas	1

Terms of Reference:-

1. To organise education and training programmes for students.
2. To plan and administer continuing professional development programmes for members.
3. To liaise with institutions of higher learning and other local and overseas professional organisations in matters pertaining to education and training.
4. To evaluate courses/qualifications referred to the Committee by the Membership Affairs Committee for the purpose of student registration and/or exemption from the Institute's examinations.
5. To regularly review the Institute's examination syllabus.
6. To develop and maintain a library to provide reference and research facilities for members and students.

Examination Committee

No. of meetings: 4

Attendance

Abdul Jabbar Abdul Majid (Chairman)	4
Beh Tok Koay (Alternate Chairman)	3
Goh Lee Hwa	3 (LOA-1)
Lee Tuck Heng	1 (LOA-1)
Mohamed Raslan Abdul Rahman	2 (LOA-1)
Poon Yew Hoe	4
See Huey Beng	2 (LOA-1)
Sukanta K Dutt	3 (LOA-1)
Tan Ghee Kiat (<i>Resigned on 15.12.2007</i>)	1 (LOA-1)

Terms of Reference:-

1. With Council's approval, to issue from time to time, regulations for the:-
 - a) conduct of the examinations, and
 - b) eligibility of students to sit for the examinations.
2. To give notice in writing to all students when entry for examinations is open.
3. With Council's approval, to appoint and remunerate examiners and moderators.
4. To recommend to Council the fees to be charged for the examinations.
5. To appoint and remunerate invigilators at each examination centre.
6. To consider reports of examiners and moderators and determine the examination results.
7. To notify students of their performance at the examinations.
8. To issue certificates to successful students at each examination.

Financial Statements Review Committee

No. of meetings: 5

Attendance

Pushpanathan a/l S A Kanagarayar (Chairman)	4
Abdul Halim Md Lassim	2
Loh Lay Choon	2
Ng Kim Tuck	5
Tan Bun Poo (<i>Appointed on 22.09.2007</i>)	2
Tan Chin Hock	4
Venkatramanan Viswanathan	2
Co-opted Members	
Choong Mei Ling	3
Lee Keen Pong	2
David Siew Kah Toong	0

Terms of Reference:-

1. To enhance the standards of the accountancy profession in Malaysia by assisting members to ensure that their responsibilities with regard to financial statements are discharged in compliance with statutory requirements and with the published recommendations and standards promulgated by the Institute from time to time, and with generally accepted accounting principles and auditing practices. This is to be done by a review of financial statements selected at random by the Committee or referred by a person to the Committee and by drawing the attention of the member responsible for their preparation, or for reporting on them, to any areas in which the presentation or content appears to fall short of such compliance.
2. To respond appropriately to questions and problems submitted to the Institute by members who may have difficulty in complying with the directives of this Committee.
3. As and when appropriate, to refer special items of difficulty or interest to the Council.
4. Where the matter is justified to authorise a member of the Committee to make a complaint to the Investigation Committee where in the opinion of the Financial Statements Review Committee disciplinary action should be taken against a member or members of the Institute arising out of the work undertaken by the Financial Statements Review Committee within its terms of reference.

Government Affairs Committee

No. of meetings: 3

Attendance

Dato' Ahmad Johan Mohammad Raslan (Chairman)	3
Dato' Abdul Halim Mohyiddin	0
Ahmad Mustapha Ghazali	0
Lim Tian Huat	0
Loo Mi Li (<i>Appointed on 22.09.2007</i>)	1
Dato' Hj Maidin Syed Ali	0
Pushpanathan a/l S A Kanagarayar	3
Seow Yoo Lin	0

Terms of Reference:-

1. To coordinate liaison with the Government on policies or any other matters pertaining to accounting and the profession.
2. To establish and supervise liaison committees with the Government, its Ministries or agencies in relation to Corporate Law.
3. To coordinate reviews of legislation or draft legislation as and when appropriate.

Insolvency Practice Committee

No. of meetings: 4

Attendance

Lim Tian Huat (Chairman)	1
Dato' Gan Ah Tee (<i>Appointed on 15.03.2008</i>)	4
Peter Lim Thiam Kee	1
Tan Chin Hock	1

Co-opted Members

Adam Primus Varghese b Abdullah	0
Chua See Hua	2
Gopal Sundaram	3
Jamhirah bte Ali	0
Lim San Peen	4
Mak Kum Choon	3
Ng Chih Kaye	4
Ng Pyak Yeow	0
Nitin Nadkarni	3
Saidatul Ishan bte Abd Rahman	2
S Suhendran	0
Wong Chee Lin	1
Yap Wai Fun	2

Terms of Reference:-

1. To consider practical problems faced by members relating to receivership or liquidation and make appropriate recommendations to the relevant authorities.
2. To review and clarify any anomaly in law or regulations affecting insolvency practice and to liaise with the relevant authorities.
3. To prepare guidance notes on various aspects of insolvency practice.
4. To coordinate liaison with local, regional and international bodies on all matters concerning insolvency practice.

Investigation Committee

No. of meetings: 2

Attendance

See Huey Beng (Chairman)	2
Datin Hjh Fadzilah bte Saad (Alternate Chairman)	2
Lee Tuck Heng	(LOA-2)
Mohamed Raslan Abdul Rahman	2
Tan Bun Poo (<i>Appointed on 22.09.2007</i>)	1

Terms of Reference:-

1. To consider any facts or complaints laid before it indicating that a member, provisional member or registered student of the Institute has become liable to disciplinary action.
2. Where the Committee is of the opinion that a prima facie case has been made out, it shall make a formal complaint to the Disciplinary Committee.
3. To request a member to support the formal complaint during a hearing before the Disciplinary Committee.
4. To request a member to support the decision of the Disciplinary Committee during a hearing before the Appeal Committee.

Membership Affairs Committee

No. of meetings: 4

Attendance

Seow Yoo Lin (Chairman) (<i>Appointed on 14.02.2008</i>)	2
Tan Ghee Kiat (Chairman) (<i>Resigned on 15.12.2007</i>)	2
Datin Hjh Fadzilah bte Saad	3
Dato' Gan Ah Tee (<i>Appointed on 15.03.2008</i>)	1
Goh Lee Hwa	1
Lee Tuck Heng	1
Lim Tian Huat	0
Dato' Hj Maidin Syed Ali	0

Terms of Reference:-

1. To consider applications for membership.
2. To consider applications for practising certificates.
3. To consider enquiries of members pertaining to membership.
4. To consider applications from students for registration and exemption from examinations.
5. To recommend to Council fees to be charged for membership and issue of practising certificates.
6. To prepare guidance notes on various aspects of the MICPA Code of Ethics.
7. To provide counseling services to members on professional conduct and ethics (in accordance with the above Code) and other professional matters where possible, but so as not to infringe on matters within the purview of other Committees.
8. To promote the profession to the public in liaison with other relevant Committees.
9. To deal with correspondence from members and public where the subject matter does not fall within the ambit of other Committees.

Public Affairs Committee

No. of meetings: 2

Attendance

Datuk Robert Yong Kuen Loke (Chairman)	2
Loh Lay Choon	2
Dato' Hj Maidin Syed Ali	0
Ng Kim Tuck (<i>Appointed on 22.09.2007</i>)	0
Dato' Nordin Baharuddin	1
See Huey Beng	2
Sam Soh Siong Hoon	0
Tan Chin Hock	2
Co-opted Members	
Chia Kum Cheng	1
Chong Kian Soon	2

Terms of Reference:-

1. To organise programmes to enhance and project the image of the Institute and the profession.
2. To coordinate and organise all public relations activities of the Institute.
3. To develop and maintain contacts with the media.
4. To foster better understanding, relationship and co-operation between the Institute, the Government and the financial and business communities.
5. To be responsible for publication of promotional materials, including the Institute's journal and press releases.
6. To plan and organise the Institute's annual and regional conferences hosted by the Institute, and joint conferences with other professional bodies.

Public Practice Committee

No. of meetings: 5

Attendance

Sam Soh Siong Hoon (Chairman)	5
Peter Lim Thiam Kee	2
Mohamed Raslan Abdul Rahman	4
Poon Yew Hoe	1
Tan Chin Hock	3
Venkatramanan Viswanathan	2
Co-opted Members	
Abu Bakar Rajudin	2 (LOA-1)
Ahmad Shahrul Hj Mohamad	3
Heng Ji Keng	2
Dato' Raymond Liew	2
Mohd Afrizan Husain	2
Mohd Noor Abu Bakar	4
Ng Pyak Yeow	4
David Siew Kah Toong	2
Tong Siew Choo	4
Gary Yong Yoon Shing	4

Terms of Reference:-

1. To identify the professional development needs of smaller practices.
2. To promote the professional standing of members in practice.
3. To assist members in practice management.
4. To provide a forum for interaction and consultation for members in practice.
5. To formulate and provide training courses for staff of smaller practices.

Tax Practice Committee

No. of meetings: 3

Attendance

Beh Tok Koay (Chairman)	3
Goh Lee Hwa	2
Peter Lim Thiam Kee	0
Poon Yew Hoe	1
Sam Soh Siong Hoon	1
Tan Chin Hock	0
Dr Veerinderjeet Singh	0
Co-opted Members	
Naomi Chee Mee Ching (<i>Resigned on 06.02.2008</i>)	0
Lee Voon Siong	1
Lim Poh Chin	1
Kenneth Lim Tiong Beng	1
M J Monteiro	2
Ng Kim Lian	1
Ong Lay Seong	3
Phoon Sow Cheng	3
Soo Huk Kheong	0
Tang Chin Fook	3
Robert Teo Keng Tuan	2
Tong Siew Choo	3

Terms of Reference:-

1. To serve as key liaison between the Institute and Government on taxation matters.
2. To participate in Government's consultation process on the development, revision and implementation of tax legislation and regulations.
3. To consider practical problems faced by members relating to the application of tax legislation and compliance with the regulations of the Inland Revenue Board.
4. To be responsible for the Institute's publications on taxation and related matters.

PRESIDENT'S STATEMENT



Dato' Nordin Baharuddin

"2008 is an important year for the Institute as we turn 50 on July 26. It is a good time to reflect on how much the Institute has accomplished in pursuit of our motto "Service with Technical Excellence". Of greater pride is the 50 years that have been invested in making MICPA into a national body of Certified Public Accountants. The maturity and level of professionalism is ours to keep and cherish, and naturally to safeguard. Our CPAs are successful in their careers and are making important contributions to society. Yet the journey has not been an easy one."

As President during the year in review, I am mindful of the tremendous challenges the Council has to overcome in determining how best to meet the immediate and long-term needs of our members and students. Enhanced technologies, global markets, competition and stakeholder expectations continue to demand greater expertise, flexibility and innovation from the accountancy profession. Other challenges include the intensified focus on standards, corporate governance and ethical issues. Whatever the source of these challenges, I am pleased to report that the Institute has made significant advances on a broad range of fronts as we continued on our journey to promote the interests of members and the profession in line with our Strategic Plan for 2006 - 2008

At the start of my presidential year, I had set as one of my priorities, the enhancement of our education and training role, particularly in the recruitment of bright young Malaysians to join the profession. I am proud to say that the CPA Malaysia qualification is well regarded for its emphasis on quality and professional competence, but one of the main challenges facing the Institute is communicating the value of the qualification to the next generation of accountants and potential employers. Instilling these qualities and values in our future membership is crucial to

maintaining the accountancy profession's central role in business and in contributing to the country's economic development and competitiveness.

In a highly competitive environment, branding has become a vital corporate strategy for long-term success and the accountancy profession is no exception. Today, students are offered a multitude of choices in accounting qualifications; as such differentiation is therefore essential for future membership growth and sustenance of the Institute. As such, we continued with our modest brand development programme to position the CPA Malaysia qualification as a badge of professional distinction and excellence and enhanced the benefits of undertaking a home grown professional qualification. Coupled with this, our publicity and marketing collaterals such as display panels, bunting, posters and promotional brochures have been given a refreshing contemporary look anchored by the overall brand theme - Success, Achievement and Accomplishment.

Improving the communication links between the Institute, members, students and various stakeholders continued to be a critical issue for the Institute. The Institute continued to increase the

use of IT for communication and delivery of services to members and students. The Institute's website serves as an important marketing tool in marketing the CPA Malaysia brand and establishing links with various stakeholders. In this regard, as part of our efforts to improve our services to students, during the year, considerable progress was made in redeveloping a new students' website, which is more vibrant and dynamic. The improved site also has greater functionality and is simpler to navigate. On the other hand, to keep students up to date on our progress, a monthly electronic newsletter, the CPA Students eCommunicator was initiated and launched. I am pleased to say that we have received positive feedback on its implementation.

Acknowledging the influence that both educators and employers have on students' career and education decisions, the Institute has been earnestly pursuing its mission in communicating the value of the CPA Malaysia qualification as the preferred choice for prospective accountants and potential employers. Our relationships with the universities are extremely valuable and we did much to keep the awareness in the spotlight amongst educators, faculty members and students by making scheduled visits to the local universities as well as participation in exhibitions, career fairs and sponsorship of student outreach activities. At the same time, we continue to promote to the firms, commerce and industry the value of the education and training of the CPAs.

Malaysia is facing a severe brain drain of talented and enterprising people in its workforce, especially in the area of skilled labour and professionals as they are attracted by better remuneration packages to work overseas. We must adopt a holistic approach to address the current brain drain if the country wants to remain competitive. We believe there should be a more integrated way to attract the younger generation to remain in the country. MICPA is committed to recruiting, educating and training a body of members skilled in the fields of accounting, auditing, taxation and consultancy. Over the last 50 years, we have contributed in no small measure in meeting the manpower needs of the nation which is essential for the development and progress of our economy.

As reported last year, the Institute has introduced the Certified Financial Accountant (CFiA) qualification. The CFiA is intended to be a qualification in its own right and holders of the qualification will be well equipped to build a career in accounting, finance

and management in commerce and industry and the public sector. It also serves as a gateway to attaining the CPA qualification at a later stage of their careers. The Institute has been proactively and aggressively marketing the qualification at the local universities and I am pleased to say that the qualification has been well received. The course materials for the CFiA Professional Competence Programme has been finalised and a soft launch has been implemented. We shall keep members informed of the progress on a regular basis but will also welcome any feedback from members and other interested parties.

In recognition of the increasingly global nature of the accountancy profession and business, the Council is conscious of the need to enhance the standing and recognition status of the CPA Malaysia qualification not only at the national level but also at international levels. We recognise that MICPA has a 49-year old history and that about 15% of our members are working in various professional capacities overseas. This in fact, provides a timely opportunity for the Institute to benchmark the CPA qualification at a level that is at par with internationally recognised standards. The Council is committed to make the CPA Malaysia a globally recognised professional qualification that is equivalent to the Chartered Accountants and Certified Public Accountants designations as we continue with our efforts to achieve mutual recognition arrangements with the Chartered Accountants bodies around the world. In August 2007, the signing of the ACCA-MICPA Mutual Recognition Agreement (MRA) adds another milestone in the Institute's continued efforts in seeking mutual recognition agreements. The MRA provides a route for qualified members of either body to become a member of the other body, and to enjoy the benefits which both organisations can offer. The success of this endeavour will enhance the career mobility of Malaysian accountants across borders and enhance the opportunities for the export of our professional service.

As part and parcel of the global profession, we must ensure that our members comply with international standards. As we occupy a pivotal position in the overall economic and financial system, we have been exhorted to uphold at all times the hallmarks of our designation, namely independence, integrity and objectivity. Unfailing adherence to these is critical for us in preserving our reputation for credibility, expert knowledge and high standards of practice. One of the most important roles undertaken by the Institute is the ongoing responsibility to safeguard the reputation

of the profession by ensuring that all members are fully competent and that standards of professional and technical behavior are exemplary. The Institute demonstrates its commitment to this objective in various ways.

In the area of accounting standards, the Institute plays an active complementary role to support the Malaysian Accounting Standards Board (MASB). The Institute provides the collective views of members on exposure drafts and discussion documents issued by the MASB during the consultation process, and makes representations on interpretation issues. The Institute also monitors members' compliance with MASB standards and provides guidance on the application where necessary.

The profession's success rests on its reputation for integrity, competence and objectivity. The Institute demands members' compliance with the Code of Professional Conduct and Ethics to ensure that members' uphold these professional values in their work. The Institute has revamped its Code to be in line with the revised Code of Ethics for Professional Accountants, issued by IFAC. The MICPA on October 26, 2007 issued the MICPA Code of Ethics (The Code), which applies to all members of the Institute and the firms through which the members act or perform their professional work where relevant. The Code supersedes the MICPA's Code of Professional Conduct and Ethics issued in November 1991.

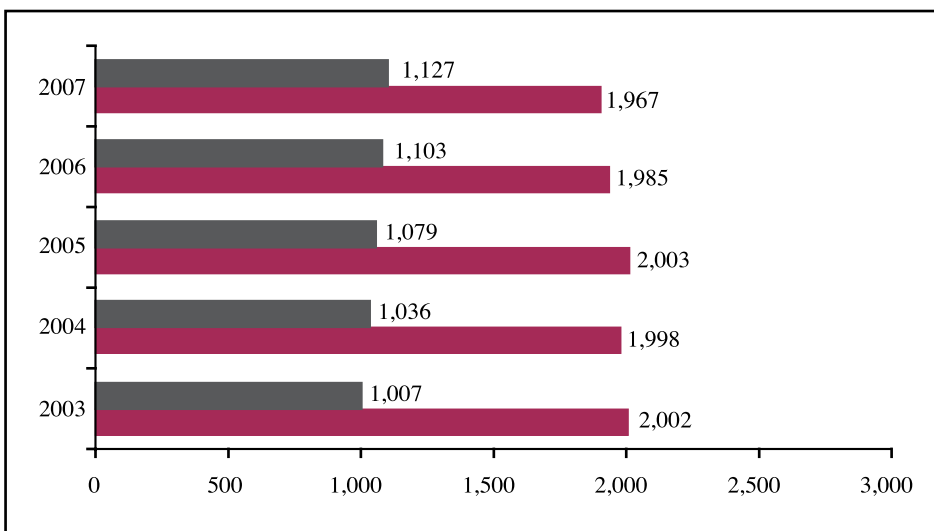
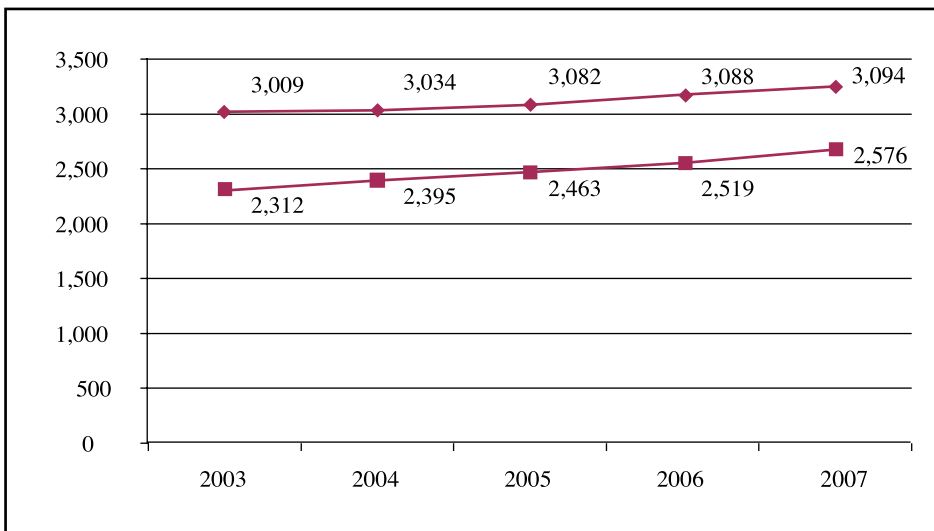
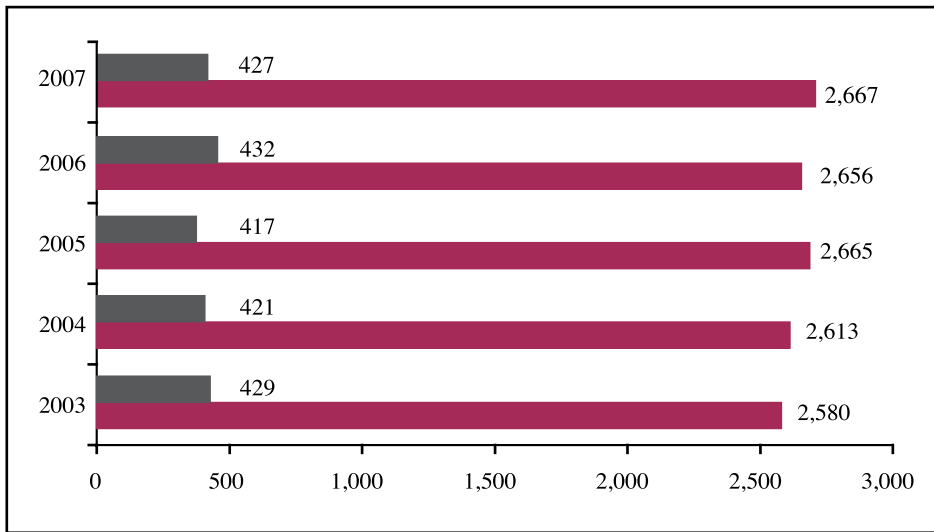
In order to remain relevant in a world where the only constant is change, accountants not only have to adapt to the rapidly evolving ways of doing business but also capitalise on technological developments, and update their knowledge and skills in order to improve and maintain their competitive edge. All these are necessary so as to be able to provide value-added services to employers and clients. On our part, the Institute will continue its efforts to assist members to remain competitive by inculcating a culture of continuing professional development (CPD). A radical expansion in the courses available to members is reflected in the introduction of a wide range of courses, seminars, conferences and evening talks of specific interest, to members, whether they are in public practice, commerce, industry or the public sector, all aimed at helping members to remain at the cutting edge as a well-rounded business professional. The CPD programmes also provide a platform for the sharing of knowledge and best practices.

The Institute is an august body whose members have a critical role to play in maintaining confidence in the capital market. Investor confidence in the integrity and fairness of the capital market as well as the ethical way in which it functions is central to the process of capital formation. Corporate failures and misconduct inevitably undermine such confidence leading to the departure of investors to jurisdictions where corporate governance standards are strong and their investments are safe. The Institute continued to play a dynamic role in reviewing and submitting the profession's views and suggestions on law reform, new policies and guidelines issued by the regulatory authorities that affect the accountants' work or businesses. Regular meetings were held with government agencies and regulators and submissions have been made on significant issues affecting the profession.

I am proud to say that, in keeping with its stature as a pre-eminent professional body, the Institute has been invited by the Securities Commission (SC) to submit feedback and comments to initiate important and far reaching reforms concerning oversight of the profession and its regulatory activities, and by pushing for stronger corporate governance. The process has been given added impetus in an increasingly demanding regulatory environment. The SC has on October 1, 2007 released a revised Malaysian Code on Corporate Governance to further strengthen Malaysia's corporate governance framework, aligning it with current globally accepted best practices. The revised Code contains key amendments aimed to strengthen the roles and responsibilities of boards of directors and audit committees, and ensure that they discharge their duties effectively. All these changes are aimed at restoring trust in the accountancy profession and rebuilding investor confidence in the credibility of financial information released by companies, which are used for making investment decisions.

As most of you are aware, the SC has also set in motion the establishment of the Audit Oversight Board (AOB), as a regulator for the auditing profession, to reinforce the message that this community must not fail to exercise its duty of utmost care in the attestation of the numbers and reports upon which everything else rests. The establishment of the board is aimed at enhancing the quality of the audit of public interest entities which it is hoped will lead to the prevention of corporate accounting scandals

Membership Statistics as at December 31, 2007



and improve investors' confidence in the financial reporting process. A special task force on which the MICPA was represented, was set up by the SC to look at the draft bill, which we hope will be tabled in Parliament soon. I believe once implemented, the AOB will have wide powers to investigate and mete out punishment against errant auditors.

At the home front, the Institute certainly welcomes the exchange of information between fellow accountancy bodies to strengthen professional relationship and understanding of the current developments in the accountancy profession and business environment. Over the course of the year, we maintained an increased level of co-operation with the other professional bodies and trade associations in areas of mutual interests. Such consultative process ensures that a wide constituency of interests are taken into consideration in the development of practice standards and in dealing with common issues. It also strengthens professional relationships and understanding of the current developments in the accountancy profession and business environment.

Our considerable efforts throughout the year are slowly delivering tangible results and I look forward to the next annual report, when the President will be able to report on the progress of our major objectives.

Finance

The financial statements for the year 2007 showed a net operating surplus of RM65,200 compared with a surplus of RM282,600 for the previous year.

Total income decreased by RM304,600 or 9%. This was due mainly to the decrease in income from student sources, sale of publications and examination workshops. This was partly compensated by higher income generated by continuing professional developments and informal gatherings.

Total expenses decreased by RM87,400 or 3%, resulting from the decreased in cost associated with the sale of publications and examination workshops.

Total assets reduced by RM194,700 or 15%, due mainly to the amortization of the development cost of study manuals amounting to RM123,300 and decreased in fixed deposits by RM50,000. Total liability reduced by RM259,900 or 21% resulting mainly from the repayment of term loan amounting to RM125,500, which was obtained to finance the development cost of study manuals, and reduction in accruals by RM104,200. The Institute has an accumulated fund of RM141,100 as at December 31, 2007 compared to an accumulated fund of RM75,900 in previous year.

The Council will continue to undertake fund raising activities to increase the Institute's financial resources in order to enable the Institute to invest in the key initiatives set out in the Strategic Plan.

Membership

Membership of the Institute stands at 3,094 at December 31, 2007. After taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions/practising certificate fees, a net increase of 6 members was recorded.

Of the new admissions, 57 members were admitted under Bye-law (34)(1)(a)-(d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. The other 9 members were admitted under Bye-law (34)(1)(f) who were full members of approved overseas accountancy bodies and have either passed the Institute's examination in company law and advanced taxation or have been granted exemption from the examination on the basis that they have had adequate working experience in the relevant fields in Malaysia after qualifying as an accountant.



Members at the AGM.

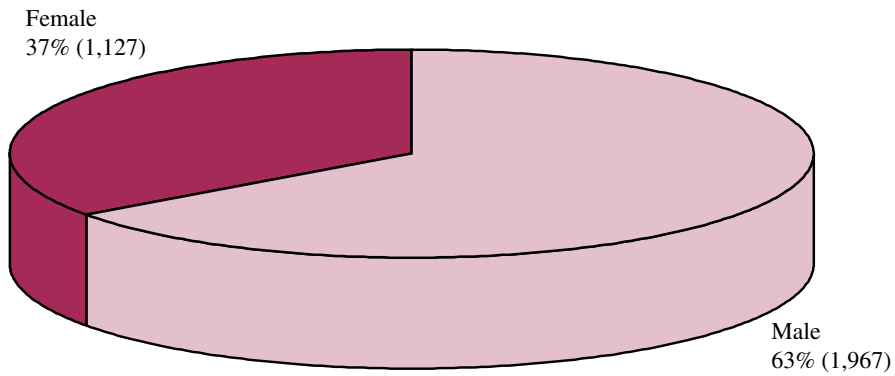


YM Raja Datuk Arshad Raja Tun Uda receiving Anugerah Presiden 2007 from YB Dato' Dr Ng Yen Yen.

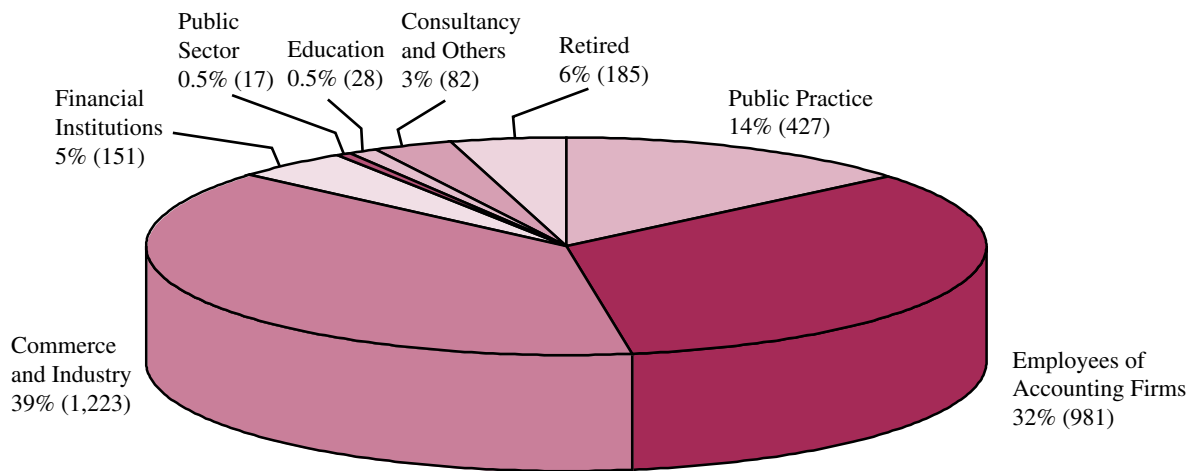


Council Meeting in progress.

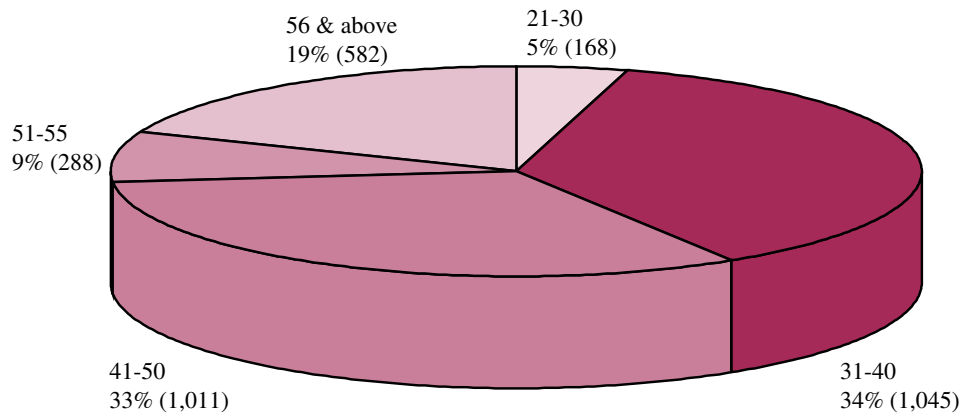
Membership Status



Membership by Field of Employment



Membership by Age



The membership profile has remained basically the same. As at December 31, 2007, 46% of the members worked in public practice firms, of whom 14% were members holding practising certificates. A total of 47% of the members were employed in commerce, industry and financial institutions and 1% in education and the public sector. Retired members accounted for 6% of the total membership.

During the year, a total of 46 female members were admitted, constituting 70% of the total new admissions. The proportion of female members increased by 1% to 37% at the close of 2007.

MEMBERSHIP STATISTICS			
	As at December 31		Net
	2007	2006	Increase
In Practice	427	432	(5)
Not in Practice	2,667	2,656	11
Total	3,094	3,088	6

Provisional Members

A total of 16 new provisional members were admitted during the year. These are graduate members who have completed the Institute's examinations but have not fulfilled the practical experience requirement for admission as full members. Provisional members enjoy the full range of membership services and all other privileges of a qualified member with the exception of the right to vote in any general meeting of members, the right to carry out any duty reserved to members of the Institute, and the right to hold himself out as a principal or partner of an accounting firm.

Services to Members

An important task of the Council is to ensure that the Institute continues to provide relevant services that meet the needs of different segments of the membership.

