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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty First Annual General Meeting of the Institute will be held at **Bilik Bunga Raya, Level 3, Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur on June 20, 2009 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, 2008.
2. To elect the following nominees as Council members:
 - Abdul Halim bin Md Lassim
 - Goh Lee Hwa
 - Lim Tian Huat
 - Mohamed Raslan Abdul Rahman
 - Pushpanathan a/l S A Kanagarayar
 - See Huey Beng
 - Tan Chin Hock
 - Dr Veerinderjeet Singh
 - Dato' Yeo How
 - Datuk Robert Yong Kuen Loke
3. To appoint two auditors.
4. Any other business.

By order of the Council

Foo Yoke Pin (Mr)
Secretary

Kuala Lumpur
May 28, 2009

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:

Abdul Halim bin Md Lassim
Goh Lee Hwa
Lim Tian Huat
Mohamed Raslan Abdul Rahman
Pushpanathan a/l S A Kanagarayar
See Huey Beng
Tan Chin Hock
Dr Veerinderjeet Singh
Dato' Yeo How
Datuk Robert Yong Kuen Loke

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

Ng Eng Kiat
Ooi Chee Kun
2. During the year, Sam Soh Siong Hoon has resigned as a member of the Council.

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 2008/2009



Seated (L-R):

Dato' Abdul Halim Mohyiddin, Loh Lay Choon, Dato' Nordin Baharuddin (President), Dato' Ahmad Johan Mohammad Raslan (Vice-President), Dato' Gan Ah Tee, Datin Hj Fadzilah bte Saad.

Standing (L-R):

Ng Kim Tuck, Pushpanathan a/l S A Kanagarayar, Seow Yoo Lin, Tan Chin Hock, Abdul Halim Md Lassim, Lee Tuck Heng, Ahmad Mustapha Ghazali, Loo Mi Li, Mohamed Raslan Abdul Rahman, Datuk Robert Yong Kuen Loke, Tan Bun Poo, Goh Lee Hwa.

Not in