This function is carried out with the help of committees and working groups formed by the Council to identify and serve the various professional needs of different segments of members in the performance of their work and services. Ad hoc task forces are also appointed to address emerging issues of concern. The Institute provides members with technical updates and guidance on all aspects of CPAs' work covering accounting, auditing and assurance, taxation,

and insolvency practice. Continuing professional development (CPD) courses on a broad scope of topics are organised to assist members keep abreast of current changes in the work environment.

The Institute continued to improve communications to members with e-circulars and alerts sent regularly to keep members updated on recent news about the Institute and the profession. Members now know what is happening in the Institute and in the profession throughout the world. The Secretariat is in the process of improving the visual design of the MICPA website and its service functionality. When the task is completed, members will be able to enjoy an enhanced service functionality, interactivity and a more vibrant look of the website.

The Council is keenly conscious that members work in a fast-changing environment. It constantly undertakes initiatives to improve the services provided to members to ensure that CPAs in any sector preserve their technical excellence.

Continuing Professional Development

It cannot be disputed that there is no alternative to a commitment to continuing professional development as the means for maintaining and improving our technical knowledge and professional skills, to meet public expectations about the quality of our work.

To assist members in meeting their CPD requirements, a series of seminars, workshops, evening talks and public forums were held throughout the year. A wide range of topics were covered including updates on accounting standards, financial reporting and changes in corporate law and tax legislation.

A two-day MICPA-Bursa Malaysia Business Forum 2007 was held in September 2007, featuring the theme "Malaysia – The New Arena". YB Dato' Dr Awang Adek bin Hussin, Deputy Minister of Finance II, delivered the opening keynote address. A panel comprising corporate leaders, senior Government officers, bankers, business advisors and tax consultants led discussions on a number of topical issues relating to the strategies and measures undertaken to promote and to strengthen the growth path of the business in the light of greater competitiveness and integration of the world economy.

The Young CPA Group has organised the Young CPA Malaysia Symposium 2007 in July 2007, featuring the theme "Meeting Challenges of Future Business

Professionals". The President of the Institute, YBhg Dato' Nordin Baharuddin, delivered the opening keynote address. The objective of the Symposium is to broaden the intellectual and professional horizons of future business professionals.

Public Practice

The Public Practice Committee serves as a forum for consultation and discussion of issues relevant to members in practice. The Committee is also responsible to identify the professional development needs of the members in public practice, especially the small and medium sized practices.

During the year, the Committee has organised a meeting with the Deputy Minister of Finance I, YB Dato' Dr Ng Yen Yen to impress upon the Deputy Minister of Finance I that the accountancy profession should be given an opportunity to make representations when new laws / regulations that affect the accounting practitioners are proposed and to highlight that the professional services that the practitioners can provide to help small and medium enterprises develop their business.

The Committee has developed an Audit Guide for the audit of financial statements of limited companies and was available for sale at the end of 2006. During the year, the Committee has set up a task force to update the Audit Guide. A series of workshops on the usage of the Audit Guide was organised in the major cities since January 2007. The objective of the workshops is to equip participants with the technical knowledge and skills in conducting audits of financial statements in accordance with approved auditing standards. A total of 8 workshops had been conducted to date.

Informal gathering of members were organised regularly in conjunction with an evening talk or forum to keep members stay abreast with current developments affecting the members' professional work or practice. An informal gathering of members in conjunction with the forum on Income Tax Reform Towards Enhancing the Nation's Economic Competitiveness was organised by the Committee. The forum was addressed by the Director-General of Inland Revenue Board, YB Dato' Hasmah Binti Abdullah. The Committee has also organised an evening talk on Key Amendments to the Malaysian Code on Corporate Governance, which was addressed by Ms Wong Sau Ngan from the Securities Commission and Ms Yew Yee Tee from Bursa Malaysia in March 2008.

The Committee has held an informal gathering with the Public Practice Committee of ACCA during the year to discuss on the possibility of working together between both the Committees in the area of public practice. The Committee will keep the members updated of the working relationships arrangement between both the Committees through circulars and alerts.

The Technical Reference Panel, which provides free advisory services to members, received an increased number of enquiries during the year. The subject matters related largely to the application of the new Financial Reporting Standards, changes in the Malaysian Code on Corporate Governance and company law.

Commerce and Industry

Almost half of the Institute's members are engaged in Commerce and Industry. The Commerce and Industry Committee is charged with the responsibility to identify and recommend Continuing Professional Development (CPD) needs of members in business to the Education and Training Committee for CPD activities to be organised.

The Committee had organised an Evening Talk on Asset Securitisation – The Complete Picture in April 2007. The objective of the evening talk is to assist members to gain a better understanding of the concept and operations of asset securitisation as an alternative form of financing, and the Securities Commission's guidelines governing the offering of asset-backed securities. The Committee has also organised an evening talk on The Market Outlook in China and Hong Kong in January 2008 with the objective of informing members on the business environment in China and Hong Kong.

The Committee assisted in the organisation of the MICPA-Bursa Malaysia Business Forum 2007 held in September 2007 focusing on the theme "Malaysia – The New Arena".

The Committee continues to undertake the review of winning articles published by IFAC, resulting from an annual competition held by IFAC under the Articles of Merit programme. The articles for the 2007 competition cover a wide variety of topics, ranging from performance management, management accounting, financial management, information technology, and decision making. Where the Committee feels that the topics are relevant and beneficial to members, the articles will be published in The Malaysian Accountant.

Government Relations

One of the crucial activities of the Institute is to forge close working relationships with the Government and the regulatory bodies to maintain an effective consultative relationship. This is particularly important at this point in time when significant policy measures and changes to the securities law, taxation laws and other business legislations are undergoing reforms and being implemented by the Government to improve the efficiency of the public service delivery system so as to strengthen the nation's economy and capital market.

The Institute continues to make submissions and representations to the Ministry of Finance, Securities Commission, Companies Commission of Malaysia, the Inland Revenue Board and other Government departments. The views and proposals provided by the Institute in response to the proposed legislative reforms represent important perspectives from the profession and the business community it serves. The Institute also channels members' concerns on regulatory guidelines relating to the operation of capital market, governance of companies, income tax system and the listing requirements.

The Institute continues to participate in dialogue sessions held by Government with the private sector. These include the annual dialogue with the Ministry of Domestic Trade and Consumer Affairs, the annual dialogue with the Companies Commission of Malaysia, half yearly meetings with the Customs-Private Sector Consultative Panel and regular dialogues with the Inland Revenue Board. The Institutes also participates in numerous technical meetings with the Securities Commission and Bursa Malaysia to discuss implementation issues arising from the new or proposed changes to the rules and regulations affecting the capital market.

The Institute continues to support the Capital Market Graduate Training Scheme implemented by the

Securities Commission to enhance human resources for the Malaysian capital market since its introduction in 2003. It involves one month of intensive courses conducted by the Securities Commission and eleven months of on-the-job training in participating organisations. The Institute also helps to place part of the trainees in CPA firms for practical training.

Technical Activities

Setting standards and guidelines remains a core area of the Institute's technical activities. Standards are necessary to assist members discharged their professional duties competently in order to uphold the trust that the public has in us and our members. The Institute devotes substantial effort in a wide range of technical activities to support members in the performance of their professional work. The Institute also provides guidance to members on the discharge of their reporting responsibilities under the various laws and regulations.

In the area of auditing standards, the Institute subscribe to the standards issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC. We undertake constant review of International Standards on Auditing, International Standards on Assurance Engagements, International Standards on Review Engagements and International Standards on Related Services and adopt the standards for compliance by members through a due process.

In the area of accounting, the Institute continues to participate in the standard-setting process of MASB. The Institute serves on a number of MASB's project working groups and its Issues Committee. The Institute provides feedback on proposed new standards and discussion documents during the consultation process and makes representations to MASB on interpretation issues. MASB standards are issued to members for compliance as soon as they are published by MASB.



YB Dato' Dr Awang Adek bin Hussin, Deputy Minister of Finance II, with MICPA Council Members and Guests at the MICPA-Bursa Malaysia Business Forum 2007.



Tuan Hj Sahar bin Othman, Deputy Accountant General (Corporate) witnessed the Signing of the ACCA-MICPA MRA.



Participants at a CPD Course.

Many of our members are engaged in specialist areas of practice including taxation, insolvency and corporate advisory services. The Institute monitors changes to policies, guidelines, rules and regulations issued by the capital market regulators, revenue authorities and the relevant authorities in these areas. Technical updates and guidance are issued promptly to assist members carry out their work effectively.

The Institute maintains close working relationship with MIA in carrying out its technical activities. The Institute held joint meetings with MIA's Accounting and Auditing Committee to undertake the review of new / redrafted / revised and redrafted International Standards on Auditing (ISAs) and exposure drafts of proposed ISAs and other pronouncements issued by IAASB and to submit responses to IAASB. The joint meeting also makes recommendations on the adoption of ISAs and other IAASB pronouncements for approval by the Councils of MIA and MICPA. A Joint Working Group on Securities Guidelines has also been formed to ensure that the two Institutes adopt a consistent approach in making representations to the capital market regulators and in providing technical guidance to members.

Accounting and Auditing Standards

The Accounting and Auditing Technical Committee (AATC) has overall responsibility for the development and review of accounting, auditing and reporting standards and guidelines. The Committee is supported by three specialist working groups and ad hoc task force appointed to undertake specific projects.

With effect from January 2007, the Institute's AATC had been having joint meeting with the MIA's Accounting and Auditing Committee (AAC). During the year, a number of new / revised / redrafted pronouncements issued by IAASB were reviewed by the joint meeting. The comments were then submitted to IAASB.

As part of its project to improve the clarity of its International Standards, the IAASB has undertaken to redraft all of its ISAs in accordance with its new clarity drafting conventions. This approach responds to the desire for all ISAs to be consistently drafted, and subject to a single statement of their authority and effect. During the year, for expedience, the joint meeting has decided to review and issue all exposure drafts issued by the IAASB to members for comment as MIA / MICPA exposure draft.

Based on the recommendation of the joint meeting, the Institute has issued the following IAASB pronouncements during the year as MICPA exposure draft for comment.

- (i) ED ISQC 1 (Redrafted), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements
- (ii) ED ISA 200 (Revised & Redrafted), Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing
- (iii) ED ISA 210 (Redrafted), Agreeing the Terms of Audit Engagements
- (iv) ED ISA 220 (Redrafted), Quality Control for an Audit of Financial Statements
- (v) ED ISA 230 (Redrafted), Audit Documentation
- (vi) ED ISA 240 (Redrafted), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- (vii) ED ISA 250 (Redrafted), The Auditor's Responsibilities Relating to Laws and Regulations in an Audit of Financial Statements
- (viii) ED ISA 260 (Revised and Redrafted), Communication with those Charged with Governance
- (ix) ED ISA 265, Communicating Deficiencies in Internal Control
- (x) ED ISA 300 (Redrafted), Planning an Audit of Financial Statements
- (xi) ED ISA 315 (Redrafted), Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
- (xii) ED ISA 320 (Revised and Redrafted), Materiality in Planning and Performing An Audit
- (xiii) ED ISA 330 (Redrafted), The Auditor's Response to Assessed Risks
- (xiv) ED ISA 402 (Revised and Redrafted), Audit Considerations Relating to an Entity Using a Third Party Service Organisation

- (xv) ED ISA 450 (Redrafted), Evaluation of Misstatements Identified during the Audit
- (xvi) ED ISA 500 (Redrafted), Considering the Relevance and Reliability of Audit Evidence
- (xvii) ED ISA 501 (Redrafted), Audit Evidence Regarding Specific Financial Statement Account Balances and Disclosures
- (xviii) ED ISA 505 (Revised and Redrafted), External Confirmations
- (xix) ED ISA 510 (Redrafted), Initial Audit Engagements – Opening Balances
- (xx) ED ISA 520 (Redrafted), Analytical Procedures
- (xxi) ED ISA 530 (Redrafted), Audit Sampling
- (xxii) ED ISA 540 (Revised and Redrafted), Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures

Proposed Withdrawal of ISA 545, Auditing Fair Value Measurements and Disclosures
- (xxiii) ED ISA 550 (Revised and Redrafted), Related Parties
- (xxiv) ED ISA 560 (Redrafted), Subsequent Events
- (xxv) ED ISA 570 (Redrafted), Going Concern
- (xxvi) ED ISA 580 (Revised and Redrafted), Written Representations
- (xxvii) ED ISA 600 (Revised and Redrafted), Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)
- (xxviii) ISA 610 (Redrafted), The Auditor’s Consideration of the Internal Audit Function
- (xxix) ED ISA 620 (Revised and Redrafted), Using the Work of an Auditor’s Expert
- (xxx) ED ISA 700 (Redrafted), The Independent Auditor’s Report on General Purpose Financial Statements
- (xxxi) ED ISA 705 (Revised & Redrafted), Modifications to the Opinion in the Independent Auditor’s Report
- (xxxii) ED ISA 706 (Revised & Redrafted), Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor’s Report
- (xxxiii) ED ISA 710 (Redrafted), Comparative Information – Corresponding Figures and Comparative Financial Statements
- (xxxiv) ISA 720 (Redrafted), The Auditor’s Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements.
- (xxxv) ED ISA 800 (Revised & Redrafted), Special Considerations – Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
- (xxxvi) ED ISA 805 (Revised & Redrafted), Engagements to Report on Summary Financial Statements
- (xxxvii) ED ISAE 3402, Assurance Reports on Controls at a Third Party Service Organisation



Guests and Participant at the Opening of the MICPA-Bursa Malaysia Business Forum 2007.



Ms Tong Seuk Ying, member of MICPA receiving a token of appreciation from MICPA Vice-President. She recently published a book titled “Practical Auditing in Malaysia”.



YB Dato’ Dr Ng Yen Yen arriving at MICPA’s 49th Annual Dinner.

The Council, upon the expiration of the exposure period, has approved ISA 230 (Redrafted), ISA 240 (Redrafted), ISA 260 (Revised and Redrafted), ISA 300 (Redrafted), ISA 315 (Redrafted) and ISA 330 (Redrafted) as approved standards on auditing. These ISAs shall be effective for audits of financial information for periods beginning on or after January 1, 2010.

The Committee is also in the process of finalising a set of revised sample auditor's reports for issuance to members for guidance.

The Joint Working Group on Securities Guidelines (JWGSG) has had a busy agenda. It has had several dialogues with the Securities Commission (SC) on issues relating to the proposed revised Due Diligence Guidelines. The JWGSG was also consulted by the SC to discuss SC's recommendations to develop a more effective disclosure-based system of regulation.

The JWGSG is in the midst of finalising the guidance on the preparation of pro forma financial information for purposes of submission of corporate proposals to the SC. The guidance is expected to be ready for publication in the third quarter of 2008.

The following projects of the JWGSG are on-going:

- Development of guidance on auditor's duty to report breaches of securities laws and rules of the exchange to the relevant authorities (whistle blowing role) under the Capital Markets and Services Act 2007.
- Development of guidance on the role of reporting accountants relating to their participation in the due diligence working group in connection with the submission of corporate proposals to the SC.
- Development of guidance on the accounting treatment for Securities Borrowing and Lending transactions.
- Development of the revised guidance on the Accountants' Reports for Prospectuses.

The MASB issued the Framework for the Preparation and Presentation of Financial Statements and 10 revised Financial Reporting Standards (FRSs) in June 2007. The framework and the revised FRSs are virtually identical to the IASB's accounting framework and International Financial Reporting Standards (IFRSs) respectively and were effective from July 1,

2007. The 10 revised FRSs supersede the previous FRSs with the subscript 2004.

The 10 revised FRSs are as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The MASB has also issued exposure drafts of the following standards:

ED 56	Financial Instruments: Disclosures
ED 57	Operating Segments

The AATC has assigned a number of working groups to undertake a review of the exposure drafts and to provide comments to MASB. MASB has also invited comments on the International Financial Reporting Standards on Small and Medium-sized Entities (IFRS on SMEs) issued by the IASB. The Institute has, jointly with MIA, submitted the comments on IFRS on SMEs to MASB.

Company and Securities Law

The Corporate Law Reform Committee (CLRC), which was established by the Companies Commission of Malaysia to undertake the review of Malaysia's corporate law with the objective of creating a more conducive legal and regulatory structure that will provide a cost effective, transparent and competitive environment for businesses in Malaysia, has

issued four more consultative documents for public comment, bringing the total to twelve. The four Consultative Documents set out proposed reforms to the Companies Act 1965:

- Review and Provisions Regulating Substantial Property Transactions, Disclosure Obligations and Loans to Directors;
- Reviewing the Corporate Insolvency Regime – The Proposal for a Corporate Rehabilitation Framework, Reviewing the Company Receivership Process, Company Charges and Registration Process – Improvements to the Present Registration System;
- Review of Criminal, Civil and Administrative Sanctions in the Companies Act 1965; and
- Auditor’s Roles and Responsibilities.

The Institute has undertaken a review of the above said consultation papers and submitted our comments and proposals to the CLRC. The Institute and the MIA has jointly submitted comments and proposals to the CLRC on the Consultative Document on Reviewing the Corporate Insolvency Regime – The Proposal for a Corporate Rehabilitation Framework, Reviewing the Company Receivership Process, Company Charges and Registration Process – Improvements to the Present Registration System.

The SSM has issued a Consultative Document on Limited Liability Partnership in Malaysia for comment in April 2008. The Institute is in the process of reviewing the said consultative document and will submit the Institute’s comments and proposals to SSM.

The Corporate Practice Consultative Forum (CPCF), which was established by SSM, aims to provide a platform for professional bodies to provide feedback, views and proposals on the practices, regulations and programmes implemented by SSM pursuant to the Companies Act 1965. The Forum comprises seven professional bodies, including the Institute. The Forum held one meeting in 2007.

The Securities Commission (SC) continues to introduce measures and development initiatives to enhance the framework for the enforcement of securities law to allow for more effective action to be taken against corporate impropriety. The Capital Markets and Services Act 2007, which came into effect in September 2007, consolidate the Securities Industry Act 1983, the Futures Industry Act 1993

and Part IV of the Securities Commission Act 1993. The Institute maintains an on-going consultative relationship with the SC to discuss practical issues relating to the existing regulations and proposals for change with the view to providing a more facilitative environment for capital raising.

The Institute also participates actively in the consultative process of Bursa Malaysia relating to changes to the Listing Requirements. In addition, the Institute is also involved in the various focus groups of the Bursa Malaysia in relation to new measures or products being introduced by Bursa Malaysia.

Insolvency

The main activity of the Committee during the year was to review the Consultative Document on Reviewing the Corporate Insolvency Regime – The Proposal for a Corporate Rehabilitation Framework, Reviewing the Company Receivership Process and Company Charges and Registration Process – Improvements to the Present Registration System. During the year, the Committee held four joint meetings with MIA’s Insolvency Practice Working Group to discuss on the Consultative Document. Mr Lim Tian Huat, Chairman of the Institute’s Insolvency Practice Committee (IPC), who is also the Chairman of CLRC’s Working Group, is responsible for the review of the laws relating to Insolvency and Corporate Securities. Four other members of the IPC also sit on the CLRC Working Group.

The Committee is in the process of developing Insolvency Guidance Notes on the eligibility of auditors to act as liquidator of audit clients, effective date of cessation of office of liquidator under the Companies Act 1965, vacation of office of liquidator due to death and requirements on lodgement of Form 75, Liquidator’s Account of Receipts and Payments and Statement of the Position of Winding up.

The IPC as a special interest group, continues to be a member of INSOL International, an international organisation of insolvency professionals. The INSOL International issued its first Technical Series in January 2007 titled Economics and Geographical Implications of Hedge Funds in Distressed Debt. The affiliation with INSOL International provides opportunities for members engaged in insolvency practice to keep up to date with the global changes and developments in insolvency law and practices. The INSOL journal and technical series serves as a useful source of reference on significant insolvency issues and developments.

Taxation

The Taxation Practice Committee is responsible for maintaining close liaison between the Institute and the Government on taxation matters. The Committee continues to participate in Government's consultation process on the development, revision and implementation of tax law and regulations. The Committee also makes regular representations to the Government and the revenue authorities on behalf of members.

The Institute continues to work in close co-operation with the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Taxation (MIT) in making submissions to the Inland Revenue Board (IRB) concerning practical issues encountered by members in the application of tax legislation, regulations and public rulings issued by the IRB and tax return filing requirements, including e-filing. During the year, several dialogue sessions were held with the Director General of the IRB, Revenue Management Department and the Technical Department of the IRB to arrive at practical solutions to the problem.

The Ministry of Finance (MOF) has invited the Institute to provide comments and suggestions on the improvement of customs systems and procedures. In this regard, the Institute has submitted a memorandum on the improvement of customs systems and procedures to MOF in July 2007.

One of the key issues of concern highlighted in the previous year's annual report was the revised licensing requirements for tax agents issued by the MOF. The Institute jointly with the MIA and the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) submitted another memorandum to the Ministry in August 2007, highlighting our concerns with regard to the recognition of budget seminars and continuing professional education courses organised by professional bodies recognised in the Accountant's Act 1967.

The Government has established a Taxation Review Panel to undertake a review of Malaysia's taxation system. The Institute and MIA were invited by MIT to attend a meeting with the Tax Review Panel to discuss the proposals on the need to review the provisions relating to Section 33(1) of the Income Tax Act 1967. The proposals had been submitted by MIT to the Tax Review Panel for their consideration.

The Ministry of Finance had also requested MIA to review and propose any changes to the existing Code of Ethics for Tax Agents. The Institute, jointly with MIA and MAICSA had submitted the proposed amendments to the existing Code of Ethics for Tax Agents for MOF's consideration in April 2008.

The Tax Practice Committee continues to participate in the IRB's consultation process relating to the development of Public Rulings, which provide guidance on the interpretation of the Director General of Inland Revenue in respect of a particular provision in the tax law, and the policy and procedures that should be applied. The Public Ruling serves as a useful guide to both taxpayers and the IRB officers in the application of the law.

Currently, the Institute is treated as "trade association" for tax purposes and its income is taxed at scale rates. The Institute is of the view that it should be taxed on the mutuality principle under which all income derived from members' activities and used for members' benefits is exempt from tax and income derived from non-members activities is taxed at scale rates. In light of the Public Ruling 6/2005 on Trade Associations, the Institute, jointly with MIA and MAICSA had submitted a memorandum to the IRB, for its consideration on the tax treatment of professional bodies. In December 2007, the IRB had informed the Institutes that MIA, MAICSA and MICPA would be treated as "trade association" for income tax purposes. In this regard, a letter has been sent to the IRB to seek clarification on the rationale for the decision to treat the Institutes as "trade association".



Recipients of Long Service Award, (L-R) Khong Siew Ling, Hariah Ismail and Salmiah Aliyas, posing with the President.



A Sporting Guest at the Annual Dinner entertainment.



Networking & Collaboration - Visits to the Institute.

The Institute, jointly with MIA, have submitted proposals for the 2009 national budget to the Ministry of Finance in April 2008, responding to the theme “Enhancing Resilience for Sustainable Growth and Shared Prosperity”. The Institute has held a special dialogue with the IRB in April 2008 to discuss the proposals submitted for the 2009 national budget.

The Committee also represented the Institute at the half-yearly meetings of the Customs-Private Sector Consultative Panel. In the 2008 Budget Speech, the Service Tax Threshold for Professional Services has been abolished.

The Committee is responsible for the publication of the CPA Tax and Investment Review, which contains annual updates on tax laws and regulations, Government policies and guidelines on investment and incentives, and other pertinent information on doing business in Malaysia. It also provides a summary of recent tax cases and an index of current amendments to the Income Tax Act and related legislation. The publication was undertaken with the technical support from six large accounting firms.

The Committee also assumes the responsibility to oversee the publication of the annual budget commentary, which is undertaken on a joint venture basis by the Institute, MIA and MIT. A total of 105,000 copies of the 2008 Budget Commentary and Tax Information were printed. Apart from the 28,000 copies sent to members of the three Institutes as part of the membership service and to the complimentary recipients, a total sale volume of 77,000 was achieved. The success of the project was the result of the team work of the three joint-venture partners and the contributions of the editorial board, consisting of more than 70 members drawn from seven large accounting firms.

Communications and Public Relations

The Public Affairs and Communications Department of the Institute is responsible for communicating key

strategic messages to defined target stakeholders so as to establish goodwill and understanding between the Institute and its various stakeholders, both internally and externally. This is proactively achieved through managing the Institute’s events calendar, website content development and media relations. In addition, the department coordinates the publication of marketing and publicity collaterals as well as PR support.

In line with MICPA’s aspirations, our communications efforts in 2007 remained committed in our effort to uplift the Institute’s image and focused on strengthening the MICPA brand to become more visible. As part of our on-going marketing strategy, we had made presentations to secondary schools and colleges of advanced education. Members of the Institute were also able to share with students their passion, roles, overseas opportunities and challenges encountered during their career life. The interactive session at the end of each talk has proved to be useful for students to gain a deeper understanding of the industry. The bottom-line is that the CPA Malaysia qualification is a challenging, demanding professional qualification which commands high rewards.

During the year, we also formed a pool of student ambassadors who are called upon to join us during the career fairs and exhibitions to assist in generating awareness to potential students and relate their personal experiences as students of MICPA. A student ambassador not only acts as a mentor but is able to develop their personal communication and teamwork skills. We see such efforts as critical success factors towards creating a better brand.

The Institute is always seeking for opportunities to strengthen our existing synergistic partnerships with our various key stakeholders including local professional bodies and universities. We continued to build, enhance and maintain strong and active relationships with the universities by having scheduled meetings with the Deans of the Faculty of Accountancy of the various public universities.



Winner of the 2007 Most Outstanding CPA Student Award, Ms Rosalind Tay Swee Pei from Ernst & Young.



Young CPA Group’s Outreach Activity to an Orphanage.



Newly Qualified CPAs.

Such efforts are an additional platform for outreach efforts to showcase the CPA Malaysia and CFiA qualification, the prospects, career development and training routes available to university students and accountancy lecturers. We also sponsored a number of student activities organised by the accounting clubs of the various universities.

Press releases were also issued during the year to keep the media informed of the Institute's on-going activities and programmes, which further reinforced the Institute's professional profile. The Institute continued to take advantage of the Budget Day with the aim to provide target audiences with MICPA's reaction to the Budget and to project the image of MICPA as a centre of technical excellence. We participated in media interviews and live commentary on the Budget hosted by both the print and broadcast media to highlight the salient features of the 2008 Budget.

49th Annual Dinner

The MICPA held its 49th Annual Dinner on June 22, 2007 at Mandarin Oriental Kuala Lumpur. The Dinner was officiated by YB Dato' Dr Ng Yen Yen, Deputy Minister of Finance I and was attended by close to 480 members and invited guests.

During the function, the Institute presented Anugerah Presiden 2007 to YM Raja Datuk Arshad Raja Tun Uda in recognition of his exceptional contributions to society, the accountancy profession and the Institute. In his acceptance speech, Raja Arshad thanked the MICPA for the privilege and honour of receiving the award and added that the spirit of the presentation were all so meaningful that it will always have a special place in his memories.

The Institute also presented Long Service Awards to three Secretariat staff who have been in the employ of the Institute for over ten years, in recognition of their loyalty, diligence and dedicated service. The recipients were Ms Khong Siew Ling, Accounts Assistant, Cik Salmiah Aliyas, Administrative

Assistant in the Training Department and Cik Hariah Ismail, Administrative Assistant in the Examination Department.

11th MICPA Accountancy Week

The 11th MICPA Accountancy Week with the theme "AAA—Accountants are Assets" was held successfully from August 4-11, 2007 with an overwhelming participation of over 650 students. Launched in 1986, the Accountancy Week forms part of the Institute's programme to promote accountancy as a career and the primacy of the CPA Malaysia qualification.

This year's accountancy week was held to commemorate the International Federation of Accountants (IFAC) 30th Anniversary celebrations which culminated with the World Accountancy Week, which was held from December 2-11, 2007. The MICPA is one of the founding members of IFAC.

A wide range of activities were carried out during the Accountancy Week which included:

- Accounting Quiz (AccQuiz) for secondary schools. The preliminary round of AccQuiz was held in Kuala Lumpur and Penang;
- Accounting Students Quiz and Management Simulation Game for accounting students at universities and colleges of advanced education;
- Debate for accounting students at universities and colleges of advanced education;
- Career counseling sessions; and
- Sports and Games competition including badminton, basketball, bowling, soccer, squash, table-tennis, tug-of-war and telematch.

It is MICPA's aim to organise the Accountancy Week events in a relaxed atmosphere whilst at the same time to maintain competitiveness, sportsmanship and foster interaction amongst participants from all



Mr Ng Hock Pin from West Synergy Sdn Bhd receiving the Appreciation Award.



Soccer Competition during the 11th MICPA Accountancy Week.



Answering Enquiries during a Career Fair & Exhibition.

over the country. The events are a best tool to build self-confidence amongst participants and also helps students utilise their time in healthy activities as it challenges the youths both physically and mentally.

The Sports and Games competition was organised by the Accounting Club of Universiti Malaya while the Management Simulation Games was organised by the Accounting Club of Universiti Kebangsaan Malaysia. They were the people who worked really hard and MICPA would like to commend them on their initiatives to ensure the success of the events.

This year, the MICPA reintroduced the Debate which is to promote and enhance the oratory skills of accounting students. The debate topic was - Are corporate failures a result of poor leadership or due to lack of financial controls?

The week-long events culminated in the prize presentation ceremony which was held on Saturday, August 11, 2007 at the Auditorium, Wisma Getah Asli, Kuala Lumpur. The prize presentation ceremony was officiated by YBhg Dato' Nordin Baharuddin, President of the MICPA and YBhg Datuk Robert Yong Kuen Loke, Chairman of the Public Affairs Committee of MICPA who gave away the prizes to the winners in the various categories.

The MICPA would also like to record its appreciation to all sponsors for their generous contributions both in cash and in kind and for making the 11th MICPA Accountancy Week a success. We would also like to thank all the judges for their "true and fair" work and to all participants, thank you for taking part in the Accountancy Week events.

ACCA-MICPA Mutual Recognition Agreement

On August 13, 2007, the Association of Chartered Certified Accountants (ACCA) and the Institute signed a global Mutual Recognition Agreement (MRA) at the Le Meridien Hotel Kuala Lumpur. The signing adds another milestone in the Institute's continued efforts in seeking mutual recognition agreements with premier accountancy bodies.

The MRA was reached on the basis of equivalence of qualifications and sound educational review of each other's syllabus. The MRA provides a route for qualified members of either body to become a member of the other body, and to enjoy the benefits which both bodies can offer.

Present were Mrs Gillian Ball, ACCA President, YBhg Dato' Khalid Ahmad, President ACCA Malaysia Advisory Committee, YBhg Dato' Nordin Baharuddin, President of MICPA, YBhg Dato' Ahmad Johan Mohammad Raslan, Vice-President of MICPA as well as Council Members of both bodies. The signing was witnessed by En Othman Sahar, Deputy Accountant-General (Corporate).

MICPA Excellence Awards

The Institute held its annual presentation of Excellence Awards, Examination Certificates and Prizes at a special ceremony held on Saturday, August 25, 2007 at Seri Pacific Hotel Kuala Lumpur.

The presentation ceremony was officiated by YBhg Datuk Ali Abdul Kadir, Chief Executive Officer and Head of Asia, Dubai Investment Group Asia Sdn Bhd and a former President of the Institute. The event was witnessed by over 230 guests including students, their family members, friends and guests of the MICPA.

The Excellence Awards represents an important part of the Institute's efforts to promote accountancy as a career among young Malaysians, and the CPA qualification as a Number 1 Business Professional. The Excellence Awards accord honour and public recognition to young graduates who have achieved all-round excellence in the pursuit of an accounting education.

The Excellence Awards are divided into two categories namely:

Excellence Awards for the Most Outstanding CPA Student – This award is bestowed on the best all-



One for the Album - Winners of NACRA 2007.



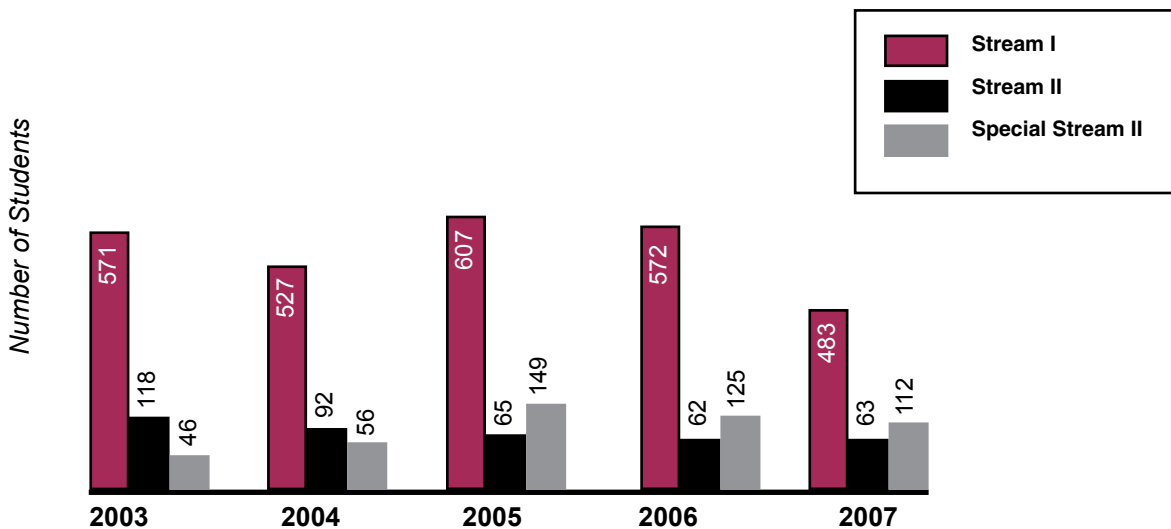
Universiti Malaya Accounting Students during the 11th MICPA Accountancy Week.



Guests at the 49th MICPA Anniversary Commemorative Lecture.

Students' Statistics

	2007	2006
Number of registered students at January 1	759	821
Registration during the year	38	147
Less:		
Admitted to membership/provisional membership, excluded or terminated	139	209
Number of registered students at December 31	658	759
NET INCREASE/(DECREASE)	(101)	(62)



Qualification	As at December 31, 2007				Total as at December 31, 2006
	Stream I	Stream II	Special Stream II	Total	
STPM or Equivalent	0	1	0	1	2
DIA	0	3	0	3	2
Accounting Degrees	254	40	112	406	548
Other Degrees	2	12	0	14	12
Sub-total	256	56	112	424	564
Completed training contract but not examination	227	7	0	234	195
GRAND TOTAL	483	63	112	658	759

round CPA student who has recently completed the MICPA examinations. This year, the award was presented to Ms Rosalind Tay Swee Pei. Rosalind joined the MICPA training programme in August 2005 under articleship with Ernst & Young. She passed each Module of the Advanced Stage Examination of the MICPA examination at the first attempt.

Excellence Awards for Best Accounting Graduates – This award is presented to the top accounting graduate from each of the local universities that offer the Bachelor of Accountancy qualification. A total of 9 Excellence Awards were presented to top students from IIUM, UKM, UM, UPM, USM, UiTM, UUM, MMU and UNITEN.

Eligibility for the awards is by nomination and the criteria for the awards include academic achievements, involvement in extra-curricular activities, personal attributes and career advancement in the case of the Most Outstanding CPA Student Award and the candidate's performance at an interview session.

Certificates of Meritorious Achievement were also presented to all the finalists for the two categories of Excellence Awards.

At the same ceremony, the Vice-President of the Institute, YBhg Dato' Ahmad Johan Mohammad Raslan presented examination certificates to all successful candidates of the November 2006 and May 2007 MICPA examinations. A total of 6 gold medals were also presented to students who had passed the examinations with high distinction. Dato' Ahmad Johan Mohammad Raslan also presented membership certificates to newly admitted members of the Institute.

The MICPA provides for two streams of training. The MICPA students may undertake their training in accounting firms or in approved training organisations in commerce, industry or the public sector. At the same ceremony, an Appreciation Award was presented to West Synergy Sdn Bhd in recognition of the organisation's commitment and support for the MICPA training programme under Stream II. Mr Ng Hock Pin from West Synergy Sdn Bhd received the Appreciation Award on behalf of the organisation.

This year, a token of Appreciation was presented to two kind-hearted individuals in recognition of their support towards the accountancy profession by donating all the royalties collected from the sales of their newly published book titled "Practical Auditing

in Malaysia" to the MACPA Educational Trust Fund. The recipients were YBhg Puan Sri Datin Mary Lee Siew Cheng and Ms Tong Seuk Ying.

The MACPA Educational Trust Fund (ETF) was set up in 1981 to promote education and research in accountancy and related fields. The Trust Fund continues to provide financial assistance to young Malaysians with outstanding academic record but who are financially disadvantaged to pursue a higher accountancy qualification.

49th Anniversary Commemorative Lecture

YBhg Dato' Zarinah Anwar, Chairman of the Securities Commission Malaysia, delivered the Institute's 49th Anniversary Commemorative Lecture titled "Enhancing Confidence in the Capital Market" at a luncheon held on January 24, 2008 at JW Marriott Hotel Kuala Lumpur.

The event was well attended by a distinguished audience of corporate leaders, representatives from various regulatory bodies, senior executives and members of the accountancy profession. The attendance is a strong indication of the importance accorded to this annual event, which is the summit of the Institute's activities.

In her Lecture, Dato' Zarinah Anwar highlighted that investors in the securities market are vulnerable to many legal and ethical abuses and very expensive forms of corruption. The various scandals occurring within PLCs bear witness to this. These developments have provided useful lessons on the critical importance of transparency, emphasising the need to pay serious attention to cases of accounting malpractices and outright frauds if there is to be confidence in the market.

Website

The MICPA portal is the virtual face and presence of the Institute and serves as an important tool in marketing the CPA brand and establishing links with fellow professional bodies all over the world. We rely on the portal for disseminating information about the Institute, facilitating online exchanges and consultations amongst members and partners, supporting cross-border collaborative work, and sharing knowledge resources. Improvements are made on an on-going basis to enhance the look and feel of the website as well as the method of information delivery.

In 2007 we developed a new students' portal that is anchored by the brand theme Success, Achievement and Accomplishment and being more people oriented. We have improved the content, navigation and visual design of the website to make it more inviting and vibrant. The new website was launched on October 17, 2007 and we have received some positive feedback.

The website supports members and practitioners by providing a comprehensive range of services and contains an information resource with search facilities. These include the MICPA Members Handbook on approved accounting and auditing standards, companies and securities laws and regulations, and an e-library with self-search and on-line requests and reservation facilities.

Members and students have secured access to the registers to update their personal particulars, register for Continuing Professional Development (CPD) programmes, update their CPD records, register for examination and workshop sessions, as well as make event bookings on-line. The e-mail broadcast functionality enables the Institute to issue prompt alerts to inform members of technical updates, events and new products.

Information Services

The Institute is focused on providing timely information to give members' and students' a bird's eye view of all the myriad of news, activities, CPD programmes and technical updates from the Institute, regulatory bodies as well as other professional bodies.

Two e-mail communication bulletins have been initiated which are sent out to members and students on a monthly basis and provides a platform for disseminating information promptly and easily and act as a mechanism to widely share information. They include:

- The CPA e-Newsline, which was introduced in January 2006 for members; and
- The CPA Students eCommunicator which was launched in October 2007 is a new initiative by the Institute developed exclusively for students.

Both bulletins complement the e-mail alerts which members and students are already receiving on a regular basis.

The Malaysian Accountant

The Malaysian Accountant Journal is a bi-monthly publication and serves as an important channel of communication with members as well as external audiences. The Editorial Board has been making conscientious efforts to improve both the content and layout of the journal to ensure that it achieves its objectives. In this regard, the Institute appointed a new publisher for the production of The Malaysian Accountant.

The journal features a wide range of articles covering topics relating to accounting, taxation, information technology and the national economy, to cater to the interests of different segments of membership. It also carries regular columns including updates on MASB, IASB and IFAC activities, highlights on case law, and global professional and business news contributed by our overseas correspondent. Major events of the Institute are regularly featured in the Institute News column, which serves as an important means of communicating news on the Institute's activities to members.

National Annual Corporate Report Awards

Winning the prestigious NACRA Award has increasingly become a target of many organisations, which clearly demonstrates the wide recognition of NACRA as the national benchmark for excellence in corporate reporting. It encourages the highest standards in the presentation and reporting of financial and other information needed by shareholders, investors and other interest groups. The competition also seeks to promote higher standards of corporate governance through the publication of timely, informative, factual and well-presented annual reports.

YB Dato' Veerasingam Suppiah, Deputy Minister of Domestic Trade and Consumer Affairs, presented the Challenge Trophy and Awards to the Winners of the National Annual Corporate Report Awards (NACRA) 2007 at an awards presentation ceremony held on November 29, 2007 at the Sime Darby Convention Centre. The ceremony was attended by a large number of senior management of participating companies, a cross section of business leaders from the private and public sectors as well as invited guests.

In his speech, the Minister stressed that the economic health of a nation is reflected by the state of well being or otherwise of its corporate entities, especially so in an economy like Malaysia where the private sector plays a leading role in moving the economy up the value chain. Therefore, the role of the corporate annual report is indeed very important as it is a public testimonial of a company.

A total of 21 awards were presented in 5 categories. Public Bank Berhad took the limelight at the awards presentation when they won the Platinum Award for the Overall Excellence Award for the Most Outstanding Annual Report of the Year. The bank also walked away with the Industry Excellence Award for Companies listed on the Main Board under the Finance category, as well as the Platinum Awards for Best Designed Annual Report and Best Annual Report in Bahasa Malaysia under the Presentation Awards category. YBhg Tan Sri Dato' Sri Dr Teh Hong Piow, Chairman of the Public Bank Berhad, received the Awards and the NACRA Challenge Trophy on behalf of the bank.

Telekom Malaysia Berhad won the Gold Award for the Overall Excellence Award for the Most Outstanding Annual Report of the Year, the Industry Excellence Award for Companies listed on Main Board under the Trading and Services Sector as well as the Gold Award for Best Designed Annual Report under the Presentation Awards.

Tien Wah Press Holdings Berhad won the Industry Excellence Awards for companies listed under Second Board under the Industrial Products & Technology category.

The Award for Best Annual Report of Non-Listed Organisations was won by Cagamas Berhad.

A Certificate of Merit was presented to 10 finalists in recognition of the commendable high quality of their annual reports.

This annual event is jointly organised by Bursa Malaysia Bhd, the Malaysian Institute of Accountants (MIA), The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Management (MIM).

The MICPA was the Organising Committee for NACRA 2007 and Mr Ken Pushpanathan was the Chairman of the NACRA 2007 Organising Committee and Mr Ng Kim Tuck the Alternate Chairman.

Professional Regulation

Financial Statements Review

The accountancy profession is under greater scrutiny by regulators and the public for upholding professional and ethical standards to maintain public confidence in the services they perform.

The Financial Statements Review Committee is entrusted with the task to perform the quality assurance function by monitoring the members' compliance with technical and professional standards. This is done through an on-going programme of review of published financial statements audited by members or member firms. The objective is to determine whether there are any departures from approved accounting standards, listing regulations and statutory financial reporting requirements. Any observations of non-compliance will be communicated to the members responsible to seek explanation. In cases of significant departures, follow-up reviews will be carried out to ensure that these have been rectified.

The thrust of the review process is to assist members maintain high standards in the performance of their work. However, in cases where significant shortcomings are discovered, a complaint may be made to the Investigation Committee.

The Committee is pleased to report that members support the objective of the review process as evidenced by the positive response to matters raised by the Committee.

Investigation and Disciplinary

During the year under the review, the Investigation Committee considered eight cases of complaints, one of which was brought forward from the previous year. The Committee has completed the inquiry into two of the cases and had made an order against the members concerned by consent that the members be reprimanded and fined. The remaining cases were under consideration at the time of this report.

The Disciplinary Committee heard one case of complaint during the period and having considered all the facts and documents laid before it, written representations and representations made at a hearing, conclude that the complaint has not been proved. One other case of complaint, which arose from the previous year, was still under consideration.

International Relations

Operating in a global environment, it is crucial that the Institute maintains active relationships with the international accounting organisations and fellow professional bodies around the world.

The Institute continues to contribute to the work of IFAC. YBhg Datuk Dr Abdul Samad Hj Alias serves as a Board member of the IFAC Board and Mr Beh Tok Koay as a Technical Adviser to the IFAC Board. Both of them have completed their term in November 2007.

The Institute maintains on-going professional relationships with fellow professional bodies around the world to keep abreast of significant national developments in the profession and to share and exchange technical resources.

Registered Students

During the year, the Institute registered a total of 38 new students comprising predominantly graduates with accounting degrees. As compared to previous year, there had been a significant decline in new student intake due to increase competition from foreign accountancy bodies. After taking into account students who were excluded from the register of students for non-payment of annual fees, students who terminated their registration and students who were admitted as members or provisional members, the total number of students stood at 658 at December 31, 2007. This represented a decline in student population by 13% compared to 2006.

The recruitment drive and promotion of the value of the CPA qualification will be the Institute most important strategy in the coming year. As highlighted in the earlier pages of this Report, the Institute has embarked on an active programme to promote the CPA qualification to public universities and institutions of higher learning. Presentations have been made to the accounting faculties on the merits of the CPA programme. Further steps will also be undertaken to enhance the CPA recognition status at the international level.

Some of these initiatives will take time to bear results. In the meantime, the support of members in implementing the CPA programme within the members' organisations and in encouraging new recruits to pursue the CPA qualification is vital.

Training Schemes

The Institute provides for the two streams of training.

Stream I is the traditional route of training where a student works in the office of a CPA in public practice under a training contract, and sits for the CPA examination at the same time. This stream of training is targeted at students who plan to build a career in public accounting practice.

Stream II is designed for students who wish to seek a career in commerce, industry or the public sector. The students are not required to enter into a training contract but must maintain a training log book as a record of their practical experience, which must be obtained in an approved training organisation (ATO) under the supervision of a member of the Institute or one of the professional bodies approved by the Institute. The students may undertake the CPA examination prior to the commencement of practical training or during the training period.

The Institute also provides for a special stream of registration for students in the final year programme of an approved degree in accountancy who wish to enroll for the Module C and D of the Advanced Stage Examination.

At December 31, 2007, a total of 483 students were registered under Stream I, 63 students under Stream II and 112 students under Special Stream II. There are over 90 ATOs providing CPA training under Stream II.

Examination

A total of 394 examination entries were received from registered students for the May and November examinations in 2007. This comprised 5 entries for the Professional Stage Examination and 389 entries for the Advanced Stage Examination. In addition, 10 candidates sat for the Admitting Examination which comprises two papers, i.e. Malaysian Taxation and Regulatory and Financial Reporting Framework of Malaysia, for the purpose of gaining admission to membership under bye-law 34(1)(f).

The total number of examination entries had decreased by 32% compared to 2006 as a result of high drop-out in the students register and decline in new student intake. The number of students sitting for the Professional Stage Examination continued to be small.

Enrolment for MICPA Examinations		
	No. of Candidates	
	2007	2006
Professional Stage Examination		
Module A	2	6
Module B	3	6
Advanced Stage Examination		
Module C	58	162
Module D	155	259
Module E	66	–
Module F	110	151
Bye-law 34(1)(f) candidates	10	10

Education and Training

The Education and Training Committee has continued its concerted effort towards conducting the education and training programme for students and to deliver continuous professional development programmes for members.

The student enrolment statistics show that 3.9% of the students are pursuing the Professional Stage Examination (consisting of Modules A and B of three papers each) and 96.1% are pursuing the Advanced Stage Examination (consisting of Modules C, D, E and F of one paper each). The highly skewed statistics is due to the fact that a large majority of the students are accounting graduates who are exempted from the Professional Stage Examination.

The Advanced Stage Examination requires students to successfully complete a prescribed quantum of workshop before they are eligible to sit for the final module examination. A student's performance in a module will be based on two assessment components, which is the combination of his performance in the workshop sessions (30%) and achievement in the final module examination (70%). A student is required to attend a series of 5 to 7 workshop sessions for each module, each of 4 hours duration. However, in view of the wide syllabus content of Module F, the workshop requirement for this module has been increased from 20 hours to 28 hours with effect from the May 2007 examination.

A total of 476 students had enrolled for the workshop sessions for Advanced Stage Examination in 2007.

This represented a drop in enrolment by 30% compared to the previous year as a result of high drop-out in the students register and decline in new student intake.

Alongside, its responsibilities for students, the Committee undertakes to organise CPD activities for members. Regular CPD programmes in the form of seminars, workshops, evening talks and forums were conducted throughout the year for the benefit of members. In this regard, the Committee works in co-operation with the other Committees, particularly the Commerce and Industry Committee and Public Practice Committee to ensure that the CPD needs of different segments of the membership are met.

In June 2006, the Institute introduced a new professional qualification, which carries the designation Certified Financial Accountant (CFiA). The CFiA is designed to assist accounting graduates to achieve a professional qualification that meets the benchmarks set by the International Federation of Accountants (IFAC). The CFiA qualification will equip the accounting graduates with the knowledge and competences expected of a professional accountant in business. They will be well qualified to build a career in accounting, finance and management in both the business and public sectors.

The Institute promotes the CFiA qualification to Bachelor of Accountancy graduates. The Certified Financial Accountant (CFiA) designation will be awarded to persons who possess a recognised degree in accountancy, who have completed the CFiA Professional Competence Programme and obtained the relevant 3 years of approved practical experience.

The Institute has embarked on an active programme to promote the CFiA qualification to public universities. Presentations have been made to the accounting faculties on the implementation and merits of the CFiA qualification.

The CFiA Professional Competence Programme consists of four subject components namely, Advanced Taxation, Financial Reporting, Professional Values, Ethics and Governance, and Business Finance and Management. The first series of the CFiA Professional Competence Programme will be held from May 2008 to September 2008.

Secretariat

2007 was a year of transition for the Institute as there has been a change in the leadership at the Secretariat. Ms Tan Shook Kheng has since retired from the Institute as Executive Director after 23 years at the helm (1985 – 2007). A determined lady, she

has been instrumental for the growth and expansion of the Institute from serving a membership of 794 as at January 1985, it has grown to over 3,000 members as at January 2007. Ms Tan Shook Kheng has worked with 11 different Presidents of the Institute, and had wide experience in the accountancy profession, ranging from development and promulgation of accounting, auditing and financial reporting standards, professional education and training development to liaison with government and professional bodies both local and overseas. The President, Council and Staff of the Institute salute her and thank her for her years of undivided loyalty and dedicated service.

It will be remiss for me not to acknowledge the Secretariat staff, who are the mainstay of the Institute. In particular, I would like to acknowledge that the achievements of the past year are a credit to the able stewardship of the Institute's new Executive Director, Mr Foo Yoke Pin, whose enthusiasm together with the dedication of the Institute's staff have ensured the efficient and smooth running of the Institute and protect the Institute's reputation for excellence in accountancy and business. As President, I have the greatest respect for the qualities that each person brings to his/her role within the Institute, and I am proud to have their support.

Acknowledgement

I value very much the opportunity to serve as your President and to play a part in building on our strengths and past achievements, and in charting the future course of the Institute. I must say that the role is demanding especially at a time when the environment in which the profession operates is undergoing tremendous change, but it has brought me much satisfaction. My tenure as President has given me the opportunity to represent the Institute on many significant occasions involving the Institute and the accountancy profession as a whole. It is indeed an honour and privilege to serve the Institute.

However, I would not have been able to fulfill my presidential duties without the full support and cooperation of the Council. I must say the effectiveness of leadership, in my books, has always been directly proportional to the totality of

support, which my fellow Council members have given unflinchingly. In particular, I would like to record my special thanks to YBhg Dato' Abdul Halim Mohyiddin, immediate past president for his advice, encouragement and sharing of experiences. I am also indebted to our Vice President, YBhg Dato' Ahmad Johan Mohammad Raslan for sharing my presidential duties.

In addition, I would like to pay a special tribute to three of our colleagues who during the year stood down from the Council after many years of dedicated service. The Institute has benefited tremendously from their expertise and guidance. To YBhg Datuk Dr Abdul Samad Hj Alias, Mr Tan Ghee Kiat and Mr Ho Heng Chuan, we thank you for your unselfish efforts. I would also like to thank Mr Chin Kwai Fatt who did not seek re-election to Council due to work commitments for his contribution.

The Institute has come a long way to its current position as a reputable body with technical excellence. However, it is the members who have built the Institute to what it is today. Your unstinting support, contribution and commitment in advancing the objectives of the Institute have built many milestones and a formidable reputation for the MICPA. It is this spirit of teamwork and solidarity within the membership that has enabled the Institute to face up to some unique challenges and to forge ahead as a progressive and dynamic professional body.

As a Council, we are deeply indebted to all members and other volunteers who have contributed so generously to the work of the Institute by serving in the various committees, working groups and task forces. The Institute has benefitted enormously from your voluntary contribution of time and energy, and more importantly your unselfish sharing of advice and ideas on professional issues which have contributed to enhancing the respect and confidence in the Institute by all stakeholders.

The year ahead will bring with it fresh challenges and opportunities for the Institute. The consolidated support and commitment of members are vital to the continued development of our Institute and the accountancy profession.



YBhg Dato' Zarinah Anwar delivering the Commemorative Lecture.



The President presenting a token of appreciation to Ms Tan Shook Kheng for her years of loyal service to the Institute.



Career Talk in Progress.

Technical Pronouncements May 2008

A Approved Accounting Standards and Guidelines

Statement of Approved Accounting Standards (Issued 1988)

(a) MASB Approved Accounting Standards for Entities Other than Private Entities*

	Extant Accounting Standards Superseded	MASB Operational Date
Foreword to MASB Standards and Other Technical Pronouncements (Revised)		Jul. 1, 1999
Framework for the Preparation and Presentation of Financial Statements		Jul. 1, 2007
FRS 1 First-time Adoption of Financial Reporting Standards		Jan. 1, 2006
FRS 2 Share-based Payment		Jan. 1, 2006
FRS 3 Business Combinations	FRS 122 ²⁰⁰⁴	Jan. 1, 2006
FRS 5 Non-current Assets Held for Sale and Discontinued Operations	FRS 135 ²⁰⁰⁴	Jan. 1, 2006
FRS 6 Exploration for and Evaluation of Mineral Resources		Jan. 1, 2007
FRS 101 Presentation of Financial Statements	FRS 101 ²⁰⁰⁴	Jan. 1, 2006
FRS 102 Inventories	FRS 102 ²⁰⁰⁴	Jan. 1, 2006
FRS 107 Cash Flow Statements	FRS 107 ²⁰⁰⁴	Jul. 1, 2007
FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	FRS 108 ²⁰⁰⁴	Jan. 1, 2006
FRS 110 Events After the Balance Sheet Date	FRS 110 ²⁰⁰⁴	Jan. 1, 2006
FRS 111 Construction Contracts	FRS 111 ²⁰⁰⁴	Jul. 1, 2007
FRS 112 Income Taxes	FRS 112 ²⁰⁰⁴	Jul. 1, 2007
FRS 114 ²⁰⁰⁴ Segment Reporting	IAS 14	Jan. 1, 2002
FRS 116 Property, Plant and Equipment	FRS 116 ²⁰⁰⁴	Jan. 1, 2006
FRS 117 Leases	FRS 117 ²⁰⁰⁴	Oct. 1, 2006
FRS 118 Revenue	FRS 118 ²⁰⁰⁴	Jul. 1, 2007
FRS 119 Employee Benefits	FRS 119 ²⁰⁰⁴ & Amendment to FRS 119 ²⁰⁰⁴	Jan. 1, 2003
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	FRS 120 ²⁰⁰⁴	Jul. 1, 2007
FRS 121 The Effects of Changes in Foreign Exchange Rates	FRS 121 ²⁰⁰⁴	Jan. 1, 2006
Amendment to Financial Reporting Standard 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation		Jul. 1, 2007
FRS 123 ²⁰⁰⁴ Borrowing Costs	IAS 23	Jul. 1, 2002
FRS 124 Related Party Disclosures	FRS 124 ²⁰⁰⁴	Oct. 1, 2006
FRS 126 Accounting and Reporting by Retirement Benefit Plans	FRS 126 ²⁰⁰⁴	Jan. 1, 2003
FRS 127 Consolidated and Separate Financial Statements	FRS 127 ²⁰⁰⁴	Jan. 1, 2006
FRS 128 Investments in Associates	FRS 128 ²⁰⁰⁴	Jan. 1, 2006
FRS 129 Financial Reporting in Hyperinflationary Economies	FRS 129 ²⁰⁰⁴	Jan. 1, 2003

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 131	Interests in Joint Ventures	FRS 131 ²⁰⁰⁴	Jan. 1, 2006
FRS 132	Financial Instruments: Disclosure and Presentation	FRS 132 ²⁰⁰⁴	Jan. 1, 2006
FRS 133	Earnings Per Share	FRS 133 ²⁰⁰⁴	Jan. 1, 2006
FRS 134	Interim Financial Reporting	FRS 134 ²⁰⁰⁴	Jul. 1, 2007
FRS 136	Impairment of Assets	FRS 136 ²⁰⁰⁴	Jan. 1, 2006
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	FRS 137 ²⁰⁰⁴	Jul. 1, 2007
FRS 138	Intangible Assets	FRS 109 ²⁰⁰⁴	Jan. 1 2006
FRS 139 [#]	Financial Instruments: Recognition and Measurement	—	—
FRS 140	Investment Property	IAS 40 & FRS 125 ²⁰⁰⁴ that part of that deals with investment property	Jan. 1, 2006
FRS 201 ²⁰⁰⁴	Property Development Activities	MAS 7	Jan. 1, 2004
FRS 202 ²⁰⁰⁴	General Insurance Business	MAS 3	Jul. 1, 2001
FRS 203 ²⁰⁰⁴	Life Insurance Business	MAS 4	Jul. 1, 2001
FRS 204 ²⁰⁰⁴	Accounting for Aquaculture	MAS 5	Sep. 1, 1998

Note:

* FRS are applicable to all entities other than private entities

FRS xx corresponds to the equivalent IFRS issued by the IASB.

FRS with 100 prefix corresponds to the equivalent IAS. Hence, FRS 112 is equivalent to IAS 12.

FRS with 200 prefix denotes locally developed standards with no equivalent international standard.

This standard is enacted but not effective yet.

(b) MASB Approved Accounting Standards for Private Entities (PERS)**

		MASB Original Operational Date
MASB 1	Presentation of Financial Statements	Jul. 1, 1999
MASB 2	Inventories	Jul. 1, 1999
MASB 3	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	Jul. 1, 1999
MASB 4	Research and Development Costs	Jul. 1, 1999
MASB 5	Cash Flow Statements	Jul. 1, 1999
MASB 6	The Effects of Changes in Foreign Exchange Rates	Jul. 1, 1999
MASB 7	Construction Contracts	Jul. 1, 1999
MASB 9	Revenue	Jan. 1, 2000
MASB 10	Leases	Jan. 1, 2000
MASB 11	Consolidated Financial Statements and Investments in Subsidiaries	Jan. 1, 2000
MASB 12	Investments in Associates	Jan. 1, 2000
MASB 14	Depreciation Accounting	Jul. 1, 2000
MASB 15	Property, Plant and Equipment	Jul. 1, 2000
MASB 16	Financial Reporting of Interests in Joint Ventures	Jul. 1, 2000
MASB 19	Events after the Balance Sheet Date	Jul. 1, 2001

	MASB Original Operational Date
MASB 20 Provisions, Contingent Liabilities and Contingent Assets	Jul. 1, 2001
MASB 23 Impairment of Assets	Jan. 1, 2002
MASB 25 Income Taxes	Jul. 1, 2002
MASB 27 Borrowing Costs	Jul. 1, 2002
MASB 28 Discontinuing Operations	Jan. 1, 2003
MASB 29 Employee Benefits	Jan. 1, 2003
MASB 30 Accounting and Reporting by Retirement Benefit Plans	Jan. 1, 2003
MASB 31 Accounting for Government Grants and Disclosure of Government Assistance	Jan. 1, 2004
MASB 32 Property Development Activities	Jan. 1, 2004
IAS 25 Accounting for Investments	Sep. 1, 1998
IAS 29 Financial Reporting in Hyperinflationary Economies	Jan. 1, 2003
MAS 5 Accounting for Aquaculture	Sep. 1, 1998
IB-1 Preliminary and Pre-operating Expenditure	Jan. 1, 2001

** PERS is a set of accounting standards issued or adopted by MASB for application by all private entities.

A private entity is a private company incorporated under the Companies Act 1965 that -

- is not itself required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia; and
- is not a subsidiary or associate of or jointly controlled by an entity which is required to prepare or lodge any financial statements under any law administered by the Securities Commission or Bank Negara Malaysia.

(c) Malaysian Accounting Standards Board (MASB) Islamic Accounting Standards

	MASB Operational Date
FRS <i>i</i> -1 ²⁰⁰⁴ Presentation of Financial Statements of Islamic Financial Institutions	Jan. 1, 2003

FRS with *i* prefix denotes an Islamic financial reporting standard.

(d) MASB IC Interpretations

	MASB Operational Date
Preface	
IC Interpretation 107 Introduction of the Euro	Jan. 1, 2006
IC Interpretation 110 Government Assistance - No Specific Relation to Operating Activities	Jan. 1, 2006
IC Interpretation 112 Consolidation - Special Purpose Entities	Jan. 1, 2006
IC Interpretation 113 Jointly Controlled Entities - Non-Monetary Contributions by Venturers	Jan. 1, 2006
IC Interpretation 115 Operating Leases - Incentives	Jan. 1, 2006
IC Interpretation 121 Income Taxes - Recovery of Revalued Non-Depreciable Assets	Jan. 1, 2006
IC Interpretation 125 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Jan. 1, 2006
IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Jan. 1, 2006
IC Interpretation 129 Disclosure - Service Concession Arrangements	Jan. 1, 2006
IC Interpretation 131 Revenue - Barter Transactions Involving Advertising Services	Jan. 1, 2006
IC Interpretation 132 Intangible Assets - Web Site Costs	Jan. 1, 2006
IC Interpretation 201 Preliminary and Pre-operating Expenditure	Jan. 1, 2001

		MASB Operational Date
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Jul. 1, 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	Jul. 1, 2007
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Jul. 1, 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Jul. 1, 2007
IC Interpretation 7	Applying the Restatement Approach under IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	Jul. 1, 2007
IC Interpretation 8	Scope of FRS 2	Jul. 1, 2007

The numbering of the IC Interpretation corresponds to the Interpretation issued by the IFRIC and SIC respectively. For example, IC Interpretation 1 in Malaysia is equivalent to IFRIC Interpretation 1. IC Interpretation with a '100 prefix' corresponds to its equivalent SIC-Interpretation. Thus, IC Interpretation 112 is equivalent to SIC-12. IC Interpretation with a '200 prefix' denotes locally developed interpretation with no equivalent international interpretation. In this regard, the existing Interpretation Bulletin I Preliminary and Pre-operating Expenditure is renamed as IC Interpretation 201.

Hence, IC Interpretation 1 = IFRIC Interpretation 1
 IC Interpretation 112 = SIC-12
 IC Interpretation 201 = locally developed interpretation

(e) MASB Technical Releases (TR)

		MASB Operational Date
TR 1	Share Buybacks - Accounting and Disclosure (Revised April 1999)	Jan. 1, 1999
TR 2	The Year 2000 Issue: Accounting and Disclosure	Jul. 31, 1998
TR i-1	Accounting for Zakat on Business	Jul. 1, 2006
TR i-2	Ijarah	Jul. 1, 2006

(f) MASB Statement of Principles (SOP)

		MASB Issue Date
SOP 1	Exempt Enterprises	Jun. 2000
SOP 2	Interim Financial Reporting	[Superseded by FRS 134 ²⁰⁰⁴]

(g) International Accounting Standards (IAS)

		MICPA Operational Date	MASB Operational Date	IASB Operational Date
IAS 25	Accounting for Investments	1993	1998	1987

(h) Malaysian Accounting Standards (MAS)

		MICPA Operational Date	MASB Operational Date
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(i) Issued

MAS 1	Earnings Per Share (issued Jan. 1984)	[Superseded by FRS 133]
MAS 2	Accounting for Acquisitions and Mergers (issued Jan. 1989)	[Superseded by FRS 3]

		MICPA Operational Date	MASB Operational Date
MAS 3	Accounting for General Insurance Business (issued Jan. 1992)		[Superseded by FRS 202 ²⁰⁰⁴]
MAS 4	Accounting for Life Insurance Business (issued Jan. 1992)		[Superseded by FRS 203 ²⁰⁰⁴]
MAS 5	Accounting for Aquaculture (issued Jan. 1992)		[Superseded by FRS 204 ²⁰⁰⁴]
MAS 7	Accounting for Property Development Activities (issued Jan. 1994)		[Superseded by FRS 201]
MAS 8	Accounting for Pre-Cropping Costs	1997	–

(ii) Exposure Draft

MAS 6	Accounting for Goodwill		[Superseded by FRS 3]
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(i) MICPA Technical Bulletins (TB)

			MICPA Issue Date
TB 1	Accounting for Investments (issued 1982)		[Superseded by IAS 25]
TB 2	Accounting for Land Held for Development and Resale (issued 1982)		[Superseded by MAS 7]
TB 3	Accounting for Malaysian Government Securities (issued 1983)		Withdrawn
TB 4	Reporting in Connection with the Capital Adequacy Ratio of Banks		Apr. 1983
TB 5	Accounting for the Acquisition Costs of Assets in a Subsidiary (issued 1984)		[Superseded by IAS 27]
TB 6	Auditor's Reports on Financial Statements Published in the Print Media by Financial Institutions		Apr. 1988
TB 7	Accounting for Bankers' Acceptances		Jan. 1989
TB 8	Accounting for Profit Guarantee and Other Contingencies in Business Acquisitions		Dec. 1995

B Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

Statement of Policy of Council - Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (issued Dec. 2007)

	IAG/ISA Superseded	MICPA Issue Date	IFAC Issue Date
Structure of Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and Guidelines Issued by the MICPA	–	Sep. 2006	–
Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services	–	Sep. 2006	Dec. 2005
Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services (Amended)	–	May 2008	Dec. 2006
Glossary of Terms (Dec. 2006)	–	Nov. 2007	Dec. 2006

(a) International Standards on Quality Control (ISQC)

	IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements	–	Requirements to be established by Jul. 1, 2006	Requirements to be established by Jun. 15, 2006

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
(b) Framework				
	International Framework for Assurance Engagements	ISA 120	Jan. 2007	Jan. 2005
(c) International Standards on Auditing (ISA)				
ISA 100	Assurance Engagements	–	withdrawn (Jan. 2007)	withdrawn (Dec. 2004)
ISA 120	Framework of International Standards on Auditing	–	withdrawn (Jan. 2007)	withdrawn (Dec. 2004)
ISA 200	Objective and General Principles Governing an Audit of Financial Statements	IAG 1 & IAG 3	Jan. 2006	Dec. 2005
ISA 210	Terms of Audit Engagements	IAG 2	Jan. 2006	Dec. 2005
ISA 220	Quality Control for Audits of Historical Financial Information	IAG 7	Jan. 2006	Jun. 2005
ISA 230	Documentation	IAG 9	Jan. 2006	Dec. 2004
ISA 230 (Revised)	Audit Documentation	ISA 230	Jan. 2008	Jun. 2006
ISA 230 (Redrafted)	Audit Documentation		Jan. 2010	Dec. 2009
ISA 240	The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements	IAG 11	Jan. 2006	Dec. 2004
ISA 240 (Redrafted)	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements		Jan. 2010	Dec. 2009
ISA 250	Consideration of Laws and Regulations in an Audit of Financial Statements	ISA 31	Jan. 2006	Dec. 2004
ISA 260	Communication of Audit Matters with Those Charged with Governance	–	Jan. 2006	Dec. 2004
ISA 260 (Revised and Redrafted)	Communications with Those Charged with Governance		Jan. 2010	Dec. 2009
ISA 300	Planning an Audit of Financial Statements	IAG 4	Jul. 2006	Dec. 2004
ISA 300 (Redrafted)	Planning an Audit of Financial Statements		Jan. 2010	Dec. 2009
ISA 310	Knowledge of the Business	ISA 30	withdrawn (Jan. 2006)	withdrawn (Dec. 2004)
ISA 315	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement	IAG 25 & ISA 310	Jan. 2006	Dec. 2004
ISA 315 (Redrafted)	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment		Jan. 2010	Dec. 2009
ISA 320	Audit Materiality	IAG 25	Jan. 2006	Dec. 2004
ISA 330	The Auditor's Procedures in Response to Assessed Risks	–	Jan. 2006	Dec. 2004
ISA 330 (Redrafted)	The Auditor's Response to Assessed Risks		Jan. 2010	Dec. 2009
ISA 402	Audit Considerations Relating to Entities Using Service Organisations	IAG 6 Addendum 2	Jan. 2006	Dec. 2004

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 500	Audit Evidence	IAG 8	Jan. 2006	Dec. 2004
ISA 501	Audit Evidence - Additional Considerations for Specific Items	IAG 8 Addenda 1 & 2	Jan. 2006	Dec. 2004
ISA 505	External Confirmations	–	Jan. 2006	Dec. 2004
ISA 510	Initial Engagements - Opening Balances	IAG 28	Jan. 2006	Dec. 2004
ISA 520	Analytical Procedures	IAG 12	Jan. 2006	Dec. 2004
ISA 530	Audit Sampling and Other Means of Testing	IAG 19	Jan. 2006	Dec. 2004
ISA 540	Audit of Accounting Estimates	IAG 26	Jan. 2006	Dec. 2004
ISA 545	Auditing Fair Value Measurements and Disclosures	–	Jul. 2006	Dec. 2004
ISA 550	Related Parties	IAG 17	Jan. 2006	Dec. 2004
ISA 560	Subsequent Events	IAG 21	Jan. 2006	Dec. 2004
ISA 570	Going Concern	IAG 23	Dec. 2006	Dec. 2004
ISA 580	Management Representations	IAG 22	Jan. 2006	Dec. 2004
ISA 600	Using the Work of Another Auditor	IAG 5	Jan. 2000	Jul. 1994
ISA 610	Considering the Work of Internal Auditing	IAG 10	Jan. 2006	Dec. 2004
ISA 620	Using the Work of an Expert	IAG 18	Jan. 2006	Dec. 2005
ISA 700	The Auditor's Report on Financial Statements	IAG 13 MAG 1 & ATR 1	Dec. 2002	Sep. 2002
ISA 700 (Revised)	The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements	ISA 700	Jul. 2008	Dec. 2006
ISA 701	Modifications to the Independent Auditor's Report		Jul. 2008	Dec. 2006
ISA 710	Comparatives	–	Jan. 2006	Dec. 2004
ISA 720	Other Information in Documents Containing Audited Financial Statements	IAG 14	Jan. 2006	Dec. 2004
ISA 800	The Independent Auditor's Report on Special Purpose Audit Engagements	IAG 24	Jul. 2008	Dec. 2006

(d) International Auditing Practice Statements (IAPS)

		MICPA Issue Date	IFAC Issue Date
IAPS 1000	Inter-Bank Confirmation Procedures	Jan. 2000	Jul. 1994
IAPS 1001	IT Environments - Stand-Alone Personal Computers	withdrawn (Sep. 2007)	withdrawn (Dec. 2004)
IAPS 1002	IT Environments - On-Line Computer Systems	withdrawn (Sep. 2007)	withdrawn (Dec. 2004)
IAPS 1003	IT Environments - Database Systems	withdrawn (Sep. 2007)	withdrawn (Dec. 2004)
IAPS 1004	The Relationship between Banking Supervisors and Banks' External Auditors	Sept. 2006	Dec. 2001
IAPS 1005	The Special Considerations in the Audit of Small Entities	May 2007	Oct. 2003
IAPS 1006	Audits of the Financial Statements of Banks	Aug. 2003	Dec. 2001
IAPS 1007	Communications with Management	withdrawn (Jan. 2006)	withdrawn (Jun. 2001)
IAPS 1008	Risk Assessments and Internal Control	withdrawn (Jan. 2006)	withdrawn (Dec. 2004)

		MICPA Issue Date	IFAC Issue Date
IAPS 1009	Computer-Assisted Audit Techniques	withdrawn (Sep. 2007)	withdrawn (Dec. 2004)
IAPS 1010	The Consideration of Environmental Matters in the Audit of Financial Statements	Jan. 2000	Mar. 1998
IAPS 1011	Implications for Management and Auditors of the Year 2000 Issue	withdrawn (Jan. 2006)	withdrawn (Jun. 2001)
IAPS 1012	Auditing Derivative Financial Statements	Sept. 2006	Mar. 2001
IAPS 1013	Electronic Commerce – Effect on the Audit of Financial Statements	Aug. 2003	Mar. 2002
IAPS 1014	Reporting by Auditors on Compliance with International Financial Reporting Standards	May 2007	Jun. 2003

(e) International Standards on Review Engagements (ISREs)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISRE 2400	Engagements to Review Financial Statements (Previously ISA 910)	IAG/ RS 1 & 2	Jul. 2007	Dec. 2006
ISRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity		Jul. 2007	Dec. 2006

(f) International Standards on Assurance Engagements (ISAEs)

ISAE 3000 (Revised)	Assurance Engagements Other than Audits or Reviews of Historical Financial Information	ISA 100	Jan. 2007	Jan. 2005
ISAE 3400	The Examination of Prospective Financial Information (Previously ISA 810)	IAG 27	Jan. 2000	Jul. 1994

(g) International Standards on Related Services (ISRSs)

			MICPA Operational Date	IFAC Issue Date
ISRS 4400	Engagements to Perform Agreed-upon Procedures Regarding Financial Information (Previously ISA 920)	IAG/ RS 3	Jan. 2000	Jul. 1994
ISRS 4410	Engagements to Compile Financial Information (Previously ISA 930)	IAG/RS 4	Jan. 2000	Jul. 1994

(h) Malaysian Auditing Guidelines (MAG)

			MICPA Issue Date
MAG 1	Auditor's Reports: Forms and Qualifications (issued 1988)		[Superseded by ISA 700]

(i) MICPA Auditing Technical Releases (ATR)

			MICPA Issue Date
ATR 1	Audit Report Examples (issued Apr. 1988)		[Superseded by ISA 700]
ATR 2	Standard Letter of Request for Information from Banks/ Finance Companies for Audit Purposes		May 1990

		MICPA Issue Date
ATR 3	Accountants' Report for Prospectus (issued Jan. 1989)	[Superseded by ISA 810]
ATR 4	Reporting in Connection with Submission of Proposals to Capital Issues Committee (issued May 1990)	[Superseded by ISA 810]
ATR 5	Guidance for Auditors on the Review of Directors' Statement on Internal Control	Mar. 2002

C MICPA Guidelines for Accounting in Public Sector (GAPS)

		MICPA Issue Date
	Preface to Guidelines for Accounting in Public Sector	Jan. 1992
GAPS 1	Public Sector Accounting Concepts	Jan. 1992

D MICPA Insolvency Guidance Notes (IG)

		MICPA Issue Date
	Preface to Insolvency Guidance Notes	Nov. 1992
IG 1	Minimum Standards of Practice by Insolvency Practitioners	Nov. 1992
IG 2	A Receiver's Responsibility for the Books and Records of the Company	Jul. 1994
IG 3	A Liquidator's Investigation into the Affairs of an Insolvent Company	Jul. 1994
IG 4	Procedure for Winding Up an Insolvent Company Voluntarily	Dec. 1997
IG 5	Members' Voluntary Winding Up	Dec. 1997
IG 6	Preparation of Statement of Receipts and Payments by Insolvency Practitioners	Aug. 1998
IG 7	Professional Conduct and Ethics in Insolvency Practice	Aug. 1998
IG 8	Suggested Receivership Checklist (For Receiver & Manager Appointed under a Debenture)	Aug. 1998

E Statements on International Management Accounting

MICPA Statement on International Management Accounting Statements (issued Dec. 1992)

(a) Statements on International Management Accounting Practices (MAP)

		MICPA Issue Date	IFAC Issue Date
	Preface to Statements on International Management Accounting	Dec. 1992	Feb. 1987
MAP 1	Management Accounting Concepts (Revised 1998)	Aug. 1998*	Mar. 1998
MAP 2	The Capital Expenditure Decision	Dec. 1992	Oct. 1989
MAP 3	Foreign Currency Exposure and Risk Management	Sep. 1993	Jul. 1990
MAP 4	Management Control of Projects	Jul. 1993	Oct. 1991
MAP 5	Managing Quality Improvements	Sep. 1993	Mar. 1993
MAP 6	Post Completion Review	Nov. 1994	Apr. 1994
MAP 7	Strategic Planning for Information Resource Management	Nov. 1996*	Feb. 1996

(b) Statements on International Management Accounting Studies (IMAS)

(i) Issued

IMAS 3	An Introduction to Strategic Financial Management (Revised 1995)	Jul. 1993	Apr. 1988
IMAS 4	Reporting Treasury Performance - A Framework for The Treasury Practitioner	Apr. 1996*	Sep. 1995

		MICPA Issue Date	IFAC Issue Date
IMAS 5	The Role of Management Accounting in the Emerging Team Approach to Work	May 1996*	Sep. 1995
IMAS 6	Environmental Management in Organisations - The Role of Management Accounting	Aug. 1998*	Mar. 1998
IMAS 7	The Measurement and Management of Intellectual Capital	Apr. 1999*	Dec. 1998
IMAS 8	Codifying Power and Control: Ethical Codes in Action	Sep. 1999*	May 1999
IMAS 9	Enhancing Shareholder Wealth by Better Managing Business Risk	Sep. 1999*	Jun. 1999
IMAS 10	Target Costing for Effective Cost Management	Sep. 1999*	Jun. 1999

* Reviewed by MICPA and issued to members on request basis

(ii) Being considered by MICPA for Issuance

IMAS 11	A Profession Transforming: From Accounting to Management	–	Mar. 2001
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F MICPA Statements

		MICPA Issue Date
No. 1	Recommendations on the Presentations of Accounts (issued 1972)	[Superseded by IAS 1]
No. 2	Audit Reports and Qualifications (issued 1972)	[Superseded by MAG 1]
No. 3	Accountants' Report for Prospectuses (issued 1976)	[Superseded by ATR 3]
No. 4	Directors' Report (issued Nov. 1985) Model Holdings Berhad-Specimen Financial Statements (Revised)	(Withdrawn) Jun. 2004
No. 5	Statement of Source and Application of Funds (issued 1981)	[Superseded by IAS 7]

G Status of Other MASB Pronouncements

(a) MASB Exposure Draft

		MASB Issue Date
ED 26	Financial Reporting by Unit Trusts	Jun. 2000
ED 50	Agriculture	Jan. 2006
ED 51	Insurance Contracts	Jan. 2006
ED 52	Private Entity Reporting Standards	Jun. 2006
ED 56	Financial Instruments: Disclosure	Jun. 2007
ED 57	Operating Segments	Jun. 2007
Draft IC Interpretation 9	Reassessment of Embedded Derivatives	Mar. 2007
Draft IC Interpretation 10	Interim Financial Reporting and Impairment	Mar. 2007

H Status of Other International Standards on Auditing (ISA) and Exposure Drafts Issued by IAASB

		IFAC Issue Date
(a) ISA Issued as MICPA Exposure Draft		
ISA 600 (Revised and Redrafted)	Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)	Oct. 2007

(b) IAASB's Exposure Drafts Issued as MICPA Exposure Draft

		MICPA Issue Date	IFAC Issue Date
ED ISQC 1 (Redrafted)	Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements	Oct. 2007	Aug. 2007
ED ISAE 3402	Assurance Reports on Controls at a Third Party Service Organisation	Mar. 2008	Dec. 2007
ED ISA 200 (Revised and Redrafted)	Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing	Oct. 2007	May 2007
ED ISA 210 (Redrafted)	Agreeing the Terms of Audit Engagements	Mar. 2008	Jan. 2008
ED ISA 220 (Redrafted)	Quality Control for an Audit of Financial Statements	Oct. 2007	Aug. 2007
ED ISA 250 (Redrafted)	The Auditor's Responsibilities Relating to Laws and Regulations in an Audit of Financial Statements	Oct. 2007	May 2007
ED ISA 265	Communicating Deficiencies in Internal Control	Mar. 2008	Dec. 2007
ED ISA 320 (Revised and Redrafted)	Materiality in Planning and Performing an Audit	May 2007	Nov. 2006
ED ISA 402 (Revised and Redrafted)	Audit Considerations Relating to an Entity Using a Third Party Service Organisation	Mar. 2008	Dec. 2007
ED ISA 450 (Redrafted)	Evaluation of Misstatements Identified during the Audit	May 2007	Nov. 2006
ED ISA 500 (Redrafted)	Considering the Relevance and Reliability of Audit Evidence	Oct. 2007	May 2007
ED ISA 501 (Redrafted)	Audit Evidence Regarding Specific Financial Statement Account Balances and Disclosures	Mar. 2008	Dec. 2007
ED ISA 505 (Revised and Redrafted)	External Confirmations	Mar. 2008	Oct. 2007
ED ISA 510 (Redrafted)	Initial Audit Engagements – Opening Balances	Oct. 2007	Jul. 2007
ED ISA 520 (Redrafted)	Analytical Procedures	Mar. 2008	Dec. 2007
ED ISA 530 (Redrafted)	Audit Sampling	Oct. 2007	Jul. 2007
ED ISA 540 (Revised and Redrafted)	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	May 2007	Dec. 2006
	Proposed withdrawal of ISA 545, Auditing Fair Value Measurements and Disclosures		
ED ISA 550 (Revised and Redrafted)	Related Parties	May 2007	Mar. 2007
ED ISA 560 (Redrafted)	Subsequent Events	May 2007	Dec. 2006
ED ISA 570 (Redrafted)	Going Concern	May 2007	Mar. 2007
ED ISA 580 (Revised and Redrafted)	Written Representations	May 2007	Dec. 2006
ED ISA 610 (Redrafted)	The Auditor's Consideration of the Internal Audit Function	May 2007	Dec. 2006
ED ISA 620 (Revised and Redrafted)	Using the Work of an Auditor's Expert	Mar. 2008	Oct. 2007
ED ISA 700 (Redrafted)	The Independent Auditor's Report on General Purpose Financial Statements	Oct. 2007	Aug. 2007
ED ISA 705 (Revised and Redrafted)	Modifications to the Opinion in the Independent Auditor's Report	Oct. 2007	Aug. 2007
ED ISA 706 (Revised and Redrafted)	Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report	Oct. 2007	Aug. 2007

		MICPA Issue Date	IFAC Issue Date
ED ISA 710 (Redrafted)	Comparative Information – Corresponding Figures and Comparative Financial Statements	Mar. 2008	Jan. 2008
ED ISA 720 (Redrafted)	The Auditor’s Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements	May 2007	Dec. 2006
ED ISA 800 (Revised and Redrafted)	Special Considerations – Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	Oct. 2007	Aug. 2007
ED ISA 805 (Revised and Redrafted)	Engagements to Report on Summary Financial Statements	Oct. 2007	Aug. 2007

I Status of Other Statements on International Management Accounting

	IFAC Issue Date
(a) Not Issued by MICPA	
Study No. 1 Control of Computer Applications	Oct. 1985
Management Accounting Concepts (Revised 1998)	Mar. 1998

J International Public Sector Accounting Standards (IPSAS)

Introduction to the Public Sector Committee of the International Federation of Accountants	Jul. 1988
Preface to International Public Sector Accounting Standards (Revised)	Jan. 2007

(a) Standards

IPSAS 1 Presentation of Financial Statements	Jan. 2007
IPSAS 2 Cash Flow Statements	May 2000
IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors	Jan. 2007
IPSAS 4 The Effects of Changes in Foreign Exchange Rates	Apr. 2008
IPSAS 5 Borrowing Costs	May 2000
IPSAS 6 Consolidated and Separate Financial Statements	Jan. 2007
IPSAS 7 Investments in Associates	Jan. 2007
IPSAS 8 Interests in Joint Ventures	Jan. 2007
IPSAS 9 Revenue from Exchange Transactions	Jun. 2001
IPSAS 10 Financial Reporting in Hyperinflationary Economies	Jun. 2001
IPSAS 11 Construction Contracts	Jun. 2001
IPSAS 12 Inventories	Jan. 2007
IPSAS 13 Leases	Jan. 2007
IPSAS 14 Events After the Reporting Date	Jan. 2007
IPSAS 15 Financial Instruments: Disclosure and Presentation	Dec. 2001
IPSAS 16 Investment Property	Jan. 2007
IPSAS 17 Property, Plant and Equipment	Jan. 2007
IPSAS 18 Segment Reporting	Jun. 2002
IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets	Oct. 2002
IPSAS 20 Related Party Disclosures	Oct. 2002

IFAC
Issue Date

IPSAS 21	Impairment of Non-Cash Generating Assets	Dec. 2004
IPSAS 22	Disclosure of Information About the General Government Sector	Dec. 2006
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	Dec. 2006
IPSAS 24	Presentation of Budget Information in Financial Statements	Dec. 2006
IPSAS 25	Employee Benefits	Feb. 2008
IPSAS 26	Impairment of Cash - Generating Assets	Feb. 2008

Cash Basis

IPSAS	Financial Reporting Under the Cash Basis of Accounting	Jan. 2008
	Glossary of Defined Terms in IPSAS 1 to IPSAS 26	Dec. 2006

(b) Guidelines

No. 1	Financial Reporting by Government Business Enterprises	Jul. 1989 (withdrawn Nov. 2007)
No. 2	Applicability of International Standards on Auditing to Audits of Financial Statements of Government Business Enterprises	Jul. 1990
No. 3	Applicability of International Standards on Auditing to the Audits of Financial Statements of Governments and Other Non-Business Public Sector Entities	Jan. 1992

(c) Studies

Study 1	Financial Reporting by National Governments	Mar. 1991
Study 2	Elements of the Financial Statements of National Governments	Jul. 1993
Study 3	Auditing for Compliance with Authorities - A Public Sector Perspective	Oct. 1994
Study 4	Using the Work of Other Auditors - A Public Sector Perspective	Oct. 1994
Study 5	Definition and Recognition of Assets	Aug. 1995
Study 6	Accounting for and Reporting Liabilities	Aug. 1995
Study 7	Performance Reporting by Government Business Enterprises	Jul. 1996
Study 8	The Government Financial Reporting Entity	Jul. 1996
Study 9	Definition and Recognition of Revenue	Dec. 1996
Study 10	Definition and Recognition of Expenses / Expenditures	Dec. 1996
Study 11	Government Financial Reporting: Accounting Issues and Practices	May 2000
Study 12	Perspectives on Cost Accounting for Governments	Sep. 2000
Study 13	Governance in the Public Sector: A Governing Body Perspective	Aug. 2001
Study 14	Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities (Second Edition)	Dec. 2003

(d) Other Statements

Invitation to Comment: Impairment of Assets	Jul. 2000
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K International Information Technology Guidelines

IFAC
Issue Date

(a) Guidelines

No. 1	Managing Security Information	Jan. 1998
No. 2	Managing Information Technology Planning for Business Impact	Jan. 1999

		IFAC Issue Date
No. 3	Acquisition of Information Technology	May 2000
No. 4	The Implementation of Information Technology Solutions	May 2000
No. 5	IT Service Delivery and Support	May 2000
No. 6	IT Monitoring	Apr. 2002

(b) Exposure Draft

Outsourcing		Dec. 2001
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L International Education Standards for Professional Accountants

		IFAC Operational Date
Framework for International Education Statements		
IES 1	Entry Requirements to a program of Professional Accounting Education	Jan. 1, 2005
IES 2	Content of Professional Accounting Education Programs	Jan. 1, 2005
IES 3	Professional Skills	Jan. 1, 2005
IES 4	Professional Values, Ethics and Attitudes	Jan. 1, 2005
IES 5	Practical Experience Requirements	Jan. 1, 2005
IES 6	Assessment of Professional Capabilities and Competence	Jan. 1, 2005
IES 7	Continuing Professional Development : A Program of Lifelong Learning and Continuing Development of Professional Competence	Jan. 1, 2006
IES 8	Competence Requirements for Audit Professionals	Jul. 1, 2008

M Code of Ethics

	MICPA Issue Date	IFAC Issue Date
IFAC Code of Ethics for Professional Accountants (Revised)		Jul. 2006
MICPA Code of Ethics	Oct. 2007	

N Status of International Financial Reporting Standards

	IASB Issue Date
Preface to International Financial Reporting Standards	Apr. 2002
Framework for the Preparation and Presentation of Financial Statements	Apr. 2001

International Financial Reporting Standards (IFRSs)

	IASB Operational Date	
IFRS 1	First-time Adoption of International Financial Reporting Standards	Jan. 1, 2004
IFRS 2	Share-based Payment	Jan. 1, 2005
IFRS 3	Business Combinations	Mar. 31, 2004
IFRS 4	Insurance Contracts	Jan. 1, 2005
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Jan. 1, 2005
IFRS 6	Exploration for and Evaluation of Mineral Resources	Jan. 1, 2006
IFRS 7	Financial Instruments: Disclosures	Jan. 1, 2007
IFRS 8	Operating Segments	Jan. 1, 2009

International Accounting Standards (IASs)

		IASB Operational Date
IAS 1	Presentation of Financial Statements	Jul. 1, 1998
IAS 2	Inventories	Jan. 1, 1995
IAS 7	Cash Flow Statements	Jan. 1, 1994
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Jan. 1, 1995
IAS 10	Events After the Balance Sheet Date	Jan. 1, 2000
IAS 11	Construction Contracts	Jan. 1, 1995
IAS 12	Income Taxes	Jan. 1, 1998
IAS 16	Property, Plant and Equipment	Jul. 1, 1999
IAS 17	Leases	Jan. 1, 1999
IAS 18	Revenue	Jan. 1, 1995
IAS 19	Employee Benefits	Jan. 1, 2003
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Jan. 1, 1984
IAS 21	The Effects of Changes in Foreign Exchange Rates	Jan. 1, 1995
IAS 23	Borrowing Costs	Jan. 1, 1995
IAS 24	Related Party Disclosures	Jan. 1, 1986
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Jan. 1, 2003
IAS 27	Consolidated and Separate Financial Statements	Jan. 1, 1990
IAS 28	Investments in Associates	Jan. 1, 1990
IAS 29	Financial Reporting in Hyperinflationary Economies	Jan. 1, 1990
IAS 31	Interests in Joint Ventures	Jan. 1, 1992
IAS 32	Financial Instruments: Presentation	Jan. 1, 2005
IAS 33	Earnings Per Share	Jan. 1, 1998
IAS 34	Interim Financial Reporting	Jan. 1, 1999
IAS 36	Impairment of Assets	Mar. 31, 2004
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Jul. 1, 1999
IAS 38	Intangible Assets	Mar. 31, 2004
IAS 39	Financial Instruments: Recognition and Measurement	Jan. 1, 2005
IAS 40	Investment Property	Jan. 1, 2001
IAS 41	Agriculture	Jan. 1, 2003

Glossary of Terms

NOTES :

(1) Approved Accounting Standards comprise :

- (a) MASB Standards issued by the Malaysian Accounting Standards Board (MASB).
- (b) Extant International Financial Reporting Standards (IFRS) adopted by the MICPA and / or the MASB.
- (c) Extant Malaysian Accounting Standards (MAS) issued by the MICPA and/or adopted by the MASB.

MASB Technical Releases (TR) present the MASB's views on the appropriate accounting treatment and disclosures. TR is an authoritative statement that may not have the legal standing of a MICPA standard but nonetheless, its application would be considered mandatory.

Technical Bulletins and other statements issued by the Council of the MICPA relating to accounting are to be regarded as opinions on best current practice and thus form part of generally accepted accounting principles (GAAP).

(2) Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services comprise :

- (a) International Standards on Quality Control
- (b) International Standards on Auditing (ISA), International Standards on Assurance Engagements (ISAE), International Standards on Review Engagements (ISRE) and International Standards on Related Services (ISRS) adopted by the MICPA
- (c) Malaysian Auditing Guidelines (MAG) issued by the MICPA

To enhance the status of the international auditing pronouncements, International Auditing Guidelines (IAG) has been redesignated as International Standards on Auditing (ISA).

Auditing Technical Releases and other statements issued by the Council of the MICPA relating to auditing are to be regarded as opinions on the best current practice and thus form part of generally accepted auditing standards (GAAS).

(3) MASB Standards are issued by the Malaysian Accounting Standards Board (MASB) established under the Financial Reporting Act 1997.

(4) International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board (IASB) and ISA, ISAE, ISRE, ISRS are issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

IASB is the standard-setting body of the International Accounting Standards Committee Foundation (IASCF) and has sole responsibility for setting accounting standards.

IAASB is established by the IFAC Board to develop and issue, under its own authority, standards on auditing, assurance and related services engagements.

(5) The MICPA considers all MASB Standards, ISQC, ISA, ISAE, ISRE, ISRS and International Auditing Practice Statements (IAPS) for compliance by members. If thought appropriate they are issued with MICPA Foreword as a local exposure draft before formal adoption.

(6) The operational date refers to financial statements for periods beginning January 1 of the year specified.

(7) Statements on International Management Accounting (IMAP) are issued by the Financial and Management Accounting Committee (FMAC) of IFAC. These Statements are in two forms:

- (a) International Management Accounting Practices
- (b) International Management Accounting Studies

The MICPA considers all IMAP for issuance to members for guidance.

(8) International Public Sector Accounting Standards, Guidelines and Studies are issued by the Public Sector Committee (PSC) of IFAC.

(9) MICPA Guidelines for Accounting in Public Sector (GAPS) are issued by the Council of the MICPA and they are to be regarded as opinions on best current practice relating to accounting in the public sector.

(10) MICPA Insolvency Guidance Notes (IG) are issued by the Council of the MICPA and they are to be regarded as good practice in stated areas of insolvency.

(11) MICPA technical pronouncements are given an alphabetical reference in their draft form (eg. MAS C). On their issue as definitive pronouncements or exposure drafts, a numerical reference is applied.

(12) Upon its inception in 2001, the International Accounting Standards Board (IASB) adopted the body of International Accounting Standards (IASs) issued by its predecessor, the International Accounting Standards Committee (IASC).

Report of the Council for the year ended December 31, 2007

The Council has pleasure in submitting their report and the audited financial statements of The Malaysian Institute of Certified Public Accountants ("Institute") for the financial year ended December 31, 2007.

PRINCIPAL ACTIVITY

The principal activity of the Institute is the advancement of the accountancy profession. There has been no significant change in this activity during the financial year.

RESULTS

Net operating surplus for the financial year RM
65,194

DIVIDENDS

In accordance with the Memorandum of Association, no dividends are payable to the members of the Institute.

RESERVES AND PROVISIONS

There were no material transfers to or from provisions account during the financial year other than those disclosed in the financial statements. The Institute does not have any reserve accounts.

COUNCIL

The Council Members in office since the date of the last report on 4 May 2007 are as follows:-

Dato' Ab Halim bin Mohyiddin
Abdul Halim bin Md Lassim
Abdul Jabbar Abdul Majid
Datuk Dr Abdul Samad Hj Alias (*Resigned on 23.06.2007*)
Dato' Ahmad Johan bin Mohammad Raslan
Ahmad Mustapha Ghazali
Beh Tok Koay
Datin Hj Fadzilah bte Saad
Dato' Gan Ah Tee (*Appointed on 15.03.2008*)
Goh Lee Hwa
Lee Tuck Heng
Ho Heng Chuan (*Resigned on 23.06.2007*)
Lim Tian Huat
Lim Thiam Kee
Loh Lay Choon
Loo Mi Li (*Appointed on 22.09.2007*)

Dato' Hj Maidin bin Syed Ali
Mohamed Raslan Abdul Rahman
Ng Kim Tuck
Dato' Nordin Baharuddin
Poon Yew Hoe
Pushpanathan a/l S A Kanagarayar
See Huey Beng
Sam Soh Siong Hoon
Seow Yoo Lin
Sukanta K Dutt
Tan Bun Poo (*Appointed on 22.09.2007*)
Tan Chin Hock
Tan Ghee Kiat (*Resigned on 15.12.2007*)
Dr Veerinderjeet Singh
Venkatramanan Viswanathan
Dato' Yeo How
Datuk Robert Yong Kuen Loke

In accordance with bye-law 5, the following Council Members retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

Dato' Ab Halim bin Mohyiddin
Peter Lim Thiam Kee
Dato' Hj Maidin bin Syed Ali
Ng Kim Tuck
Dato' Nordin Baharuddin
Poon Yew Hoe
Sam Soh Siong Hoon

In accordance with bye-law 13, the following Council Members retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

Dato' Gan Ah Tee
Loo Mi Li
Tan Bun Poo

COUNCIL MEMBERS' BENEFITS

The Institute is a company limited by guarantee and thus has no shares in which the Council Members could have an interest. The Institute has also not issued any debentures.

Since the end of the previous financial year, no Council Member of the Institute has received or become entitled to receive any benefit (other than a benefit in

terms of examiner's fee received by a Council Member as disclosed in the financial statements) by reason of a contract made by the Institute or a related corporation with the Council Member or with a firm of which the Council Member is a member, or with a company in which the Council Member has a substantial financial interest.

Neither during nor at the end of the financial year, was the Institute a party to any arrangements whose object is to enable the Council Members to acquire benefits by means of the acquisition of shares in or debentures of any body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Institute were made out, the Council took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of activities have been written down to an amount which they might be expected so to realise.
- (b) As at the date of this report, the Council is not aware of any circumstances:
- (i) which would render the amount written off for bad debts and the amount of allowance made for doubtful debts in the financial statements of the Institute inadequate to any substantial extent;
 - (ii) which would render the values of current assets in the financial statements of the Institute misleading;
 - (iii) which have arisen render adherence to the existing method of valuation of assets and liabilities of the Institute misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or the financial statements of the Institute which would render any amount stated in the financial statements misleading.

- (c) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability in respect of the Institute which has arisen since the end of the financial year.
- (d) In the opinion of the Council:
- (i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Institute to meet its obligations when they fall due;
 - (ii) the results of the Institute's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Institute for the financial year in which this report is made.

AUDITORS

Ooi Chee Kun and Ng Eng Kiat retire as auditors of the Institute at the forthcoming Annual General Meeting pursuant to bye-law 120 and in accordance with bye-law 121, they are deemed to be nominated for re-appointment as auditors for the ensuing financial year.

On behalf of the Council,

Dato' Nordin Baharuddin
President

Dato' Ahmad Johan bin Mohammad Raslan
Vice-President

Kuala Lumpur
May 28, 2008

Balance Sheet as at December 31, 2007

	Note	2007 RM	2006 RM
Assets			
Non-Current Assets			
Plant and equipment	6	71,941	77,465
Development costs of study manuals	7	64,003	182,325
Advances to MACPA Educational Trust Fund	8	43,739	67,626
		<u>179,683</u>	<u>327,416</u>
Current Assets			
Study manuals, at cost		13,204	11,687
Receivables, prepayments and deposits	9	526,590	536,499
Fixed deposits	10	350,000	400,000
Cash and bank balances		36,232	24,855
		<u>926,026</u>	<u>973,041</u>
Total Assets		<u><u>1,105,709</u></u>	<u><u>1,300,457</u></u>
Fund and Liabilities			
Accumulated Fund/(Deficit)			
Balance at January 1		75,937	(206,638)
Net operating surplus for the financial year		65,194	282,575
		<u>141,131</u>	<u>75,937</u>
Non-Current Liability			
Term loan (secured)	11	38,138	174,400
Current Liabilities			
Fees in advance		24,482	74,458
Payables and accruals	12	762,636	847,301
Term loan (secured)	11	136,340	125,585
Tax liabilities		2,982	2,776
		<u>926,440</u>	<u>1,050,120</u>
Total Liabilities		<u>964,578</u>	<u>1,224,520</u>
Total Fund and Liabilities		<u><u>1,105,709</u></u>	<u><u>1,300,457</u></u>

The above Balance Sheet is to be read in conjunction with the notes to the financial statements on pages 63 to 76.

***Income Statement
for the financial year ended December 31, 2007***

	Note	2007 RM	2006 RM
Income			
Members' annual fees		1,406,598	1,347,854
Examination fees		131,940	190,480
Practising certificate fees		235,475	233,755
Students' exemption fees		46,950	132,750
Students' annual fees		149,550	159,225
Members' admission fees		39,250	49,295
Students' registration and transfer fees		29,395	62,888
Provisional members' fees		26,643	24,000
		<hr/> 2,065,801	<hr/> 2,200,247
Income from Other Activities	13	1,086,080	1,264,332
Other Income	14	38,698	30,606
		<hr/> 3,190,579	<hr/> 3,495,185
Operating Expenses	15	(2,412,516)	(2,432,270)
Expenses of Other Activities	13	(692,200)	(750,539)
		<hr/> 85,863	<hr/> 312,376
Finance Cost	16	(20,149)	(29,487)
		<hr/> 65,714	<hr/> 282,889
Tax Expense	17	(520)	(314)
Net Operating Surplus for the Financial Year		<hr/> <hr/> 65,194	<hr/> <hr/> 282,575

The above Income Statement is to be read in conjunction with the notes to the financial statements on pages 63 to 76.

**Statement of Recognised Gains and Losses
for the financial year ended December 31, 2007**

	2007 RM	2006 RM
Net operating surplus for the financial year	<u>65,194</u>	<u>282,575</u>

The above Statement of Recognised Gains and Losses is to be read in conjunction with the notes to the financial statements on pages 63 to 76.

Cash Flow Statement for the financial year ended December 31, 2007

	Note	2007 RM	2006 RM
Cash Flows from Operating Activities			
Cash receipts			
Subscriptions		1,845,672	2,030,456
Examination fees		156,960	209,480
Journal and publications		125,234	215,442
Seminars		687,398	447,430
Study manuals		90,505	85,875
Examination workshops		272,785	356,975
Others		239,113	118,594
Cash payments			
Operating expenses		(3,248,976)	(2,979,194)
Tax paid		(314)	(245)
Study manuals		(9,183)	(30,378)
Net cash generated from operating activities		159,194	454,435
Cash Flows from Investing Activities			
Development cost of study manuals		(5,000)	(49,000)
Purchase of plant and equipment	6	(23,914)	(11,922)
Interest received from fixed deposits		19,866	15,253
Payments on behalf of MACPA Educational Trust Fund		(43,113)	(41,869)
Net cash used in investing activities		(52,161)	(87,538)
Cash Flows from Financing Activities			
Repayment of term loan		(125,507)	(116,170)
Term loan interest paid		(20,149)	(29,487)
Net cash used in financing activities		(145,656)	(145,657)
Net (Decrease)/Increase in Cash and Cash Equivalents		(38,623)	221,240
Cash and Cash Equivalents at Beginning of Year		424,855	203,615
Cash and Cash Equivalents at End of Year	18	386,232	424,855

The above Cash Flow Statement is to be read in conjunction with the notes to the financial statements on pages 63 to 76.

Notes to the Financial Statements

December 31, 2007

1. GENERAL INFORMATION

The Malaysian Institute of Certified Public Accountants ("Institute") is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office and principal place of business of the Institute is located at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

The number of employees at the end of the financial year is 21 (2006: 22).

The financial statements are presented in Ringgit Malaysia, which is the Institute's functional currency.

The financial statements were approved and authorised for issue in accordance with a resolution of the Council on May 28, 2008.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

- (a) A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Institute include receivables and cash and bank balances.

Financial liabilities of the Institute include payables and accruals.

- (b) The main risks arising from the Institute's activities are credit risk, liquidity risk and interest rate risk. The Council reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Credit Risk

Receivables and transactions with banking institutions may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed banking institutions and professional organisations. It is the policy of the Institute to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Institute is exposed to minimal credit risk.

At the balance sheet date, the Institute has subscriptions receivable of RM277,749 (2006: RM309,984) which have been outstanding for more than 30 days and bank balances and fixed deposits of RM384,232 (2006: RM423,855) with some major licensed banking institutions in Malaysia. Other than as mentioned, the Institute has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

(ii) Liquidity Risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments.

The Institute practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirements of working capital.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk

The Institute ensures that it obtains borrowings and places fixed deposits at competitive rates under the most favourable terms and conditions. Currently, the only borrowing is a term loan that bears interest at 1.5% above the bank's base lending rate per annum on monthly rests.

The Institute is also exposed to interest rate risk in respect of its fixed deposits with a licensed bank.

(c) Fair Values

The carrying amounts of the financial assets and financial liabilities of the Institute at the balance sheet date approximate their fair values.

3. PRINCIPAL ACTIVITY

The principal activity of the Institute is the advancement of the accountancy profession. There has been no significant change in the nature of this activity during the financial year.

4. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year other than the adoption of the revised Financial Reporting Standards ("FRSs") that are relevant to the Institute's operations as described hereunder:

Adoption of Revised FRSs

(i) FRSs that are effective

During the financial year, the Institute has adopted the following revised FRS that is relevant to its operations and which is mandatory for the financial period beginning on or after October 1, 2006:

FRS 124 Related Party Disclosures

The adoption of the above FRS does not have any significant impact on the Institute's financial statements as the existing accounting policies are consistent with the requirements under these standards.

(ii) FRSs that are not yet effective and have been early adopted

The Institute has early adopted the following revised FRSs that are relevant to the Institute's operations which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

	Effective for financial period beginning on or after
FRS 107 Cash Flow Statements	July 1, 2007
FRS 112 Income Taxes	July 1, 2007
FRS 118 Revenue	July 1, 2007
FRS 137 Provisions, Contingent Liabilities and Contingent Assets	July 1, 2007

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) FRSs that are not yet effective and have been early adopted (continued)

The FRS 107, 112, 118 and 137 were revised to remove local guidance and editorial matters to be identical to the International Financial Reporting Standards. The adoption of these standards has not resulted in any significant changes to the Institute's accounting policies and did not have any significant impact on the amounts reported in the financial statements.

(iii) FRSs that are not yet effective and have not been early adopted

The Institute has not early adopted the following revised FRSs and the Issues Committee ("IC") Interpretations which have been issued by the MASB but are not yet effective:

		Effective for financial period beginning on or after
FRS 111	Construction Contracts	July 1, 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	July 1, 2007
FRS 121	Amendment to FRS 121 : The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	July 1, 2007
FRS 134	Interim Financial Reporting	July 1, 2007
FRS 139	Financial Instruments : Recognition and Measurement	Deferred
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	July 1, 2007
IC Interpretation 2	Members' Share in Co-operative Entities and Similar Instruments	July 1, 2007
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	July 1, 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	July 1, 2007
IC Interpretation 7	Applying the Restatement Approach under the FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	July 1, 2007
IC Interpretation 8	Scope of FRS 2	July 1, 2007

The FRS 111, 120 and 134 were revised to remove local guidance and editorial matters to be identical to the International Financial Reporting Standards. The adoption of these standards where applicable to the Institute will not result in any significant changes to the Institute's accounting policies and will not have any significant impact on the amounts reported in the financial statements.

The amendment to FRS 121 requires that all exchange differences arising from a monetary item that forms part of the Institute's net investment in a foreign operation to be recognised as a separate component of the equity in the consolidated financial statements regardless of the currency in which the monetary item is denominated. The amendment will not have any financial impact on the financial statements as the Institute does not have any investment in foreign operations and does not prepare consolidated financial statements.

In the previous financial year, MASB had also issued FRS 139 for which the effective date for adoption has yet to be determined by the MASB. This new standard establishes principles for recognising and measuring financial asset, financial liabilities and some contracts to buy and sell non-financial items. The Institute will apply this standard when effective. The impact of applying FRS 139 on these financial statement upon first adoption of this standard is not disclosed by virtue of the exemption provided under paragraph 103AB of FRS 139.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation

The financial statements of the Institute are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies. The financial statements comply with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards for Entities Other Than Private Entities requires Council to exercise their judgement in the process of applying the Institute's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgement and estimates are based on the Council's best knowledge of current events and actions, actual results may differ.

(b) Income and Expense Recognition

Membership and Students Fees

- (i) The subscription year of the Institute is January 1 to December 31. Membership and students' annual fees are payable annually in advance. Only those membership and students' annual fees which are attributable to the current financial year are recognised as income. Fees relating to periods beyond the current financial year are shown in the balance sheet as Fees in Advance under the heading Current Liabilities.
- (ii) Membership admission and students' registration fees are recognised upon approval of the respective applications.
- (iii) Examination and exemption fees are recognised upon approval of the respective applications.

Interest Income

Interest income is recognised on the effective yield basis.

Other Activities

Other activities include providing continuing professional development courses, conducting examination workshops for students, sale of publications and MICPA study manuals and organising other professional development and students activities.

The policies of the Institute with respect to the recognition of income and expenses on such activities are as follows:

- (i) To the extent that activities are completed on or before the balance sheet date, any surplus or deficit is recognised in the income statement.
- (ii) To the extent that activities take place after the end of the financial year, any income received and expense incurred is recognised in the balance sheet.
- (iii) Income for sale of publications and MICPA study manuals is recognised when physical control of the materials passes to the purchasers.
- (iv) The cost of publications, other than study manuals, is recognised in the income statement in the financial year it is incurred.

Expenses on other activities relate to identifiable direct expenses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and Equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight line basis to write off the cost of the plant and equipment to their residual values over their estimated useful lives. The principal annual rates used are as follows:

Furniture and fittings	10%
Security system	10%
Office equipment	20%
Computers	33%

Plant and equipment are reviewed for impairment in accordance with the accounting policy for impairment of assets.

(d) Impairment of Assets

The carrying amount of non-current assets (other than deferred tax assets and other investments) are reviewed for impairment at each balance sheet. Impairment losses are provided when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement.

An impairment loss is only reversed to the extent of previously recognised impairment losses on an asset. All reversals of an impairment loss is credited to the income statement.

(e) Study Manuals

The costs of development of the MICPA study manuals consisting mainly of writers' and reviewers' fees are capitalised and amortised on a straight line basis over the economic life of the study manuals, which is estimated to be 5 years.

Stocks of study manuals are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and consists of printing cost. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs to be incurred prior to sale.

(f) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off when ascertained and allowance is made for any debts 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) Provisions

Provisions are recognised when the Institute has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Institute.

Accumulating compensated absences such as paid annual leave are recognised as an expense when services are rendered by employees that increase their entitlement to future compensated absences. Non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

The Institute makes contributions to the Employees Provident Fund (“EPF”). The contributions are recognised as an expense in the year to which they relate.

(j) Income Tax

Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

(k) Foreign Currency Transactions and 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 at exchange rates prevailing at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the income statement.

The closing rates of exchange of the foreign currencies applicable in the preparation of the financial statements are as follows:

	2007	2006
	RM	RM
1 United States Dollar	3.31	3.53
1 Sterling Pound	6.61	6.93
1 Australian Dollar	2.92	2.79

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Borrowing Cost

Interest relating to a financial instrument, classified as a financial liability, is reported as finance cost in the income statement.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with licensed bank and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the direct method.

(n) Financial Instruments

Financial instruments are recognised when a contractual relationship has been established.

The Institute's accounting policies and methods adopted in respect of each class of financial instruments and further information thereof are disclosed in the individual accounting policy statements or notes to the financial statements associated with those financial instruments.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by Council in the process of applying the Institute's accounting policies that have significant effect on the amounts recognised in these financial statements.

(b) Key Sources of Estimation Uncertainty

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

(i) Income Taxes and Deferred Tax

Judgement is required to determine the capital allowances and deductibility of certain expenses when estimating the provision for incomes taxes. There were transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

(ii) Depreciation of Plant and Equipment

The cost of plant and equipment is depreciated on a straight line basis over the assets' useful lives. The Council estimates the useful lives of these plant and equipment to be within 3 years to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(iii) Allowance for Doubtful Debts

The Institute makes an allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the Council has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of receivables and the cumulative allowance for doubtful debts are disclosed in Note 9.

6. PLANT AND EQUIPMENT

2007	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	325,118	119,192	5,415	194,429	644,154
Additions	7,419	3,726	-	12,769	23,914
At end of year	<u>332,537</u>	<u>122,918</u>	<u>5,415</u>	<u>207,198</u>	<u>668,068</u>
Accumulated depreciation					
At beginning of year	304,032	74,826	3,602	184,229	566,689
Charge for the year	10,120	8,230	302	10,786	29,438
At end of year	<u>314,152</u>	<u>83,056</u>	<u>3,904</u>	<u>195,015</u>	<u>596,127</u>
Net book value as at December 31, 2007	<u>18,385</u>	<u>39,862</u>	<u>1,511</u>	<u>12,183</u>	<u>71,941</u>
2006	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	323,588	119,192	5,415	184,037	632,232
Additions	1,530	-	-	10,392	11,922
At end of year	<u>325,118</u>	<u>119,192</u>	<u>5,415</u>	<u>194,429</u>	<u>644,154</u>
Accumulated depreciation					
At beginning of year	294,655	66,827	3,300	176,928	541,710
Charge for the year	9,377	7,999	302	7,301	24,979
At end of year	<u>304,032</u>	<u>74,826</u>	<u>3,602</u>	<u>184,229</u>	<u>566,689</u>
Net book value as at December 31, 2006	<u>21,086</u>	<u>44,366</u>	<u>1,813</u>	<u>10,200</u>	<u>77,465</u>

7. DEVELOPMENT COSTS OF STUDY MANUALS

	2007 RM	2006 RM
Development costs	671,024	666,024
Accumulated amortisation	(607,021)	(483,699)
	<u>(64,003)</u>	<u>182,325</u>
Movement in accumulated amortisation:		
Balance at January 1	483,699	363,210
Charged to Income Statement	123,322	120,489
	<u>607,021</u>	<u>483,699</u>

8. ADVANCES TO MACPA EDUCATIONAL TRUST FUND

The amount represents advances made by the Institute which are unsecured and interest-free. There is no intention to demand for full repayment within the next twelve months.

9. RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2007 RM	2006 RM
Receivable from Budget Commentary 2008/2007	103,247	102,569
Receivable from NACRA competition	109,165	9,941
Subscriptions receivables	277,749	309,984
Other receivables	6,063	119,726
Tax recoverable	2,416	2,416
Other prepayments	40,075	3,688
Deposits	7,050	7,350
	<u>545,765</u>	<u>555,674</u>
Less : Allowance for doubtful debts	(19,175)	(19,175)
	<u>526,590</u>	<u>536,499</u>

Subscriptions receivable from existing members are due on the first day of January and must be paid by 30th June of each year while new members are required to pay on or within two months of admission. There is no fixed credit period for receivables from the other activities.

10. FIXED DEPOSITS

	2007 RM	2006 RM
Fixed deposits with a licensed bank	<u>350,000</u>	<u>400,000</u>

The weighted average interest rate during the financial year for fixed deposits with a licensed bank is 3.2% (2006: 3%) per annum.

The fixed deposits have an average maturity of 90 days (2006: 90 days).

11. TERM LOAN - SECURED

Repayable as follows:

	2007 RM	2006 RM
Current		
- Within one year	136,340	125,585
Non-current		
- More than one year but less than five years	38,138	174,400
	<u>174,478</u>	<u>299,985</u>

The term loan bears interest at 1.5% above the bank's base lending rate per annum on monthly rests. The term loan is fully drawdown in December 2004 and is repayable by sixty monthly instalments of RM12,138 each, commencing from January 2005. The weighted average interest rate during the financial year is 8.25% (2006: 8.23%) per annum.

The repayable amount of term loan within one year totalling RM136,340 relates to the principal sum only.

The term loan is secured by:

- (i) Negative pledge over the assets of MICPA.
- (ii) Lienholder's caveat over the property of MACPA Educational Trust Fund situated at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

12. PAYABLES AND ACCRUALS

	2007 RM	2006 RM
Advances for study manuals	116,405	124,760
Due to students societies	174,247	161,373
Other payables	230,693	215,720
Accruals	241,291	345,448
	<u>762,636</u>	<u>847,301</u>

13. OTHER ACTIVITIES

	Income RM	Expenses RM	Surplus/ (Deficit) RM
2007			
Examination workshops	270,608	181,563	89,045
Accountancy Week	23,785	41,222	(17,437)
Continuing professional development	318,994	172,792	146,202
Annual dinner	82,900	98,880	(15,980)
MICPA excellence awards	6,820	24,799	(17,979)
Journal and publications	24,271	6,411	17,860
Informal gatherings	21,360	12,352	9,008
MICPA study manuals	98,180	133,442	(35,262)
Young CPA symposium	20,510	15,708	4,802
	<u>867,428</u>	<u>687,169</u>	<u>180,259</u>
Joint activities with other bodies:			
Business forum	121,052	–	121,052
NACRA Competition	–	5,031	(5,031)
Budget Commentary 2008	97,600	–	97,600
	<u>218,652</u>	<u>5,031</u>	<u>213,621</u>
	<u>1,086,080</u>	<u>692,200</u>	<u>393,880</u>
	Income RM	Expenses RM	Surplus/ (Deficit) RM
2006			
Examination workshops	380,525	251,169	129,356
Continuing professional development	241,770	152,198	89,572
Annual dinner	63,800	80,707	(16,907)
Commemorative lecture and luncheon	17,400	27,581	(10,181)
MICPA excellence awards	6,950	23,449	(16,499)
Journal and publications	123,159	48,554	74,605
Informal gatherings	4,260	2,880	1,380
MICPA study manuals	172,400	149,090	23,310
Young CPA symposium	15,195	13,119	2,076
	<u>1,025,459</u>	<u>748,747</u>	<u>276,712</u>
Joint activities with other bodies:			
Business forum	102,874	–	102,874
NACRA Competition	–	1,792	(1,792)
Budget Commentary 2007	100,224	–	100,224
Joint seminars	35,775	–	35,775
	<u>238,873</u>	<u>1,792</u>	<u>237,081</u>
	<u>1,264,332</u>	<u>750,539</u>	<u>513,793</u>

Expenses on the above activities relate to identifiable direct expenses only and do not include overhead expenses. The expenses for MICPA study manuals include the amortisation of the development costs for the study manuals amounting to RM123,322 (2006: RM120,489).

14. OTHER INCOME

	2007 RM	2006 RM
Interest on fixed deposits	20,635	14,642
Fines received from disciplinary proceedings	3,150	6,188
Sale of mailing labels	6,104	5,026
Others	8,809	4,750
	<u>38,698</u>	<u>30,606</u>

15. OPERATING EXPENSES

	2007 RM	2006 RM
Advertisement expenses	6,067	40,320
AGM and Council meeting expenses	4,914	3,370
Allowance for doubtful debts	–	1,425
Auditors' remuneration	6,300	6,300
Bad debts written off	77,384	52,967
Bank charges	17,528	15,204
Brand development programme	12,175	21,000
Depreciation	29,438	24,979
Direct examination expenses	77,554	76,256
Electricity and water	28,991	27,646
General expenses	6,841	5,807
Insurance	7,514	6,837
Journal and technical pronouncements	170,946	187,391
Legal and professional fees	12,592	17,762
Maintenance	17,382	21,097
Medical expenses	5,821	5,070
Office rental	96,000	96,000
Periodicals and library stock	8,716	10,694
Postage and telephone	103,125	116,701
Printing and stationery	77,449	71,525
Professional development expenses	116,958	108,544
Publication of students' course materials	6,100	4,725
Review of MICPA qualification	–	5,533
Staff costs		
- Employees Provident Fund and SOCSO	189,075	205,110
- Salaries and bonus	1,281,728	1,243,869
Staff recreation fund	4,705	5,374
Subscriptions to international accountancy bodies	26,907	26,380
Travelling expenses	20,306	24,384
	<u>2,412,516</u>	<u>2,432,270</u>

The direct examination expenses include an amount of RM2,394 (2006: RM3,221) in respect of examiners fee paid to a Council Member.

16. FINANCE COST

	2007 RM	2006 RM
Term loan interest	<u>20,149</u>	<u>29,487</u>

17. TAX EXPENSE

- (a) For tax purposes, the Institute is treated as a "Trade Association" under section 53(3) of the Income Tax Act, 1967 under which its income is taxed at scale rates.

	2007 RM	2006 RM
Current tax expense	<u>520</u>	<u>314</u>

Taxation has been provided for the interest income earned by the Institute.

- (b) The numerical reconciliation between the effective tax rate and the applicable tax rate of the Institute is as follows:

	2007 %	2006 %
Applicable tax rate	9.83	28.00
Tax effect in respect of:		
Non taxable income	–	(0.39)
Utilisation of unabsorbed tax losses	(28.96)	(35.35)
Non allowable expenses	22.21	9.17
Rate adjustment on taxable income	<u>(2.29)</u>	<u>(1.32)</u>
Effective tax rate	<u>0.79</u>	<u>0.11</u>

- (c) Subject to the agreement with the Inland Revenue Board, the Institute has unabsorbed tax losses amounting to RM375,246 (2006: RM568,837) which are available for set-off against future taxable surplus.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks and fixed deposits. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2007 RM	2006 RM
Fixed deposits	350,000	400,000
Cash and bank balances	<u>36,232</u>	<u>24,855</u>
	<u>386,232</u>	<u>424,855</u>

19. RELATED PARTY TRANSACTIONS

The transactions carried out with related parties during the financial year were as follow:

- (a) **Transactions and outstanding balances with MACPA Educational Trust Fund**

	2007 RM	2006 RM
Payments on behalf of MACPA Educational Trust Fund	43,113	41,869
Administrative expenses charged to MACPA Educational Trust Fund	29,000	26,527
Rental charged by MACPA Educational Trust Fund	<u>96,000</u>	<u>96,000</u>

19. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions and outstanding balances with MACPA Educational Trust Fund (continued)

In addition to the above transactions, the term loan of the Institute is secured over the property of MACPA Educational Trust Fund as disclosed in Note 11 to the financial statements.

The outstanding balance for advances to MACPA Educational Trust Fund as at balance sheet date is RM43,739 (2006: RM67,626). The terms of the advances are disclosed in Note 8 to the financial statements.

MACPA Educational Trust Fund is a fund set up by the Institute and managed by Trustees appointed by the Institute.

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly. The key management personnel of the Institute are the Council Members and the Secretary and their remuneration for the year are as follows:

	2007 RM	2006 RM
Short-term employees benefits	502,500	446,194
Post-employment benefits - contribution to Employees Provident Fund	81,720	83,924
	584,220	530,118
Benefit-in-kind	8,700	15,080
	<u>592,920</u>	<u>545,198</u>

The examiners fee paid to a Council Member is disclosed in Note 15 to the financial statements.

The year-end outstanding balances in relation to compensation payable to key management personnel are as follows:-

	2007 RM	2006 RM
Included in payables and accruals	25,200	73,780

20. COMPARATIVES

Significant changes made are as follow:

- (i) The comparatives for the cash flow statement have been adjusted to net off transactions with MACPA Educational Trust Fund to reflect the net cash movements as follows:

	As previously reported RM	Adjustment RM	As restated RM
Operating expenses	(3,048,667)	69,473	(2,979,194)
Payments on behalf of MACPA Educational Trust Fund	(68,369)	26,500	(41,869)
Repayment from MACPA Educational Trust Fund	96,000	(96,000)	-

- (ii) Comparatives are introduced for the presentation of related party transactions as disclosed in Note 19.

Statement by Council Members

We, **Dato' Nordin Baharuddin** and **Dato' Ahmad Johan bin Mohammad Raslan**, being two of the Council Members of **THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**, do hereby state that, in the opinion of the Council Members, the accompanying financial statements together with the notes attached thereto, are drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965 so as to give a true and fair view of:

- (i) the state of affairs of the Institute as at December 31, 2007 and of its results for the year ended on that date; and
- (ii) the cash flows of the Institute for the year ended December 31, 2007.

On behalf of the Council Members,

Dato' Nordin Baharuddin
President

Dato' Ahmad Johan bin Mohammad Raslan
Vice-President

Kuala Lumpur
May 28, 2008

Statutory Declaration

I, **FOO YOKE PIN**, being the officer primarily responsible for the financial management of **THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **FOO YOKE PIN**)
at Kuala Lumpur)
in the Federal Territory this)
28th day of May 2008)

Before me:

Wong Ah Ying
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors to the Members of The Malaysian Institute of Certified Public Accountants (3246-U) (Institut Akauntan Awam Bertauliah Malaysia)

We have audited the financial statements set out on pages 59 to 76 of THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. The preparation of the financial statements is the responsibility of the Council.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Council as well as evaluating the overall adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Institute; and
 - (ii) the state of affairs of the Institute as at December 31, 2007 and of the results of the operations and the cash flows of the Institute for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Institute have been properly kept in accordance with the provisions of the said Act.

Ooi Chee Kun
996/03/10 (J/PH)
Chartered Accountant

Ng Eng Kiat
1064/03/09 (J/PH)
Chartered Accountant

Kuala Lumpur
May 28, 2008

Penyata Kewangan 2007

Laporan Majlis bagi tahun berakhir 31 Disember 2007

Majlis dengan sukacitanya membentangkan laporan dan penyata kewangan teraudit Institut Akauntan Awam Bertauliah Malaysia (Institut) bagi tahun kewangan berakhir 31 Disember 2007.

KEGIATAN UTAMA

Kegiatan utama Institut ialah memajukan profesion perakaunan. Dalam tahun kewangan, tidak berlaku sebarang perubahan yang ketara dalam kegiatan ini.

KEPUTUSAN KEWANGAN

	RM
Lebihan kendalian bersih bagi tahun kewangan	65,194

DIVIDEN

Menurut Memorandum Pertubuhan, tiada dividen akan dibayar kepada ahli-ahli Institut.

REZAB DAN PERUNTUKAN

Sepanjang tahun ini, tiada sebarang pindahan penting kepada atau daripada akaun peruntukan selain daripada yang diberitahu dalam penyata kewangan. Institut tidak mempunyai sebarang akaun rezab.

MAJLIS

Ahli-ahli Majlis yang berkhidmat sejak tarikh laporan terakhir pada 4 Mei 2007 ialah:

Dato' Ab Halim bin Mohyiddin
Abdul Halim bin Md Lassim
Abdul Jabbar Abdul Majid
Datuk Dr Abdul Samad Hj Alias
(*Meletak jawatan pada 23.06.2007*)
Dato' Ahmad Johan bin Mohammad Raslan
Ahmad Mustapha Ghazali
Beh Tok Koay
Datin Hj Fadzilah bte Saad
Dato' Gan Ah Tee (*Dilantik pada 15.03.2008*)
Goh Lee Hwa
Lee Tuck Heng
Ho Heng Chuan (*Meletak jawatan pada 23.06.2007*)
Lim Tian Huat
Lim Thiam Kee

Loh Lay Choon
Loo Mi Li (*Dilantik pada 22.09.2007*)
Dato' Hj Maidin bin Syed Ali
Mohamed Raslan Abdul Rahman
Ng Kim Tuck
Dato' Nordin Baharuddin
Poon Yew Hoe
Pushpanathan a/l S A Kanagarayar
See Huey Beng
Sam Soh Siong Hoon
Seow Yoo Lin
Sukanta K Dutt
Tan Bun Poo (*Dilantik pada 22.09.2007*)
Tan Chin Hock
Tan Ghee Kiat (*Meletak jawatan pada 15.12.2007*)
Dr Veerinderjeet Singh
Venkatramanan Viswanathan
Dato' Yeo How
Datuk Robert Yong Kuen Loke

Menurut undang-undang kecil 5, ahli-ahli Majlis berikut bersara pada Mesyuarat Agung Tahunan dan layak menawarkan diri mereka untuk dipilih semula:

Dato' Ab Halim bin Mohyiddin
Lim Thiam Kee
Dato' Hj Maidin bin Syed Ali
Ng Kim Tuck
Dato' Nordin Baharuddin
Poon Yew Hoe
Sam Soh Siong Hoon

Menurut undang-undang kecil 13, ahli-ahli Majlis berikut bersara pada Mesyuarat Agung Tahunan dan layak menawarkan diri mereka untuk dipilih semula:

Dato' Gan Ah Tee
Loo Mi Li
Tan Bun Poo

MANFAAT AHLI-AHLI MAJLIS

Institut ini adalah sebuah syarikat berhad dengan jaminan dan oleh itu tidak mempunyai syer dalam mana ahli-ahli Majlis boleh mempunyai kepentingan. Institut juga tidak mengeluarkan sebarang debentur.

Sejak akhir tahun kewangan yang lepas, tiada ahli Majlis Institut telah menerima atau berhak menerima sebarang manfaat (selain daripada manfaat dalam bentuk bayaran perkhidmatan pemeriksa yang diterima

oleh seorang ahli Majlis seperti yang dinyatakan dalam penyata kewangan) akibat dari perjanjian yang dibuat oleh Institut atau sebuah perbadanan yang berkaitan dengan ahli Majlis atau dengan firma di mana ahli Majlis adalah seorang ahli, atau dengan syarikat di mana ahli Majlis mempunyai kepentingan kewangan yang ketara.

Institut sama ada sepanjang tahun atau pada akhir tahun tidak mengambil bahagian dalam sebarang peraturan yang bertujuan untuk membolehkan ahli-ahli Majlis mendapat faedah melalui perolehan syer atau debentur dalam sebarang badan korporat.

MAKLUMAT BERKANUN YANG LAIN

- (a) Sebelum penyata kewangan Institut disediakan, Majlis telah mengambil langkah-langkah yang sewajarnya:
- (i) untuk memastikan bahawa tindakan wajar itu telah diambil berkaitan dengan penghapuskiraan hutang lapuk dan membuat peruntukan bagi hutang ragu dan mereka berpuashati bahawa kesemua hutang lapuk yang diketahui telah dihapuskira dan peruntukan yang secukupnya telah dibuat untuk hutang ragu; dan
 - (ii) untuk memastikan bahawa aset semasa yang tidak mungkin direalisasikan nilainya melalui perjalanan aktiviti biasa, sepertimana dinyatakan dalam rekod perakaunan Institut telahpun dikurangkan nilainya kepada amaun yang dijangka boleh direalisasikan.
- (b) Pada tarikh laporan ini, Majlis tidak mengetahui sebarang keadaan:
- (i) yang boleh menyebabkan jumlah hutang lapuk yang dihapuskirakan dan jumlah elaun hutang ragu yang diperuntukkan dalam penyata kewangan Institut tidak mencukupi sehingga ke peringkat yang menjejaskan;
 - (ii) yang boleh menyebabkan nilai aset semasa dalam penyata kewangan Institut mengelirukan;
 - (iii) yang boleh mengakibatkan pematuhan kepada kaedah yang sedia ada bagi penilaian aset dan liabiliti Institut mengelirukan atau tidak sesuai; dan
 - (iv) yang tidak ditangani dalam laporan ini atau dalam penyata kewangan Institut, yang akan menyebabkan mana-mana amaun yang dinyatakan dalam penyata kewangan mengelirukan.

- (c) Pada tarikh laporan ini, tidak terdapat:
- (i) sebarang cagaran ke atas aset Institut yang telah diwujudkan semenjak akhir tahun kewangan yang menjamin liabiliti mana-mana perseorangan lain; dan
 - (ii) sebarang liabiliti luar jangka berhubung dengan Institut yang timbul semenjak akhir tahun kewangan.
- (d) Pada pendapat Majlis:
- (i) tidak ada liabiliti luar jangka atau liabiliti lain Institut yang akan berkuatkuasa atau mungkin dikuatkuasakan dalam tempoh dua belas bulan berikutan akhir tahun kewangan ini yang akan atau mungkin memberi kesan terhadap keupayaan Institut untuk menyelesaikan tanggungan-tanggunggannya apabila tiba masanya;
 - (ii) hasil kendalian Institut bagi tahun kewangan tidak dipengaruhi secara bermakna oleh sebarang butiran, urusan niaga atau kejadian penting dan luarbiasa; dan
 - (iii) tiada timbul sebarang butiran, urusan niaga dan kejadian penting dan luarbiasa dalam jangka masa di antara akhir tahun kewangan dan tarikh laporan ini yang akan menjejaskan keputusan kendalian Institut dengan ketara bagi tahun kewangan semasa yang dilaporkan.

JURUAUDIT

Ooi Chee Kun dan Ng Eng Kiat akan bersara sebagai juruaudit Institut pada Mesyuarat Agung Tahunan akan datang menurut undang-undang kecil 120 dan mengikut undang-undang kecil 121, mereka dengan ini dicalonkan untuk perlantikan semula sebagai juruaudit untuk tahun kewangan berikutnya.

Bagi pihak Majlis,

Dato' Nordin Baharuddin
Presiden

Dato' Ahmad Johan bin Mohammad Raslan
Naib Presiden

Kuala Lumpur
28 Mei 2008

Kunci Kira-kira pada 31 Disember 2007

	Nota	2007 RM	2006 RM
Aset-aset			
Aset Bukan Semasa			
Loji dan peralatan	6	71,941	77,465
Kos pembangunan buku panduan belajar	7	64,003	182,325
Pendahuluan kepada Tabung Amanah Pendidikan MACPA	8	43,739	67,626
		<u>179,683</u>	<u>327,416</u>
Aset Semasa			
Buku panduan belajar, pada kos		13,204	11,687
Penghutang, prabayaran dan deposit	9	526,590	536,499
Simpanan tetap	10	350,000	400,000
Wang tunai dan baki di bank		36,232	24,855
		<u>926,026</u>	<u>973,041</u>
Jumlah Aset		<u>1,105,709</u>	<u>1,300,457</u>
Dana dan Liabiliti			
Dana/(Deficit) Terkumpul			
Baki pada 1 Januari		75,937	(206,638)
Lebihan kendalian bersih bagi tahun kewangan		65,194	282,575
		<u>141,131</u>	<u>75,937</u>
Liabiliti Bukan Semasa			
Pinjaman berjangka (dijamin)	11	38,138	174,400
Liabiliti Semasa			
Yuran pendahuluan		24,482	74,458
Pemiutang dan akruan	12	762,636	847,301
Pinjaman berjangka (dijamin)	11	136,340	125,585
Cukai tanggungan		2,982	2,776
		<u>926,440</u>	<u>1,050,120</u>
Jumlah Liabiliti		<u>964,578</u>	<u>1,224,520</u>
Jumlah Dana dan Liabiliti		<u>1,105,709</u>	<u>1,300,457</u>

Kunci Kira-kira di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 87 hingga 100.

Penyata Pendapatan bagi tahun kewangan berakhir 31 Disember 2007

	Nota	2007 RM	2006 RM
Pendapatan			
Yuran tahunan ahli		1,406,598	1,347,854
Yuran peperiksaan		131,940	190,480
Yuran sijil pengamalan		235,475	233,755
Yuran pengecualian pelajar		46,950	132,750
Yuran tahunan pelajar		149,550	159,225
Yuran kemasukan ahli		39,250	49,295
Yuran pendaftaran dan pemindahan pelajar		29,395	62,888
Yuran ahli sementara		26,643	24,000
		<u>2,065,801</u>	<u>2,200,247</u>
Pendapatan daripada Aktiviti-Aktiviti Lain	13	1,086,080	1,264,332
Pendapatan Lain	14	<u>38,698</u>	<u>30,606</u>
		3,190,579	3,495,185
Belanja Kendalian	15	(2,412,516)	(2,432,270)
Belanja Aktiviti-Aktiviti Lain	13	<u>(692,200)</u>	<u>(750,539)</u>
		85,863	312,376
Kos Kewangan	16	<u>(20,149)</u>	<u>(29,487)</u>
		65,714	282,889
Belanja Cukai	17	<u>(520)</u>	<u>(314)</u>
Lebihan Kendalian Bersih bagi Tahun Kewangan		<u><u>65,194</u></u>	<u><u>282,575</u></u>

Penyata Pendapatan di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 87 hingga 100.

***Penyata Keuntungan dan Kerugian yang Diiktiraf
bagi tahun kewangan berakhir 31 Disember 2007***

	2007 RM	2006 RM
Lebihan kendalian bersih bagi tahun kewangan	<u>65,194</u>	<u>282,575</u>

Penyata Keuntungan dan Kerugian yang Diiktiraf di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 87 hingga 100.

Penyata Aliran Tunai bagi tahun kewangan berakhir 31 Disember 2007

	Nota	2007 RM	2006 RM
Aliran Tunai daripada Aktiviti Kendalian			
Penerimaan tunai			
Yuran		1,845,672	2,030,456
Yuran peperiksaan		156,960	209,480
Jurnal dan penerbitan		125,234	215,442
Seminar		687,398	447,430
Buku panduan belajar		90,505	85,875
Bengkel peperiksaan		272,785	356,975
Lain-lain		239,113	118,594
Bayaran tunai			
Belanja kendalian		(3,248,976)	(2,979,194)
Cukai dibayar		(314)	(245)
Buku panduan belajar		(9,183)	(30,378)
Tunai bersih terjana daripada aktiviti kendalian		159,194	454,435
Aliran Tunai daripada Aktiviti Pelaburan			
Kos pembangunan buku panduan belajar		(5,000)	(49,000)
Pembelian loji dan peralatan	6	(23,914)	(11,922)
Faedah diterima daripada simpanan tetap		19,866	15,253
Bayaran bagi pihak Tabung Amanah Pendidikan MACPA		(43,113)	(41,869)
Tunai bersih diguna dalam aktiviti pelaburan		(52,161)	(87,538)
Aliran Tunai daripada Aktiviti Pembiayaan			
Pembayaran balik pinjaman berjangka		(125,507)	(116,170)
Bayaran faedah untuk pinjaman berjangka		(20,149)	(29,487)
Tunai bersih diguna dalam aktiviti pembiayaan		(145,656)	(145,657)
(Kurangan)/Lebihan Bersih dalam Tunai dan Kesetaraan Tunai		(38,623)	221,240
Tunai dan Kesetaraan Tunai pada Awal Tahun Kewangan		424,855	203,615
Tunai dan Kesetaraan Tunai pada Akhir Tahun Kewangan	18	386,232	424,855

Penyata Aliran Tunai di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 87 hingga 100.

Nota Kepada Penyata Kewangan 31 Disember 2007

1. MAKLUMAT AM

Institut Akauntan Awam Bertauliah Malaysia (Institut) adalah sebuah syarikat berhad dengan jaminan, diperbadankan dan berdomisil di Malaysia.

Pejabat berdaftar dan tempat utama perniagaan Institut terletak di No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

Jumlah kakitangan di akhir tahun kewangan adalah 21 (2006: 22).

Penyata kewangan dibentangkan dalam Ringgit Malaysia, yang mana ia merupakan matawang fungsian Institut.

Penyata kewangan telah diluluskan dan dibenarkan untuk diterbitkan menurut satu resolusi Majlis pada 28 Mei 2008.

2. INSTRUMEN KEWANGAN DAN PENGURUSAN RISIKO KEWANGAN

- (a) Instrumen kewangan adalah sebarang kontrak yang menimbulkan aset kewangan bagi satu pihak perusahaan dan liabiliti kewangan atau ekuiti bagi satu pihak perusahaan lain.

Aset kewangan Institut merangkumi penghutang dan tunai dan baki bank.

Liabiliti kewangan Institut merangkumi pemiutang dan akruan.

- (b) Risiko utama yang timbul daripada aktiviti Institut adalah risiko kredit, risiko mudah tunai dan risiko kadar faedah. Majlis menyemak semula dan mempersetujui polisi untuk pengurusan setiap risiko tersebut dan diringkaskan di bawah:

(i) Risiko Kredit

Penghutang dan urus niaga dengan institusi perbankan mungkin menimbulkan risiko kredit yang memerlukan kerugian diiktirafkan sekiranya pihak balas gagal melaksanakan urusan mengikut kontrak. Pihak balas adalah institusi perbankan berlesen dan organisasi profesional. Adalah menjadi dasar Institut untuk memantau kedudukan kewangan pihak balas secara berterusan untuk memastikan bahawa pendedahan Institut terhadap risiko kredit adalah minimum.

Pada tarikh kunci kira-kira, Institut mempunyai yuran belum diterima berjumlah RM277,749 (2006: RM309,984) yang telah berhutang melebihi tempoh 30 hari dan baki bank dan simpanan tetap sebanyak RM384,232 (2006: RM423,855) dengan beberapa buah institusi perbankan berlesen utama di Malaysia. Selain daripada yang tersebut, Institut tidak mempunyai tumpuan risiko kredit yang ketara. Pendedahan maksimum kepada risiko kredit adalah diwakili oleh nilai buku aset kewangan dalam kunci kira-kira.

(ii) Risiko Mudah Tunai

Risiko mudah tunai atau pembiayaan adalah risiko di mana tidak dapat memenuhi komitmen yang berkaitan dengan instrumen kewangan.

Institut mengamalkan pengurusan risiko mudah tunai yang hemat untuk meminimumkan ketidakpadanan antara aset dan liabiliti kewangan dan mengekalkan kemudahan kredit yang mencukupi untuk keperluan pembiayaan kontinjen modal kerja.

2. INSTRUMEN KEWANGAN DAN PENGURUSAN RISIKO KEWANGAN (sambungan)

(iii) Risiko Kadar Faedah

Institut memastikan bahawa ia mendapatkan pinjaman dan meletakkan simpanan tetap pada kadar faedah yang kompetitif di bawah terma dan syarat yang menguntungkan. Pada masa kini, pinjaman yang dipunyai adalah pinjaman berjangka yang dikenakan faedah 1.5% lebih daripada kadar pinjaman asas (BLR) bank setahun, dikira setiap bulan.

Institut juga terdedah kepada risiko kadar faedah yang berkaitan dengan pelaburan simpanan tetapnya dengan sebuah syarikat kewangan yang berlesen.

(c) Nilai Saksama

Nilai buku aset kewangan dan liabiliti kewangan Institut pada tarikh kunci kira-kira menghampiri nilai saksamanya.

3. KEGIATAN UTAMA

Kegiatan utama Institut ialah memajukan profesion perakaunan. Dalam tahun kewangan, tidak berlaku perubahan yang ketara dalam kegiatan ini.

4. POLISI-POLISI PERAKAUNAN PENTING

Kesemua polisi-polisi perakaunan penting yang dikemukakan di bawah adalah selaras dengan polisi yang digunakan pada tahun kewangan sebelumnya selain daripada pemakaian Piawaian Pelaporan Kewangan (FRSs) disemak semula yang relevan bagi kendalian Institut yang dinyatakan seperti berikut:

Penerimaan Pakai FRSs yang Disemak Semula

(i) FRSs yang berkuatkuasa

Dalam tahun kewangan, Institut telah menerima pakai FRS disemak semula berikut yang relevan dengan kendaliannya dan mandatori bagi tempoh kewangan bermula pada atau selepas 1 Oktober 2006:

FRS 124 Pendedahan Pihak yang Berkaitan

Pemakaian FRS di atas tidak mempunyai sebarang kesan ketara ke atas penyata kewangan Institut kerana polisi perakaunan yang sedia ada selaras dengan keperluan piawaian-piawaian tersebut.

(ii) FRSs yang belum berkuatkuasa dan diterima pakai terlebih awal

Institut telah menerima pakai terlebih awal FRSs disemak semula berikut yang relevan dengan kendalian Institut yang telah diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia (MASB) tetapi belum berkuatkuasa:

Berkuatkuasa untuk tempoh kewangan bermula pada atau selepas

FRS 107	Penyata Aliran Tunai	1 Julai 2007
FRS 112	Cukai-cukai Pendapatan	1 Julai 2007
FRS 118	Hasil	1 Julai 2007
FRS 137	Peruntukan, Liabiliti Luar Jangka dan Aset Luar Jangka	1 Julai 2007

4. POLISI-POLISI PERAKAUNAN PENTING (sambungan)

(ii) FRSs yang belum berkuatkuasa dan diterima pakai terlebih awal (sambungan)

FRS 107, 112, 118 dan 137 disemak semula untuk menyingkirkan panduan tempatan dan perkara-perkara pengeditan supaya serupa dengan Piawaian Pelaporan Kewangan Antarabangsa. Pemakaian piawaian tersebut tidak mengakibatkan sebarang perubahan ketara kepada polisi perakaunan Institut dan tidak memberi kesan ketara ke atas jumlah yang dilaporkan dalam penyata kewangan.

(iii) FRSs yang belum berkuatkuasa dan belum diterima pakai terlebih awal

Institut belum menerima pakai FRSs disemak semula dan Interpretasi IC berikut yang telah diterbitkan oleh MASB tetapi belum berkuatkuasa:

		Berkuatkuasa untuk tempoh kewangan bermula pada atau selepas
FRS 111	Kontrak Pembinaan	1 Julai 2007
FRS 120	Perakaunan untuk Geran Kerajaan dan Pendedahan Bantuan Kerajaan	1 Julai 2007
FRS 121	Pindaan FRS 121 : Kesan Perubahan dalam Kadar Pertukaran Asing – Pelaburan Bersih dalam Kendalian Asing	1 Julai 2007
FRS 134	Pelaporan Kewangan Interim	1 Julai 2007
FRS 139	Instrumen Kewangan : Pengiktirafan dan Pengukuran	1 Julai 2007
Interpretasi IC 1	Perubahan dalam Penyahtauliah, Pemulihan dan Liabiliti Serupa yang Sedia Ada	1 Julai 2007
Interpretasi IC 2	Saham-saham Ahli dalam Entiti Koperatif dan Instrumen-instrumen Serupa	1 Julai 2007
Interpretasi IC 5	Hak kepada Kepentingan berikutan Penyahtauliah, Pemulihan dan Dana Pemulihan Alam Sekitar	1 Julai 2007
Interpretasi IC 6	Liabiliti berikutan Penyertaan dalam Pasaran Khusus – Sisa Peralatan Elektrik dan Eletronik	1 Julai 2007
Interpretasi IC 7	Menerima Pakai Pendekatan Penyataan Semula kepada FRS 129 ²⁰⁰⁴ Pelaporan Kewangan dalam Ekonomi Inflasi Melampau	1 Julai 2007
Interpretasi IC 8	Skop FRS 2	1 Julai 2007

FRS 111, 120 and 134 disemak semula untuk menyingkirkan panduan tempatan dan perkara-perkara pengeditan supaya serupa dengan Piawaian Pelaporan Kewangan Antarabangsa. Pemakaian piawaian yang mana kena dipakai oleh Institut tidak mengakibatkan sebarang perubahan ketara kepada polisi perakaunan Institut dan tidak memberi kesan ketara ke atas jumlah yang dilaporkan dalam penyata kewangan.

Pindaan kepada FRS 121 memerlukan semua bezaan pertukaran yang timbul daripada item kewangan yang membentuk sebahagian daripada pelaburan bersih Institut dalam kendalian asing yang diiktiraf sebagai komponen ekuiti berasingan dalam penyata kewangan disatukan tidak mengendahkan mata wang di mana item kewangan dinamakan. Pindaan tersebut tidak mempunyai sebarang kesan kewangan ke atas penyata kewangan kerana Institut tidak mempunyai sebarang pelaburan dalam kendalian asing dan tidak menyediakan penyata kewangan disatukan.

Bagi tahun kewangan sebelum ini, MASB telah mengeluarkan FRS 139 yang mana tarikh berkuatkuasa untuk pemakaian belum ditentukan lagi oleh MASB. Piawaian baru ini menetapkan prinsip untuk mengiktiraf dan mengukur aset kewangan, liabiliti kewangan dan beberapa kontrak untuk membeli dan menjual item bukan kewangan. Institut akan menggunakan piawaian ini apabila berkuatkuasa. Kesan penggunaan FRS 139 ke atas penyata kewangan sebaik sahaja pemakaian piawaian ini bagi pertama kalinya tidak didedahkan oleh sebab pengecualian yang diperuntukkan di bawah perenggan 103AB FRS 139.

4. POLISI PERAKAUNAN PENTING (sambungan)

(a) Asas Penyediaan

Penyediaan penyata kewangan menurut Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Selain Dari Entiti Sendirian memerlukan Majlis untuk melaksanakan penentuan dalam proses menggunakan polisi perakaunan Institut dan mungkin mempunyai kesan ketara ke atas jumlah diiktiraf dalam penyata kewangan. Ia juga memerlukan penggunaan anggaran perakaunan dan andaian yang mempengaruhi jumlah aset dan liabiliti dilaporkan dan pemberitahuan aset dan liabiliti luar jangka pada tarikh penyata kewangan dan keputusan dilaporkan bagi tempoh pelaporan dan mungkin mempunyai risiko yang ketara yang menyebabkan pelarasan penting kepada nilai buku aset dan liabiliti dalam tahun kewangan berikutnya. Walaupun penentuan dan anggaran berasaskan kepada pengetahuan Majlis mengenai peristiwa dan tindakan, keputusan sebenarnya mungkin berbeza.

(b) Pengiktirafan Pendapatan dan Belanja

Yuran Ahli dan Pelajar

- (i) Tahun yuran Institut ialah 1 Januari hingga 31 Disember. Yuran tahunan ahli dan pelajar kena dibayar terdahulu setiap tahun. Hanya yuran tahunan ahli dan pelajar yang berpunca dari tahun kewangan semasa diiktiraf sebagai pendapatan. Yuran berhubung dengan tempoh selepas tahun kewangan semasa ditunjuk dalam kunci kira-kira sebagai Yuran Pendahuluan di bawah tajuk Liabiliti Semasa.
- (ii) Yuran kemasukan ahli dan yuran pendaftaran pelajar diiktiraf apabila permohonan masing-masing diluluskan.
- (iii) Yuran peperiksaan dan pengecualian diiktiraf apabila permohonan masing-masing diluluskan.

Pendapatan Faedah

Pendapatan faedah diiktiraf berasaskan kadar hasil yang efektif.

Aktiviti Lain

Aktiviti lain termasuk penyediaan kursus pembangunan profesional berterusan, mengendalikan bengkel peperiksaan untuk pelajar, jualan penerbitan dan buku panduan belajar MICPA dan pengelolaan aktiviti pembangunan profesional dan aktiviti pelajar lain.

Polisi Institut mengenai pengiktirafan pendapatan dan belanja bagi aktiviti sebegini adalah seperti berikut:

- (i) Setakat aktiviti disempurnakan pada atau sebelum tarikh kunci kira-kira, sebarang lebihan atau defisit diiktiraf dalam penyata pendapatan.
- (ii) Setakat aktiviti dilaksanakan selepas akhir tahun kewangan, sebarang pendapatan diterima dan belanja dilakukan diiktiraf dalam kunci kira-kira.
- (iii) Pendapatan daripada jualan penerbitan dan buku panduan belajar MICPA diiktiraf apabila kawalan fizikal bahan dipindahkan kepada pembeli.
- (iv) Kos penerbitan, selain daripada buku panduan belajar, diiktiraf dalam penyata pendapatan dalam tahun kewangan ia berlaku.

Belanja aktiviti lain berhubung dengan belanja langsung yang boleh dikenalpasti.

4. POLISI PERAKAUNAN PENTING (sambungan)

(c) Loji dan Peralatan dan Susut Nilai

Loji dan peralatan dicatat pada kos, tolak susut nilai terkumpul dan kerugian kemerosotan nilai terkumpul.

Susut nilai dikira supaya menghapuskira kos loji dan peralatan berdasarkan asas garis lurus kepada nilai sisanya ke atas anggaran hayat kegunaannya yang dijangkakan. Kadar tahunan asas yang digunakan adalah seperti berikut:

Perabot danengkapan	10%
Sistem kawalan	10%
Peralatan pejabat	20%
Komputer	33%

Loji dan peralatan dikaji semula untuk kemerosotan berdasarkan polisi perakaunan untuk kemerosotan aset.

(d) Kemerosotan Aset

Nilai buku aset bukan semasa (selain daripada aset cukai tertunda dan pelaburan lain) disemak semula untuk kemerosotan bagi setiap kunci kira-kira. Kerugian kemerosotan diperuntukkan apabila nilai satu aset melebihi nilai diperolehi semula. Jumlah diperolehi semula adalah nilai tertinggi di antara harga jualan bersih satu aset dan nilai penggunaannya yang diukur dengan merujuk kepada harga aliran tunai masa depan yang didiskaunkan.

Kerugian kemerosotan adalah dicaj kepada penyata pendapatan.

Kerugian kemerosotan hanya akan diterbalikan pada takat pengiktirafan kerugian-kerugian kemerosotan satu aset dahulunya. Semua keterbalikan satu kerugian kemerosotan dikreditkan kepada penyata pendapatan.

(e) Buku Panduan Belajar

Kos pembangunan buku panduan belajar MICPA yang sebahagian besarnya terdiri daripada bayaran kepada penulis dan penyemak semula dipermodalkan dan dilunaskan mengikut asas garis lurus ke atas hayat ekonomi buku panduan belajar, yang dianggarkan sepanjang 5 tahun.

Stok buku panduan belajar dicatat pada nilai terendah antara kos sejarah dan nilai boleh direalis bersih. Kos ditetapkan mengikut asas masuk-dulu, keluar-dulu dan terdiri daripada kos percetakan. Nilai boleh direalis bersih merupakan harga jualan dianggarkan dalam keadaan biasa perniagaan tolak kesemua kos dianggarkan akan dibelanja sebelum jualan.

(f) Penghutang

Penghutang dinyatakan pada nilai jangkaan yang boleh direalis. Hutang lapuk dihapuskira apabila dikenal pasti dan elaun dibuat untuk sebarang hutang yang dianggap sebagai koleksi ragu.

(g) Pemiutang

Pemiutang dinyatakan pada kos iaitu nilai saksama balasan yang akan dibayar pada masa hadapan bagi barang-barang dan perkhidmatan yang diterima.

(h) Peruntukan

Peruntukan diiktiraf apabila Institut mempunyai satu obligasi semasa dan sah di sisi undang-undang dan konstruktif yang diakibatkan oleh peristiwa lepas dan terdapat kemungkinan satu aliran keluar sumber melibatkan manfaat ekonomi akan diperlukan untuk menyelesaikan obligasi tersebut dan anggaran yang boleh dipercayai dapat dibuat bagi amaun obligasi.

4. POLISI PERAKAUNAN PENTING (sambungan)

(i) Manfaat Kakitangan

(i) Manfaat Kakitangan Jangka Pendek

Upah, gaji, caruman keselamatan sosial, cuti tahunan berbayar, cuti sakit berbayar, bonus dan faedah bukan kewangan diiktiraf sebagai belanja pada tahun di mana perkhidmatan berkaitan diberikan oleh kakitangan Institut.

Ketidakhadiran terimbuh terkumpul seperti cuti tahunan berbayar adalah diiktiraf sebagai belanja apabila perkhidmatan adalah diberikan oleh kakitangan yang meningkatkan hak mereka bagi ketidakhadiran terimbuh masa depan. Ketidakhadiran terimbuh tak terkumpul seperti cuti sakit adalah diiktiraf apabila berlakunya ketidakhadiran itu.

(ii) Pelan Caruman Tetap

Institut membuat caruman kepada Kumpulan Wang Simpanan Pekerja ("KWSP"). Caruman diiktiraf sebagai belanja dalam tahun ianya berlaku.

(j) Cukai Pendapatan

Cukai pendapatan ke atas lebihan atau defisit bagi tahun kewangan terdiri daripada cukai semasa dan cukai tertunda.

Cukai semasa merupakan cukai yang dijangkakan perlu dibayar ke atas pendapatan bercukai bagi tahun dengan menggunakan kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada tarikh kunci kira-kira.

Cukai tertunda diperuntukkan mengikut kaedah liabiliti kunci kira-kira ke atas perbezaan sementara pada tarikh kunci kira-kira antara nilai buku aset dan liabiliti dan jumlah yang digunakan untuk tujuan pencukaian.

Liabiliti cukai tertunda diiktiraf bagi semua perbezaan sementara yang boleh dikenakan cukai dan aset cukai tertunda diiktiraf bagi semua perbezaan sementara yang boleh diberikan potongan dan kerugian cukai belum diserap dan kredit cukai belum guna setakat terdapat kemungkinan keuntungan bercukai masa depan yang akan berlaku terhadap aset boleh dipakai.

Nilai buku aset cukai tertunda dikurangkan setakat tidak berkemungkinan yang faedah cukai berhubungan akan menjadi realis.

Kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada tarikh kunci kira-kira adalah digunakan untuk menentukan cukai tertunda.

(k) Urusniaga Mata Wang Asing Dan Terjemahan

Urusniaga dalam mata wang asing diterjemahkan kepada Ringgit Malaysia (RM) pada kadar pertukaran yang terpakai pada tarikh urus niaga. Aset dan liabiliti kewangan mata wang asing diterjemahkan pada kadar pertukaran lazim pada tarikh kunci kira-kira. Perbezaan pertukaran wujud dari penyelesaian urusniaga mata wang asing dan daripada terjemahan aset dan liabiliti kewangan mata wang asing diiktiraf dalam penyata pendapatan.

Kadar penutup pertukaran mata wang asing yang digunakan dalam penyediaan penyata kewangan adalah seperti berikut:

	2007	2006
	RM	RM
1 United States Dollar	3.31	3.53
1 Sterling Pound	6.61	6.93
1 Australian Dollar	2.92	2.79

4. POLISI PERAKAUNAN PENTING (sambungan)

(l) Kos Peminjaman

Faedah berkaitan dengan instrumen kewangan, diklasifikasi sebagai liabiliti kewangan, dilaporkan sebagai kos kewangan dalam penyata pendapatan.

(m) Tunai dan Kesetaraan Tunai

Tunai dan kesetaraan tunai termasuk tunai dalam tangan, baki di bank, deposit dengan bank berlesen dan pelaburan yang amat mudah cair yang boleh ditukar dengan mudah kepada amaun tunai dan tertakluk kepada risiko perubahan nilai yang tidak ketara. Penyata aliran tunai disediakan menggunakan kaedah langsung.

(n) Instrumen Kewangan

Instrumen kewangan diiktiraf apabila hubungan kontraktual telah ditubuhkan.

Polisi dan kaedah perakaunan Institut diterima pakai mengenai setiap kelas instrumen kewangan dan keterangan dinyatakan dalam penyata atau nota polisi perakaunan individu kepada penyata kewangan yang berkaitan dengan instrumen kewangan.

5. PENENTUAN DAN ANGGARAN PERAKAUNAN PENTING

(a) Penentuan Kritis Dibuat dalam Pemakaian Polisi Perakaunan

Tiada penentuan kritis dibuat oleh Majlis dalam proses pemakaian polisi perakaunan Institut yang memberi kesan ketara ke atas jumlah diiktiraf dalam penyata kewangan.

(b) Punca Utama Ketidakpastian Anggaran

Andaian utama berkenaan masa hadapan dan punca utama ketidakpastian anggaran lain pada tarikh kunci kira-kira, yang mempunyai risiko ketara menyebabkan pelarasan penting kepada nilai buku aset dan liabiliti pada tahun kewangan berikutnya, adalah dibincangkan di bawah.

(i) Cukai Pendapatan dan Cukai Tertunda

Penentuan diperlukan untuk menetapkan elaun modal dan potongan belanja tertentu apabila menganggarkan peruntukan cukai pendapatan. Terdapat urusan niaga di mana penetapan cukai muktamad adalah tidak pasti dalam keadaan biasa perniagaan. Institut mengiktiraf liabiliti berasaskan anggaran sama ada cukai tambahan kena dibayar. Sekiranya keputusan cukai muktamad berkenaan perkara tersebut berbeza daripada jumlah yang dicatatkan pada mulanya, perbezaan tersebut akan memberi kesan ke atas cukai pendapatan dan cukai tertunda dalam tempoh di mana keputusan diketahui.

(ii) Susut Nilai Loji dan Peralatan

Kos loji dan peralatan disusut nilai berasaskan garis lurus ke atas hayat berguna aset. Majlis menganggarkan hayat berguna loji dan peralatan adalah di antara tempoh 3 tahun dan 10 tahun. Perubahan dalam tahap penggunaan dijangka dan pembangunan teknologi boleh memberi kesan ke atas hayat berguna ekonomi dan nilai sisa aset tersebut. Oleh yang demikian, susut nilai untuk masa hadapan boleh dikaji semula.

(iii) Peruntukan untuk Hutang Ragu

Institut membuat satu peruntukan untuk hutang ragu berasaskan taksiran bagi penghutang yang boleh diperolehi semula. Peruntukan digunakan pada penghutang di mana perkara atau perubahan dalam keadaan menyatakan bahawa nilai buku mungkin tidak dapat diperolehi semula. Dalam menilai tahap hutang yang tidak dapat diperolehi semula, Majlis telah memberi pertimbangan yang wajar terhadap semua maklumat yang penting berkenaan kemampuan penghutang untuk menjelaskan hutang. Nilai buku penghutang dan peruntukan bagi hutang ragu dinyatakan dalam nota 9.

6. LOJI DAN PERALATAN

2007	Peralatan pejabat RM	Perabot dan lengkapan RM	Sistem kawalan RM	Komputer RM	Jumlah RM
Kos					
Pada awal tahun	325,118	119,192	5,415	194,429	644,154
Tambahan	7,419	3,726	-	12,769	23,914
	<u>332,537</u>	<u>122,918</u>	<u>5,415</u>	<u>207,198</u>	<u>668,068</u>
Susut nilai terkumpul					
Pada awal tahun	304,032	74,826	3,602	184,229	566,689
Susut nilai bagi tahun kewangan	10,120	8,230	302	10,786	29,438
	<u>314,152</u>	<u>83,056</u>	<u>3,904</u>	<u>195,015</u>	<u>596,127</u>
Nilai buku bersih Pada 31 Disember 2007					
	<u>18,385</u>	<u>39,862</u>	<u>1,511</u>	<u>12,183</u>	<u>71,941</u>

2006	Peralatan pejabat RM	Perabot dan lengkapan RM	Sistem kawalan RM	Komputer RM	Jumlah RM
Kos					
Pada awal tahun	323,588	119,192	5,415	184,037	632,232
Tambahan	1,530	-	-	10,392	11,922
	<u>325,118</u>	<u>119,192</u>	<u>5,415</u>	<u>194,429</u>	<u>644,154</u>
Susut nilai terkumpul					
Pada awal tahun	294,655	66,827	3,300	176,928	541,710
Susut nilai bagi tahun kewangan	9,377	7,999	302	7,301	24,979
	<u>304,032</u>	<u>74,826</u>	<u>3,602</u>	<u>184,229</u>	<u>566,689</u>
Nilai buku bersih Pada 31 Disember 2006					
	<u>21,086</u>	<u>44,366</u>	<u>1,813</u>	<u>10,200</u>	<u>77,465</u>

7. KOS PEMBANGUNAN BUKU PANDUAN BELAJAR

	2007 RM	2006 RM
Kos pembangunan	671,024	666,024
Perlunasan terkumpul	(607,021)	(483,699)
	<u>(64,003)</u>	<u>182,325</u>
Pergerakan dalam perlunasan terkumpul:		
Baki pada 1 Januari	483,699	363,210
Caj kepada Penyata Pendapatan	123,322	120,489
	<u>607,021</u>	<u>483,699</u>

8. PENDAHULUAN KEPADA TABUNG AMANAH PENDIDIKAN MACPA

Amaun ini merupakan pendahuluan yang dibuat oleh Institut yang tidak bercagar dan tanpa faedah. Institut tidak berniat untuk menuntut pembayaran balik sepenuhnya dalam tempoh dua belas bulan berikutnya.

9. PENGHUTANG, PRABAYARAN DAN DEPOSIT

	2007 RM	2006 RM
Hutang dari Ulasan Belanjawan 2008/2007	103,247	102,569
Hutang dari pertandingan NACRA	109,165	9,941
Yuran belum diterima	277,749	309,984
Pelbagai penghutang	6,063	119,726
Cukai yang dapat diperolehi semula	2,416	2,416
Prabayaran lain	40,075	3,688
Deposit	7,050	7,350
	<u>545,765</u>	<u>555,674</u>
Tolak : Elaun untuk hutang ragu	(19,175)	(19,175)
	<u>526,590</u>	<u>536,499</u>

Yuran belum terima dari ahli-ahli semasa matang pada Januari dan perlu dijelaskan pada Jun setiap tahun manakala ahli-ahli baru perlu jelaskan pada atau dalam jangka masa dua bulan dari kemasukan. Tiada tempoh kredit yang tetap untuk penghutang-penghutang aktiviti-aktiviti lain.

10. SIMPANAN TETAP

	2007 RM	2006 RM
Simpanan tetap dengan sebuah bank berlesen	350,000	400,000

Kadar faedah purata berwajaran pada tahun kewangan untuk simpanan tetap dengan sebuah bank berlesen adalah 3.2% (2006: 3%) setahun.

Tempoh matang simpanan tetap ialah 90 hari (2006: 90 hari)

11. PINJAMAN BERJANGKA BERKAGAR

Bayaran balik bagi pinjaman adalah seperti berikut:

	2007 RM	2006 RM
Semasa		
- Dalam masa satu tahun	136,340	125,585
Bukan Semasa		
- Lebih dari satu tahun tetapi kurang dari lima tahun	38,138	174,400
	<u>174,478</u>	<u>299,985</u>

Pinjaman berjangka dikenakan faedah pada 1.5% lebih daripada kadar pinjaman asas (BLR) bank setahun, dikira setiap bulan. Pinjaman berjangka tersebut dikeluarkan guna sepenuhnya pada Disember 2004 dan kena dibayar balik dengan enam-puluh ansuran bulanan sebanyak RM12,138 setiap satu bermula dari Januari 2005. Kadar faedah purata berwajaran pada tahun kewangan adalah 8.25% (2006: 8.23%) setahun.

Amaun bayaran balik pinjaman berjangka dalam masa satu tahun berjumlah RM136,340 merupakan bayaran balik pokok sahaja.

Pinjaman berjangka berkagar secara:

- (i) "Negative pledge" ke atas aset MICPA.
- (ii) "Lienholder's caveat" ke atas hartanah Tabung Amanah Pendidikan MACPA yang terletak di No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

12. PEMIUTANG DAN AKRUAN

	2007 RM	2006 RM
Pendahuluan untuk buku panduan belajar	116,405	124,760
Hutang kepada persatuan pelajar	174,247	161,373
Pemiutang lain	230,693	215,720
Akruan	241,291	345,448
	<u>762,636</u>	<u>847,301</u>

13. **AKTIVITI LAIN**

2007	Pendapatan RM	Belanja RM	Lebihan/ (Defisit) RM
Bengkel peperiksaan	270,608	181,563	89,045
Minggu perakaunan	23,785	41,222	(17,437)
Pembangunan profesional berterusan	318,994	172,792	146,202
Majlis jamuan tahunan	82,900	98,880	(15,980)
Anugerah kecemerlangan MICPA	6,820	24,799	(17,979)
Jurnal dan penerbitan	24,271	6,411	17,860
Perhimpunan tidak formal ahli-ahli	21,360	12,352	9,008
Buku panduan belajar MICPA	98,180	133,442	(35,262)
Simposium CPA Muda	20,510	15,708	4,802
	<u>867,428</u>	<u>687,169</u>	<u>180,259</u>
Aktiviti yang dikelolakan bersama pertubuhan lain:			
Forum perniagaan	121,052	–	121,052
Pertandingan NACRA	–	5,031	(5,031)
Ulasan belanjawan 2008	97,600	–	97,600
	<u>218,652</u>	<u>5,031</u>	<u>213,621</u>
	<u>1,086,080</u>	<u>692,200</u>	<u>393,880</u>
2006	Pendapatan RM	Belanja RM	Lebihan/ (Defisit) RM
Bengkel perakaunan	380,525	251,169	129,356
Pembangunan profesional berterusan	241,770	152,198	89,572
Majlis jamuan tahunan	63,800	80,707	(16,907)
Syarahan kenangan dan jamuan	17,400	27,581	(10,181)
Anugerah kecemerlangan MICPA	6,950	23,449	(16,499)
Jurnal dan penerbitan	123,159	48,554	74,605
Perhimpunan tidak formal ahli-ahli	4,260	2,880	1,380
Buku panduan belajar MICPA	172,400	149,090	23,310
Simposium CPA Muda	15,195	13,119	2,076
	<u>1,025,459</u>	<u>748,747</u>	<u>276,712</u>
Aktiviti yang dikelolakan bersama pertubuhan lain:			
Forum perniagaan	102,874	–	102,874
Pertandingan NACRA	–	1,792	(1,792)
Ulasan belanjawan 2007	100,224	–	100,224
Seminar dianjurkan bersama	35,775	–	35,775
	<u>238,873</u>	<u>1,792</u>	<u>237,081</u>
	<u>1,264,332</u>	<u>750,539</u>	<u>513,793</u>

Belanja bagi aktiviti di atas merupakan belanja langsung yang dapat dikenalpasti sahaja dan tidak termasuk belanja overhead. Belanja untuk buku panduan belajar MICPA termasuk perluan kos pembangunan buku panduan belajar berjumlah RM123,322 (2006: RM120,489)

14. PENDAPATAN LAIN

	2007 RM	2006 RM
Faedah simpanan tetap	20,635	14,642
Denda diterima yang timbul dari tindakan disiplin	3,150	6,188
Jualan label pengiriman	6,104	5,026
Lain-lain	8,809	4,750
	<u>38,698</u>	<u>30,606</u>

15. BELANJA KENDALIAN

	2007 RM	2006 RM
Belanja pengiklanan	6,067	40,320
Belanja mesyuarat agung tahunan dan mesyuarat majlis	4,914	3,370
Elaun untuk hutang ragu	-	1,425
Ganjaran juruaudit	6,300	6,300
Hutang lapuk dihapuskira	77,384	52,967
Bayaran bank	17,528	15,204
Program pemajuan jenama	12,175	21,000
Susut nilai	29,438	24,979
Belanja langsung peperiksaan	77,554	76,256
Elektrik dan air	28,991	27,646
Belanja am	6,841	5,807
Insuran	7,514	6,837
Jurnal dan pernyataan teknikal	170,946	187,391
Bayaran perundangan dan profesional	12,592	17,762
Penyelenggaraan	17,382	21,097
Belanja perubatan	5,821	5,070
Sewa pejabat	96,000	96,000
Majalah dan stok perpustakaan	8,716	10,694
Pos dan telefon	103,125	116,701
Percetakan dan alatulis	77,449	71,525
Belanja pembangunan profesional	116,958	108,544
Penerbitan bahan kursus pelajar	6,100	4,725
Semakan semula kelayakan MICPA	-	5,533
Kos pekerja		
- Kumpulan Wang Simpanan Pekerja dan SOCSO	189,075	205,110
- Gaji dan bonus	1,281,728	1,243,869
Dana rekreasi pekerja	4,705	5,374
Yuran kepada badan perakaunan antarabangsa	26,907	26,380
Belanja perjalanan	20,306	24,384
	<u>2,412,516</u>	<u>2,432,270</u>

Belanja langsung peperiksaan termasuk sejumlah RM2,394 (2006: RM3,221) yang dibayar kepada seorang ahli Majlis sebagai bayaran perkhidmatan pemeriksa.

16. KOS KEWANGAN

	2007 RM	2006 RM
Faedah pinjaman berjangka	<u>20,149</u>	<u>29,487</u>

17. BELANJA CUKAI

- (a) Bagi tujuan cukai, Institut ditaksirkan sebagai “Persatuan Dagangan” di bawah seksyen 53(3) Akta Cukai Pendapatan, 1967. Oleh itu pendapatannya dikenakan cukai mengikut kadar skala.

	2007	2006
	RM	RM
Belanja cukai semasa	520	314

Cukai telah diperuntukkan bagi pendapatan faedah yang diperolehi oleh Institut.

- (b) Penyelarasan berangka antara kadar cukai efektif dan kadar cukai dikenakan bagi Institut adalah seperti berikut:

	2007	2006
	%	%
Kadar cukai dikenakan	9.83	28.00
Kesan cukai berkaitan dengan:		
Pendapatan tidak dikena cukai	–	(0.39)
Kerugian cukai belum diserap	(28.96)	(35.35)
Belanja tidak dibenar potongan	22.21	9.17
Pelarasn kadar cukai pendapatan	(2.29)	(1.32)
Kadar cukai efektif	0.79	0.11

- (c) Tertakluk kepada persetujuan dengan Lembaga Hasil Dalam Negeri, Institut mempunyai kerugian cukai belum diserap sebanyak RM375,246 (2006: RM568,837) boleh digunakan untuk mengimbangi lebihan kena dibayar cukai pada masa hadapan.

18. TUNAI DAN KESETARAAN TUNAI

Tunai dan kesetaraan tunai terdiri daripada tunai dalam tangan dan baki di bank dan simpanan tetap. Tunai dan kesetaraan tunai termasuk dalam penyata aliran tunai terdiri daripada amaun kunci kira-kira yang berikut:

	2007	2006
	RM	RM
Simpanan tetap	350,000	400,000
Tunai dan baki di bank	36,232	24,855
	<u>386,232</u>	<u>424,855</u>

19. URUSNIAGA PIHAK BERKAITAN

Urusniaga dijalankan dengan pihak berkaitan pada tahun kewangan adalah seperti berikut:

- (a) **Urusniaga dan baki belum dijelaskan dengan Tabung Amanah Pendidikan MACPA**

	2007	2006
	RM	RM
Bayaran bagi pihak Tabung Amanah Pendidikan MACPA	43,113	41,869
Caj bayaran pentadbiran kepada Tabung Amanah Pendidikan MACPA	29,000	26,527
Caj sewa oleh Tabung Amanah Pendidikan MACPA	96,000	96,000

19. URUS NIAGA PIHAK BERKAITAN (sambungan)

(a) Urus niaga dan baki belum dijelaskan dengan Tabung Amanah Pendidikan MACPA (sambungan)

Di samping urus niaga di atas, pinjaman berjangka Institut dicagar ke atas hartanah Tabung Amanah Pendidikan MACPA seperti diberitahu dalam Nota 11 kepada penyata kewangan.

Baki belum jelas untuk pendahuluan kepada Tabung Amanah Pendidikan MACPA pada tarikh kunci kira-kira sebanyak RM43,739 (2006: RM67,626). Syarat pendahuluan dinyatakan dalam Nota 8 kepada penyata kewangan.

Tabung Amanah Pendidikan MACPA adalah satu dana yang ditubuhkan oleh Institut dan diurus oleh Pemegang Amanah yang dilantik oleh Institut.

(b) Pampasan kakitangan pengurusan utama

Kakitangan pengurusan utama adalah orang yang mempunyai kuasa dan tanggungjawab untuk merancang, memberi arahan dan mengawal aktiviti Institut sama ada secara langsung atau tidak langsung. Kakitangan pengurusan utama Institut adalah Ahli-ahli Majlis dan Setiausaha dan ganjaran mereka bagi tahun kewangan adalah seperti berikut:

	2007 RM	2006 RM
Faedah pekerja-pekerja jangka pendek	502,500	446,194
Faedah selepas penggajian		
- sumbangan kepada Kumpulan Wang Simpanan Pekerja	81,720	83,924
	584,220	530,118
Manfaat berupa barangan	8,700	15,080
	<u>592,920</u>	<u>545,198</u>

Bayaran pemeriksa dibayar kepada seorang Ahli Majlis dinyatakan dalam Nota 15 kepada penyata kewangan.

Baki belum dijelaskan pada hujung tahun berkaitan dengan pampasan kena dibayar untuk kakitangan pengurusan utama adalah seperti berikut:

	2007 RM	2006 RM
Termasuk dalam pemiutang dan akruan	<u>25,200</u>	<u>73,780</u>

20. PERBANDINGAN

Perubahan ketara adalah seperti berikut:

- (i) Perbandingan untuk penyata aliran tunai telah diselaraskan untuk mengimbangi urusniaga dengan Tabung Amanah Pendidikan MACPA bagi menunjukkan pergerakan tunai bersih seperti berikut:

	Seperti yang dilaporkan sebelumnya RM	Pelarasan RM	Seperti yang dinyata semula RM
Belanja kendalian	(3,048,667)	69,473	(2,979,194)
Bayaran bagi pihak			
Tabung Amanah Pendidikan MACPA	(68,369)	26,500	(41,869)
Bayaran balik daripada Tabung Amanah Pendidikan MACPA	<u>96,000</u>	<u>(96,000)</u>	<u>—</u>

- (ii) Perbandingan diperkenalkan untuk perbandingan urusniaga pihak berkaitan seperti dinyatakan dalam Nota 19.

Penyata oleh Ahli-ahli Majlis

Kami, **Dato' Nordin Baharuddin** dan **Dato' Ahmad Johan bin Mohammad Raslan**, dua orang daripada Ahli-ahli Majlis **INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA**, dengan ini menyatakan bahawa, pada pendapat Ahli-ahli Majlis, penyata kewangan yang dibentangkan bersama dengan nota-notanya, telah disediakan mengikut Piawaian Perakaunan Diluluskan MASB di Malaysia bagi Entiti Selain Daripada Entiti Sendirian dan peruntukan Akta Syarikat, 1965 supaya memberi gambaran yang benar dan saksama mengenai:

- (i) kedudukan Institut pada 31 Disember 2007 dan keputusannya bagi tahun kewangan berakhir pada tarikh tersebut; dan
- (ii) aliran tunai Institut bagi tahun kewangan berakhir pada 31 Disember 2007.

Bagi pihak Ahli-ahli Majlis,

Dato' Nordin Baharuddin
Presiden

Dato' Ahmad Johan bin Mohammad Raslan
Naib Presiden

Kuala Lumpur
28 Mei 2008

Akuan Berkanun

Saya, **Foo Yoke Pin**, selaku pegawai yang terutama bertanggungjawab ke atas pengurusan kewangan Institut Akauntan Awam Bertauliah Malaysia, dengan sesungguhnya dan tulus ikhlas mengaku bahawa penyata kewangan yang dibentangkan bersama dengan nota-notanya adalah untuk sebaik-baik pengetahuan dan kepercayaan saya adalah betul, dan saya membuat pengakuan ini dengan penuh kepercayaan bahawa perkara-perkara tersebut adalah benar serta menurut Akta Akuan Berkanun, 1960.

Ditandatangani dan diakui oleh penama di atas)
FOO YOKE PIN)
 di Kuala Lumpur)
 Wilayah Persekutuan)
 pada 28 Mei 2008)

Di hadapan saya:

Wong Ah Ying
Pesuruhjaya Sumpah
Kuala Lumpur

Laporan Juruaudit Kepada Ahli-ahli The Malaysian Institute of Certified Public Accountants (3246-U) (Institut Akauntan Awam Bertauliah Malaysia)

Kami telah mengaudit penyata kewangan yang dibentangkan pada mukasurat 83 hingga 100 bagi Institut Akauntan Awam Bertauliah Malaysia. Penyediaan penyata kewangan tersebut adalah tanggungjawab Majlis.

Adalah menjadi tanggungjawab kami untuk membuat pendapat bebas kami ke atas penyata kewangan tersebut berdasarkan audit kami dan untuk melaporkan pendapat kami kepada anda, sebagai satu badan, menurut Seksyen 174, Akta Syarikat, 1965 dan bukan untuk tujuan lain. Kami tidak bertanggungjawab terhadap mana-mana pihak lain bagi kandungan laporan ini.

Kami telah menjalankan audit kami mengikut Piawaian Pengauditan diluluskan di Malaysia. Piawaian tersebut memerlukan kami merancang dan melaksanakan audit untuk mendapat maklumat dan penjelasan, yang mana kami didapati perlu untuk memberi kami keyakinan yang munasabah tentang penyata kewangan tersebut bebas dari sebarang salahnyata yang ketara. Sesuatu audit merangkumi pemeriksaan, berasaskan ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Sesuatu audit juga termasuk penaksiran prinsip-prinsip perakaunan yang digunakan dan anggaran-anggaran penting yang dibuat oleh Majlis, serta penilaian ketepatan keseluruhan pembentangan maklumat dalam penyata kewangan.

Kami percaya bahawa pengauditan kami memberikan asas yang munasabah bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan ini telah disediakan dengan sewajarnya menurut Akta Syarikat, 1965 dan Piawaian Perakaunan Diluluskan MASB di Malaysia bagi Entiti Selain Daripada Entiti Sendirian untuk memberi gambaran yang benar dan saksama mengenai:
 - (i) perkara-perkara yang dikehendaki oleh Seksyen 169, Akta Syarikat, 1965 untuk diambil kira dalam penyata kewangan Institut; dan
 - (ii) kedudukan Institut pada 31 Disember 2007 dan keputusan kendalian serta aliran tunai Institut bagi tahun kewangan berakhir pada tarikh tersebut; dan
- (b) rekod-rekod perakaunan dan rekod-rekod lain serta daftar-daftar dikehendaki oleh Akta Syarikat, 1965 untuk disimpan oleh Institut telah disimpan dengan sempurna mengikut peruntukan Akta tersebut.

Ooi Chee Kun
996/03/10 (J/PH)
Akauntan Bertauliah

Ng Eng Kiat
1064/03/09 (J/PH)
Akauntan Bertauliah

Kuala Lumpur
28 Mei 2008

MACPA Educational Trust Fund

*Report & Financial Statements
December 31, 2007*

TRUSTEES:

Datuk Abu Hassan Kendut
Larry Seow Thiam Fatt
Dato' Hj. Megat Abdul Rahman Megat Ahmad
Dr. Nawawi Mat Awin
Subimal Sen Gupta
Dato' Hj. Zainal Abidin Putih

AUDITORS:

Ooi Chee Kun
Ng Eng Kiat

PRINCIPAL PLACE OF BUSINESS:

No. 15, Jalan Medan Tuanku
50300 Kuala Lumpur

REPORT OF THE TRUSTEES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007

The principal objects of the MACPA Educational Trust Fund ("Trust Fund") are the promotion and advancement of education and dissemination of knowledge in accountancy and related subjects.

In furtherance of its objects, the Trust Fund offers grants to assist academic staff of local universities in carrying out research and study in accountancy and related disciplines.

With the aim to ensure that research activities are carried out on a well co-ordinated basis and in areas pertinent to the accountancy profession and society, the Trust Fund has established a Research Board charged with the responsibility to formulate the Trust Fund's research objectives, to plan and monitor its research programme, and to undertake publication of research findings.

To further promote education in accountancy, the Trust Fund awards scholarships and study loans for pursuing an accountancy qualification. The scholarships are intended to provide financial assistance to those school leavers who possess good academic record but who are financially handicapped to achieve a tertiary or professional qualification in accountancy.

The Trustees of the Trust Fund have pleasure in submitting the financial statements of the Trust Fund for the financial year ended December 31, 2007.

On behalf of the Trustees,

.....
Dato' Hj. Megat Abdul Rahman Megat Ahmad
Trustee

.....
Datuk Abu Hassan Kendut
Trustee

Kuala Lumpur
May 28, 2008

BALANCE SHEET AS AT DECEMBER 31, 2007

	Note	2007 RM	2006 RM
Non-Current Assets			
Property and equipment	4	1,691,150	1,707,514
Current Assets			
Tax recoverable	5	43,466	43,466
Sundry receivables	6	21,833	22,233
Fixed deposit with a licensed bank		42,232	40,858
Bank balance		84,308	83,548
		191,839	190,105
Current Liability			
Accruals		8,192	14,100
		8,192	14,100
Net Current Assets			
		183,647	176,005
		<u>1,874,797</u>	<u>1,883,519</u>
Represented by:			
Accumulated Funds			
Balance as at January 1		1,815,893	1,745,224
Net surplus for the financial year		15,165	70,669
Balance as at December 31		1,831,058	1,815,893
Advances from MICPA			
	7	43,739	67,626
		<u>1,874,797</u>	<u>1,883,519</u>

The above Balance Sheet is to be read in conjunction with the notes to the financial statements on pages 110 to 115.

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 RM	2006 RM
Income			
Rental		96,000	96,000
Donations		360	64,000
Fixed deposit interest		1,374	1,264
		97,734	161,264
Expenses			
Assessment and quit rent		16,256	16,256
Auditors' remuneration			
- current year		2,000	2,000
Depreciation	4	34,224	30,657
Insurance		1,189	844
Legal and professional fee		2,000	4,095
Printing and stationery		400	216
		56,069	54,068
Scholarships, research grants and expenses	8	26,500	36,527
		82,569	90,595
Surplus Before Tax		15,165	70,669
Tax Expense	5	-	-
Net Surplus for the Financial Year		15,165	70,669

The above Income Statement is to be read in conjunction with the notes to the financial statements on pages 110 to 115.

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007

	2007 RM	2006 RM
Net surplus for the financial year	15,165	70,669

The above Statement of Recognised Gains and Losses is to be read in conjunction with the notes to the financial statements on pages 110 to 115.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 RM	Restated 2006 RM
Cash Flows from Operating Activities			
Cash receipts			
Donations		360	64,000
Net cash generated from operating activities		360	64,000
Cash Flows from Investing Activities			
Students' study loans repayment		400	4,000
Fixed deposit interest received		1,374	1,264
Net cash generated from investing activities		1,774	5,264
Net Increase in Cash and Cash Equivalents		2,134	69,264
Cash and Cash Equivalents at Beginning of the Financial Year		124,406	55,142
Cash and Cash Equivalents at End of the Financial Year	9	126,540	124,406

The above Cash Flow Statement is to be read in conjunction with the notes to the financial statements on pages 110 to 115.

NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2007

1. GENERAL INFORMATION

The MACPA Educational Trust Fund ("Trust Fund") is a non-profit trust body established by a trust deed on November 14, 1981, and is domiciled in Malaysia.

The registered office and principal place of business of the Trust Fund is located at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

The principal objects of the Trust Fund are the promotion and advancement of education and dissemination of knowledge in accountancy and related subjects.

The financial statements are presented in Ringgit Malaysia.

The financial statements were authorised for issue by the Trustees on May 28, 2008.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

- (a) A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Trust Fund include receivables and bank balances.

Financial liability of the Trust Fund include accruals.

- (b) The main risks arising from the Trust Fund's financial instruments are liquidity risk, credit risk and interest rate risk. The Trustees reviews and agree policies for managing each of these risks and they are summarised below:

(i) Liquidity Risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments.

The Trust Fund derives income from a constant stream of rental income, donations and interest which are adequate to meet the fixed expenses of the Trust Fund. Commitments to fund the principal objects of the Trust Body is made based on available surplus and liquid funds.

(ii) Credit Risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Trust Fund.

Transactions with banking institutions may give rise to credit risk which require the loss to be recognised if a counter party fails to perform as contracted. The counter party is a licensed banking institutions. It is the policy of the Trust Fund to monitor the financial standing of this counter party on an ongoing basis to ensure that the Trust Fund is exposed to minimal credit risk.

As at December 31, 2007, the Trust Fund has bank balance and fixed deposit of RM126,540 (2006: RM124,406) with a major licensed banking institutions in Malaysia. The Trust Fund has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

2. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk

The Trust Fund is exposed to interest rate risk in respect of its fixed deposits with a licensed bank.

The Trustees ensure that it places fixed deposits at competitive rates.

(c) Fair Values

The carrying amounts of the financial instruments of the Trust Fund as at December 31, 2007 approximate their fair values due to the relatively short term to maturity of these financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies. The financial statements comply with MASB Approved Accounting Standards in Malaysia for Private Entities.

The preparation of financial statements in conformity with MASB Approved Accounting Standards in Malaysia for Private Entities requires that the Trustees make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Income Recognition

- (i) Rental income is recognised on an accrual basis.
- (ii) Donations are recognised when received.
- (iii) Interest income is recognised on the effective yield basis.

(c) Property and Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The acquisition cost of freehold land and building was apportioned based on a professional valuer's report for purposes of calculating the depreciable amount of the building.

Freehold land is not depreciated. For other property and equipment, depreciation is calculated to write off the cost of the property and equipment on a straight line basis over their estimated useful lives.

The principal annual rates used are as follows:

Building	2%
Fixtures and fittings	20%

Property and equipment which are fully depreciated are recorded at a nominal value of RM1.00.

Property and equipment are reviewed for impairment in accordance with the accounting policy for impairment of assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of Assets

The carrying amount of non-current assets (other than deferred tax assets and other investments) are reviewed for impairment at each balance sheet. Impairment losses are provided when the carrying amount of an asset exceeds its recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement.

An impairment loss is only reversed to the extent of previously recognised impairment losses on an asset. All reversals of an impairment loss is credited to the income statement.

(e) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(f) Cash and Cash Equivalents

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

(g) Financial Instruments

Financial instrument are recognised when a contractual relationship has been established.

The accounting policies for financial instruments are disclosed in the individual policies associated with each item.

4. PROPERTY AND EQUIPMENT

2007	Freehold land RM	Building RM	Fixtures and fittings RM	Total RM
Costs				
At beginning of year	1,134,000	865,784	174,211	2,173,995
Additions	–	–	17,860	17,860
	<u>1,134,000</u>	<u>865,784</u>	<u>192,071</u>	<u>2,191,855</u>
At end of year	<u>1,134,000</u>	<u>865,784</u>	<u>192,071</u>	<u>2,191,855</u>
Accumulated depreciation				
At beginning of year	–	308,731	157,750	466,481
Charge for the year	–	17,316	16,908	34,224
	<u>–</u>	<u>326,047</u>	<u>174,658</u>	<u>500,705</u>
At end of year	<u>–</u>	<u>326,047</u>	<u>174,658</u>	<u>500,705</u>
Net book value as at December 31, 2007	<u><u>1,134,000</u></u>	<u><u>539,737</u></u>	<u><u>17,413</u></u>	<u><u>1,691,150</u></u>
2006	Freehold land RM	Building RM	Fixtures and fittings RM	Total RM
Costs				
At beginning of year	1,134,000	865,784	171,161	2,170,945
Additions	–	–	3,050	3,050
	<u>1,134,000</u>	<u>865,784</u>	<u>174,211</u>	<u>2,173,995</u>
At end of year	<u>1,134,000</u>	<u>865,784</u>	<u>174,211</u>	<u>2,173,995</u>
Accumulated depreciation				
At beginning of year	–	291,415	144,409	435,824
Charge for the year	–	17,316	13,341	30,657
	<u>–</u>	<u>308,731</u>	<u>157,750</u>	<u>466,481</u>
At end of year	<u>–</u>	<u>308,731</u>	<u>157,750</u>	<u>466,481</u>
Net book value as at December 31, 2006	<u><u>1,134,000</u></u>	<u><u>557,053</u></u>	<u><u>16,461</u></u>	<u><u>1,707,514</u></u>

The freehold land and building is subject to a lienholder's caveat in favour of a licensed bank for a term loan amounting to RM600,000 given to MICPA to finance the production of study manuals, of which RM174,478 (2006: RM299,985) is outstanding as at the balance sheet date.

5. TAXATION

5.1 Tax expense / recoverable

The income of the Trust Fund is tax exempt under paragraph 13, Schedule 6 to the Income Tax Act, 1967 with effect from the year of assessment 1994.

The tax recoverable represents over-payment of tax amounting to RM43,466 in previous years arising from the cancellation of assessment for the years of assessments 1994 to 2000.

5.2 The tax exempt status is granted on the basis that the Trust Fund will expend 50% (prior to 2005: 70%) of its previous year income and donation received for approved purpose of the Trust Fund. The Trust Fund has not met his criteria for the current year and certain past years and consequently the income of the Trust Fund for the failure years may be subject to tax.

The Trust Fund has informed Inland Revenue Board of the reasons and have sought permission to defer applying the income and donations.

Taxation has been computed for the failure years on the basis that tax exemption is applicable.

6. SUNDRY RECEIVABLES

Sundry receivables include study loans provided to students for pursuing the MICPA qualification. The study loans are interest free and are repayable over a period of 15 months.

7. ADVANCES FROM MICPA

The amount represents advances from The Malaysian Institute of Certified Public Accountants (“MICPA”) which are unsecured, interest-free and have no fixed terms of repayment. The MICPA has indicated that it will not demand full repayment within the next twelve months.

8. SCHOLARSHIPS, RESEARCH GRANTS AND EXPENSES

	2007 RM	2006 RM
Administrative expenses due to MICPA	29,000	26,527
Scholarship and research grants	7,500	10,000
ETF research grant withdrawn	(10,000)	-
	<u>26,500</u>	<u>36,527</u>

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balance sheet amounts:

	2007 RM	2006 RM
Bank balance	84,308	83,548
Fixed deposit with a licensed bank	42,232	40,858
	<u>126,540</u>	<u>124,406</u>

The weighted average interest rate during the financial year for fixed deposit with a licensed bank is 3.3% (2006: 3%) per annum.

The fixed deposit has a maturity of 90 days (2006: 90 days).

10. NOTE TO CASH FLOW STATEMENT

Addition of property and equipment and other expenses of the Trust Fund were settled by MICPA as follows:

	2007	2006
	RM	RM
<u>Settled by MICPA</u>		
Acquisition of property and equipment	17,860	3,050
Operating expenses	21,753	38,819
Scholarship and research grants	3,500	-
Payment by MICPA	43,113	41,869
Administrative expenses charged by MICPA	29,000	26,527
	<u>72,113</u>	<u>68,396</u>
Less: Rental due from MICPA	(96,000)	(96,000)
Due from MICPA	(23,887)	(27,604)
Utilised to settle amount due to MICPA	23,887	27,604
Net cash movement between Trust Fund & MICPA	<u>-</u>	<u>-</u>

11. COMPARATIVES

The comparatives for the cash flow statement have been adjusted to net off transactions with MICPA to reflect the net cash movements as follows:

	As previously reported RM	Adjustment RM	As restated RM
Proceeds from rental	96,000	(96,000)	-
Operating expenses	(34,819)	34,819	-
Scholarships, research grants and expenses	(26,527)	26,527	-
Students' study loans repayment	-	4,000	4,000
Additions to property and equipment	(3,050)	3,050	-
Advances from MICPA	68,396	(68,396)	-
Repayment of advances from MICPA	(96,000)	96,000	-

STATEMENT BY TRUSTEES

In the opinion of the Trustees, the financial statements set out on pages 106 to 115 have been drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of the state of affairs of the MACPA Educational Trust Fund as at December 31, 2007 and of its results and cash flows for the financial year then ended.

On behalf of the Trustees,

.....
Dato' Hj. Megat Abdul Rahman Megat Ahmad
Trustee

.....
Datuk Abu Hassan Kendut
Trustee

Kuala Lumpur
May 28, 2008

STATUTORY DECLARATION

I, **FOO YOKE PIN**, being the person primarily responsible for the financial management of the MACPA Educational Trust Fund, do solemnly and sincerely declare that the financial statements set out on pages 106 to 115 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **FOO YOKE PIN**)
at Kuala Lumpur in the Federal Territory this)
28th day of May 2008)

Before me:

Wong Ah Ying
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE TRUSTEES OF MACPA EDUCATIONAL TRUST FUND

We have audited the financial statements as set out on pages 106 to 115 of MACPA Educational Trust Fund. The preparation of the financial statements is the responsibility of the Trustees.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the MASB Approved Accounting Standards in Malaysia for Private Entities so as to give a true and fair view of the financial position of the MACPA Educational Trust Fund at December 31, 2007 and of its results and cash flows for the year ended on that date; and
- (b) the accounting and other records of the MACPA Educational Trust Fund examined by us have been properly kept.

Ooi Chee Kun

996/03/10 (J/PH)

Chartered Accountant

Ng Eng Kiat

1064/03/09 (J/PH)

Chartered Accountant

Kuala Lumpur

May 28, 2008

LAPORAN PEMEGANG-PEMEGANG AMANAH BAGI TAHUN BERAKHIR 31 DISEMBER 2007

Matlamat utama Tabung Amanah Pendidikan MACPA ("Tabung Amanah") adalah penggalakan dan kemajuan pendidikan serta penyebaran pengetahuan perakaunan dan bidang-bidang lain yang berkaitan.

Untuk mencapai matlamat tersebut, Tabung Amanah menawarkan bantuan kewangan kepada kakitangan akademik universiti-universiti tempatan untuk menjalankan penyelidikan dan kajian dalam bidang perakaunan dan disiplin-disiplin yang berkaitan.

Dengan tujuan untuk memastikan bahawa kegiatan penyelidikan dijalankan pada asas yang lebih berkordinasi dan dalam bidang yang berhubung dengan profesion perakaunan dan masyarakat, Tabung Amanah telah menubuhkan satu Lembaga Penyelidikan yang bertanggungjawab untuk merumus objektif penyelidikan Tabung Amanah, untuk merancang dan mengawasi program penyelidikan, dan menerbitkan hasil penyelidikan.

Untuk menggalakkan lagi pendidikan dalam bidang perakaunan, Tabung Amanah menawarkan biasiswa dan pinjaman pelajaran untuk mencapai kelayakan perakaunan. Tujuannya adalah untuk memberi bantuan kewangan kepada lepasan sekolah yang mempunyai prestasi akademik yang baik tetapi menghadapi rintangan kewangan untuk mencapai kelayakan lanjutan atau profesional dalam bidang perakaunan.

Pemegang-pemegang Amanah dengan sukacitanya mengemukakan penyata kewangan Tabung Amanah bagi tahun kewangan berakhir 31 Disember 2007.

Bagi pihak Pemegang-pemegang Amanah,

.....
Dato' Hj. Megat Abdul Rahman Megat Ahmad
Pemegang Amanah

.....
Datuk Abu Hassan Kendut
Pemegang Amanah

Kuala Lumpur
28 Mei 2008

KUNCI KIRA-KIRA PADA 31 DISEMBER 2007

	Nota	2007 RM	2006 RM
Aset Bukan Semasa			
Hartanah dan peralatan	4	1,691,150	1,707,514
Aset Semasa			
Cukai yang dapat diperolehi semula	5	43,466	43,466
Pelbagai penghutang	6	21,833	22,233
Simpanan tetap dengan bank berlesen		42,232	40,858
Baki di bank		84,308	83,548
		191,839	190,105
Liabiliti Semasa			
Akruan		8,192	14,100
		8,192	14,100
Aset Semasa Bersih			
		183,647	176,005
		<u>1,874,797</u>	<u>1,883,519</u>
Diwakili oleh:			
Dana Terkumpul			
Baki pada 1 Januari		1,815,893	1,745,224
Lebihan bersih bagi tahun kewangan		15,165	70,669
Baki pada 31 Disember		1,831,058	1,815,893
Pendahuluan daripada MICPA			
	7	43,739	67,626
		<u>1,874,797</u>	<u>1,883,519</u>

Kunci Kira-kira di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 123 hingga 128.

**PENYATA PENDAPATAN
BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2007**

	Nota	2007 RM	2006 RM
Pendapatan			
Sewa		96,000	96,000
Derma		360	64,000
Faedah simpanan tetap		1,374	1,264
		97,734	161,264
Belanja			
Taksiran dan cukai tanah		16,256	16,256
Ganjaran juruaudit			
- tahun semasa		2,000	2,000
Susut nilai	4	34,224	30,657
Insuran		1,189	844
Bayaran perundangan dan profesional		2,000	4,095
Percetakan dan alatulis		400	216
		56,069	54,068
Biasiswa, bantuan dan belanja penyelidikan	8	26,500	36,527
		82,569	90,595
Lebihan Sebelum Cukai		15,165	70,669
Belanja Cukai	5	-	-
Lebihan Bersih bagi Tahun Kewangan		15,165	70,669

Penyata Pendapatan di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 123 hingga 128.

**PENYATA KEUNTUNGAN DAN KERUGIAN YANG DIKTIRAF
BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2007**

	2007 RM	2006 RM
Lebihan bersih bagi tahun kewangan	15,165	70,669

Penyata Keuntungan dan Kerugian yang Diiktiraf di atas hendaklah dibaca dengan nota kepada penyata kewangan di mukasurat 123 hingga 128.

PENYATA ALIRAN TUNAI BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2007

	Nota	2007 RM	Dinyata semula 2006 RM
Aliran Tunai daripada Aktiviti Kendalian			
Penerimaan tunai Derma		360	64,000
Tunai bersih terjana daripada aktiviti kendalian		360	64,000
Aliran Tunai daripada Aktiviti Pelaburan			
Pembayaran balik pinjaman pelajaran daripada pelajar Faedah simpanan tetap diterima		400 1,374	4,000 1,264
Tunai bersih terjana daripada aktiviti pelaburan		1,774	5,264
Lebihan Bersih dalam Tunai dan Kesetaraan Tunai		2,134	69,264
Tunai dan Kesetaraan Tunai pada Awal Tahun Kewangan		124,406	55,142
Tunai dan Kesetaraan Tunai pada Akhir Tahun Kewangan	9	126,540	124,406

Penyata Aliran Tunai di atas hendaklah dibaca bersama dengan nota kepada penyata kewangan di mukasurat 123 hingga 128.

NOTA KEPADA PENYATA KEWANGAN 31 DISEMBER 2007

1. MAKLUMAT AM

Tabung Amanah Pendidikan MACPA (“Tabung Amanah”) adalah sebuah badan amanah yang ditubuhkan tidak bertujuan memperolehi keuntungan mengikut surat perjanjian pada 14 November 1981, dan berdomisil di Malaysia.

Pejabat berdaftar dan tempat utama perniagaan Tabung Amanah terletak di No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

Matlamat utama Tabung Amanah adalah penggalakan dan kemajuan pendidikan serta penyebaran pengetahuan perakaunan dan bidang-bidang lain yang berkaitan.

Penyata kewangan Tabung Amanah telah dibentangkan dalam Ringgit Malaysia.

Penyata kewangan Tabung Amanah telah diberi kuasa untuk diterbitkan oleh Pemegang Amanah pada 28 Mei 2008.

2. INSTRUMEN KEWANGAN DAN PENGURUSAN RISIKO KEWANGAN

- (a) Instrumen kewangan adalah sebarang kontrak yang menimbulkan aset kewangan bagi satu pihak perusahaan dan liabiliti kewangan atau ekuiti bagi satu pihak perusahaan lain.

Aset kewangan Institut merangkumi penghutang dan tunai dan baki bank.

Liabiliti kewangan Institut merangkumi pemiutang dan akruan.

- (b) Risiko utama yang muncul dari instrumen kewangan Tabung Amanah ialah risiko mudah tunai, risiko kredit dan risiko kadar faedah. Pemegang Amanah menyemak semula dan mempersetujui polisi untuk pengurusan setiap risiko tersebut yang diringkaskan di bawah:

(i) Risiko Mudah Tunai

Risiko mudah tunai atau pembiayaan adalah risiko di mana tidak dapat memenuhi komitmen yang berkaitan dengan instrumen kewangan.

Tabung Amanah memperolehi pendapatan yang tetap dari pendapatan sewa, derma dan pendapatan faedah yang mencukupi untuk membiayai belanja tetap Tabung Amanah. Komitmen untuk menabung matlamat utama Tabung Amanah adalah berdasarkan kepada lebihan dan dana mudah tunai.

(ii) Risiko Kredit

Risiko kredit adalah risiko kerugian kewangan berpunca dari kegagalan pihak balas gagal melaksanakan urusan mengikut kontrak dengan Tabung Amanah.

Urus niaga dengan institusi perbankan mungkin menimbulkan risiko kredit yang memerlukan kerugian diiktirafkan sekiranya pihak balas gagal melaksanakan urusan mengikut kontrak. Pihak balas adalah institusi perbankan yang berlesen. Adalah menjadi dasar Institut untuk memantau kedudukan kewangan pihak balas secara berterusan untuk memastikan bahawa pendedahan Institut terhadap risiko kredit adalah minimum.

Pada 31 Disember 2007, Tabung Amanah mempunyai baki bank dan simpanan tetap sebanyak RM126,540 (2006: RM124,406) dengan sebuah institusi perbankan berlesen utama di Malaysia. Tabung Amanah tidak mempunyai tumpuan risiko kredit yang ketara. Pendedahan maksimum untuk risiko kredit adalah diwakili oleh nilai buku aset kewangan dalam kunci kira-kira.

2. INSTRUMEN KEWANGAN DAN PENGURUSAN RISIKO KEWANGAN (sambungan)

(iii) Risiko Kadar Faedah

Tabung Amanah terdedah kepada risiko kadar faedah simpanan tetap dengan sebuah bank berlesen.

Pemegang Amanah akan memastikan simpanan tetap ditempatkan pada kadar yang kompetitif.

(c) Nilai Saksama

Nilai buku aset kewangan dan liabiliti kewangan Tabung Amanah pada 31 Disember 2007 menghampiri nilai saksamanya disebabkan oleh tempoh matang instrumen kewangan adalah berjangka pendek secara relatifnya.

3. POLISI-POLISI PERAKAUNAN PENTING

Semua polisi penting perakaunan di bawah adalah konsisten dengan yang digunakan dalam tahun kewangan sebelumnya.

(a) Asas Penyediaan

Penyata kewangan telah disediakan berasaskan konvensyen kos sejarah kecuali seperti mana yang dinyatakan sebaliknya dalam polisi perakaunan penting. Penyata kewangan mematuhi Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Sendirian.

Penyediaan penyata kewangan menurut Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Sendirian memerlukan Pemegang Amanah membuat anggaran dan andaian yang memberi kesan ke atas jumlah aset dan liabiliti yang dilaporkan serta pemberitahuan aset dan liabiliti luar jangka pada tarikh penyata kewangan dan jumlah pendapatan dan belanja yang dilaporkan dalam tempoh pelaporan. Keputusan sebenar mungkin berbeza daripada anggaran tersebut.

(b) Pengiktirafan Pendapatan

(i) Pendapatan sewa diiktiraf pada asas akruan.

(ii) Derma diiktiraf apabila diterima.

(iii) Pendapatan faedah diiktiraf berasaskan kadar hasil yang efektif.

(c) Hartanah dan Peralatan dan Susut Nilai

Hartanah dan peralatan dicatat pada kos tolak susut nilai terkumpul dan nilai terkumpul kerugian kemerosotan.

Kos perolehan tanah milik bebas dan bangunan dibahagikan berdasarkan laporan penilai profesional bagi tujuan mengira nilai bangunan yang boleh disusutnilaikan.

Tanah milik bebas tidak disusutnilaikan. Bagi hartanah dan peralatan lain, susut nilai telah dikira supaya menghapuskan kos hartanah dan peralatan mengikut asas garis lurus ke atas anggaran hayat kegunaannya.

Kadar tahunan utama digunakan adalah seperti berikut:

Bangunan	2%
Lekapan dan lengkapan	20%

Hartanah dan peralatan yang telah disusut nilai sepenuhnya dicatat pada nilai nominal RM1.00.

Hartanah dan peralatan disemak semula untuk kemerosotan berdasarkan pada polisi perakaunan untuk kemerosotan aset.

3. POLISI-POLISI PERAKAUNAN PENTING (sambungan)

(d) Kemerosotan Aset

Nilai buku aset bukan semasa (selain daripada aset cukai tertunda dan pelaburan lain) disemak semula untuk kemerosotan bagi setiap kunci kira-kira. Kerugian kemerosotan diperuntukkan apabila nilai satu aset melebihi nilai diperolehi semula. Jumlah diperolehi semula adalah nilai tertinggi di antara harga jualan bersih satu aset dan nilai penggunaannya yang diukur dengan merujuk kepada harga aliran tunai masa depan yang didiskaunkan.

Kerugian kemerosotan adalah dicaj kepada penyata pendapatan.

Kerugian kemerosotan hanya akan diterbalikan pada takat pengiktirafan kerugian-kerugian kemerosotan satu aset dahulunya. Semua keterbalikan satu kerugian kemerosotan dikreditkan kepada penyata pendapatan.

(e) Peruntukan

Peruntukan diiktiraf apabila Institut mempunyai satu obligasi semasa dan sah di sisi undang-undang dan konstruktif yang diakibatkan oleh peristiwa lepas dan terdapat kemungkinan satu aliran keluar sumber melibatkan manfaat ekonomi akan diperlukan untuk menyelesaikan obligasi tersebut dan anggaran yang boleh dipercayai dapat dibuat bagi amaun obligasi.

(f) Tunai dan Kesetaraan Tunai

Tunai dan kesetaraan tunai termasuk tunai dalam tangan, baki di bank dan pelaburan yang amat mudah cair yang boleh ditukar dengan mudah kepada amaun tunai dan tertakluk kepada risiko perubahan nilai yang tidak ketara.

(g) Instrumen Kewangan

Instrumen kewangan diiktiraf apabila hubungan kontraktual telah ditubuhkan.

Polisi perakaunan untuk instrumen kewangan adalah dinyatakan dalam polisi individu yang berkaitan dengan setiap instrumen.

4. HARTANAH DAN PERALATAN

2007	Tanah milik bebas RM	Bangunan RM	Lekapan dan lengkapan RM	Jumlah RM
Kos				
Pada awal tahun	1,134,000	865,784	174,211	2,173,995
Tambahan	—	—	17,860	17,860
Pada akhir tahun	<u>1,134,000</u>	<u>865,784</u>	<u>192,071</u>	<u>2,191,855</u>
Susut nilai terkumpul				
Pada awal tahun	—	308,731	157,750	466,481
Susut nilai bagi tahun kewangan	—	17,316	16,908	34,224
Pada akhir tahun	<u>—</u>	<u>326,047</u>	<u>174,658</u>	<u>500,705</u>
Nilai buku bersih Pada 31 Disember 2007	<u><u>1,134,000</u></u>	<u><u>539,737</u></u>	<u><u>17,413</u></u>	<u><u>1,691,150</u></u>

2006	Tanah milik bebas RM	Bangunan RM	Lekapan dan lengkapan RM	Jumlah RM
Kos				
Pada awal tahun	1,134,000	865,784	171,161	2,170,945
Tambahan	—	—	3,050	3,050
Pada akhir tahun	<u>1,134,000</u>	<u>865,784</u>	<u>174,211</u>	<u>2,173,995</u>
Susut nilai terkumpul				
Pada awal tahun	—	291,415	144,409	435,824
Susut nilai bagi tahun kewangan	—	17,316	13,341	30,657
Pada akhir tahun	<u>—</u>	<u>308,731</u>	<u>157,750</u>	<u>466,481</u>
Nilai buku bersih Pada 31 Disember 2006	<u><u>1,134,000</u></u>	<u><u>557,053</u></u>	<u><u>16,461</u></u>	<u><u>1,707,514</u></u>

“Lienholder’s caveat” telah dikuatkuasakan ke atas tanah milik bebas dan bangunan atas nama sebuah bank berlesen untuk memberikan pinjaman berjangka berjumlah RM600,000 kepada MICPA bagi tujuan membiayai kos pembangunan buku panduan belajar yang mana sebanyak RM174,478 (2006: RM299,985) yang belum bayar pada tarikh kunci kira-kira.

5. CUKAI

5.1 Belanja cukai / cukai dapat diperolehi semula

Pendapatan Tabung Amanah adalah yang dikecualikan cukai di bawah perenggan 13, Jadual 6 Akta Cukai Pendapatan, 1967 yang berkuatkuasa dari tahun taksiran 1994.

Cukai dapat diperolehi semula mewakili cukai terlebih bayar sebanyak RM43,466 pada tahun sebelumnya yang timbul daripada pembatalan penaksiran untuk tahun taksiran 1994 hingga 2000.

5.2 Taraf pengecualian cukai diberikan berasaskan bahawa Tabung Amanah akan membelanja 50% (sebelum 2005: 70%) pendapatan dan derma yang diterima bagi tahun sebelumnya untuk tujuan penubuhan Tabung Amanah. Tabung Amanah tidak memenuhi ciri-ciri bagi tahun semasa dan tahun tertentu sebelumnya dan akibatnya pendapatan Tabung Amanah mungkin tertakluk kepada cukai untuk tahun-tahun tersebut.

Tabung Amanah telah memberitahu Lembaga Hasil Dalam Negeri mengenai sebab-sebab kegagalannya dan telah memohon kebenaran untuk menanggunghkan pendapatan dan derma tersebut.

Cukai telah dikira berasaskan bahawa pengecualian cukai diberikan untuk tahun-tahun tersebut.

6. PELBAGAI PENGHUTANG

Pelbagai penghutang termasuk pinjaman pelajaran yang ditawarkan kepada pelajar-pelajar untuk mengikuti kursus MICPA. Pinjaman pelajaran tersebut adalah tanpa faedah dan perlu dibayar balik dalam tempoh 15 bulan.

7. PENDAHULUAN DARIPADA MICPA

Amaun ini merupakan pendahuluan daripada MICPA yang tidak bercagar, tanpa faedah dan tidak mempunyai syarat pembayaran balik yang tetap. MICPA telah menyatakan bahawa pembayaran balik sepenuhnya tidak akan dituntut dalam dua belas bulan berikutnya.

8. BIASISWA, BANTUAN PENYELIDIKAN DAN BELANJA

	2007	2006
	RM	RM
Belanja pentadbiran dicaj oleh MICPA	29,000	26,527
Biasiswa dan bantuan penyelidikan	7,500	10,000
Bantuan penyelidikan ETF ditarikbalik/dibatalkan	(10,000)	-
	<u>26,500</u>	<u>36,527</u>

9. TUNAI DAN KESETARAAN TUNAI

Tunai dan kesetaraan tunai terdiri daripada amaun kunci kira-kira yang berikut:

	2007	2006
	RM	RM
Baki di bank	84,308	83,548
Simpanan tetap dengan sebuah bank berlesen	42,232	40,858
	<u>126,540</u>	<u>124,406</u>

Kadar faedah purata berwajaran pada tahun kewangan untuk simpanan tetap dengan sebuah bank berlesen ialah 3.3% (2006: 3%) setahun.

Tempoh matang simpanan tetap ialah 90 hari (2006: 90 hari).

10. NOTA KEPADA PENYATA ALIRAN TUNAI

Tambahan hartanah dan peralatan dan belanja lain Tabung Amanah telah dijelaskan oleh MICPA seperti berikut:

	2007 RM	2006 RM
<u>Dijelaskan oleh MICPA</u>		
Perolehan hartanah dan peralatan	17,860	3,050
Belanja kendalian	21,753	38,819
Biasiswa dan bantuan penyelidikan	3,500	-
Pembayaran oleh MICPA	43,113	41,869
Caj belanja pentadbiran oleh MICPA	29,000	26,527
	<u>72,113</u>	<u>68,396</u>
Tolak: Sewa dihutang oleh MICPA	(96,000)	(96,000)
Hutang oleh MICPA	(23,887)	(27,604)
Digunakan untuk menjelaskan amaun yang dihutang pada MICPA	23,887	27,604
Pergerakan tunai bersih di antara Tabung Amanah dengan MICPA	<u>-</u>	<u>-</u>

11. PERBANDINGAN

Perbandingan untuk penyata aliran tunai telah diselaraskan untuk mengimbangi urus niaga dengan Tabung Amanah Pendidikan MACPA bagi menunjukkan pergerakan tunai bersih seperti berikut:

	Seperti yang dilaporkan sebelumnya RM	Pelarasan RM	Seperti yang dinyata semula RM
Hasil daripada sewa	96,000	(96,000)	-
Belanja kendalian	(34,819)	34,819	-
Biasiswa, bantuan penyelidikan dan belanja	(26,527)	26,527	-
Pembayaran balik pinjaman pelajaran daripada pelajar	-	4,000	4,000
Tambahan kepada hartanah dan peralatan	(3,050)	3,050	-
Pendahuluan daripada MICPA	68,396	(68,396)	-
Pembayaran balik pendahuluan daripada MICPA	(96,000)	96,000	-

PENYATA OLEH PEMEGANG-PEMEGANG AMANAH

Menurut pendapat Pemegang-pemegang Amanah, penyata kewangan yang dibentangkan pada mukasurat 119 hingga 128 telah disediakan menurut Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Sendirian supaya memberi gambaran yang benar dan saksama mengenai kedudukan Tabung Amanah Pendidikan MACPA pada 31 Disember 2007 dan keputusannya serta aliran tunai bagi tahun kewangan berakhir pada tarikh tersebut.

Bagi pihak Pemegang-pemegang Amanah,

.....
Dato' Hj. Megat Abdul Rahman Megat Ahmad
Pemegang Amanah

.....
Datuk Abu Hassan Kendut
Pemegang Amanah

Kuala Lumpur
28 Mei 2008

AKUAN BERKANUN

Saya, **Foo Yoke Pin**, selaku pegawai yang terutama bertanggungjawab ke atas pengurusan kewangan Tabung Amanah Pendidikan MACPA, dengan sesungguhnya dan dengan tulus ikhlas mengaku bahawa penyata kewangan yang dibentangkan pada mukasurat 119 hingga 128 sebaik-baik pengetahuan dan kepercayaan saya adalah betul dan saya membuat pengakuan ini dengan penuh kepercayaan bahawa perkara-perkara tersebut adalah benar serta menurut peruntukan Akta Akuan Berkanun, 1960.

Ditandatangani dan diakui oleh penama di atas)
FOO YOKE PIN)
di Kuala Lumpur)
Wilayah Persekutuan)
pada 28 Mei 2008)

Di hadapan saya:

Wong Ah Ying
Pesuruhjaya Sumpah
Kuala Lumpur

LAPORAN JURUAUDIT KEPADA PEMEGANG-PEMEGANG TABUNG AMANAH PENDIDIKAN MACPA

Kami telah mengaudit penyata kewangan yang dibentangkan pada mukasurat 119 hingga 128 bagi Tabung Amanah Pendidikan MACPA. Penyediaan penyata kewangan tersebut adalah tanggungjawab Pemegang-pemegang Amanah.

Adalah menjadi tanggungjawab kami untuk membuat pendapat bebas kami ke atas penyata kewangan tersebut berdasarkan audit kami dan untuk melaporkan pendapat kami kepada anda, sebagai satu badan, menurut Seksyen 174, Akta Syarikat, 1965 dan bukan untuk tujuan lain. Kami tidak bertanggungjawab terhadap mana-mana pihak lain bagi kandungan laporan ini.

Kami telah menjalankan audit kami mengikut Piawaian Pengauditan diluluskan di Malaysia. Piawaian tersebut memerlukan kami merancang dan melaksanakan audit untuk mendapat maklumat dan penjelasan, yang mana kami didapati perlu untuk memberi kami keyakinan yang munasabah tentang penyata kewangan tersebut bebas dari sebarang salahnyata yang ketara. Sesuatu audit merangkumi pemeriksaan, berasaskan ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Sesuatu audit juga termasuk penaksiran prinsip-prinsip perakaunan yang digunakan dan anggaran-anggaran penting yang dibuat oleh Pemegang-pemegang Amanah, serta penilaian ketepatan keseluruhan pembentangan maklumat dalam penyata kewangan.

Kami percaya bahawa pengauditan kami memberikan asas yang munasabah bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan telah disediakan dengan sewajarnya menurut Piawaian Perakaunan Diluluskan MASB di Malaysia untuk Entiti Sendirian untuk memberi gambaran yang benar dan saksama mengenai kedudukan kewangan Tabung Amanah Pendidikan MACPA pada 31 Disember 2007 dan keputusan kendalian serta aliran tunai bagi tahun kewangan berakhir pada tarikh tersebut; dan
- (b) rekod-rekod perakaunan dan rekod-rekod lain Tabung Amanah Pendidikan MACPA yang diperiksa oleh kami telah disimpan dengan sempurna.

Ooi Chee Kun
996/03/10 (J/PH)
Akauntan Bertauliah

Ng Eng Kiat
1064/03/09 (J/PH)
Akauntan Bertauliah

Kuala Lumpur
28 Mei 2008

Form of Proxy

I, _____
(Full Name in Block Capitals)

of _____

being a member of the abovenamed Institute hereby appoint

1. _____
(Full Name)

_____ or
(Address)

2. _____
(Full Name)

(Address)

as my proxy to attend on my behalf the Annual General Meeting of the Institute to be held at Bilik Meranti, Level 4, Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur on June 21, 2008 at 10:00 a.m. and at any adjournment thereof.

Signature _____

Dated this _____ day of _____, 20 _____

Note:

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy must be a member of the Institute. The instrument appointing the proxy must be deposited at the office of the Institute at No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur not less than 48 hours before the time set for holding the meeting.

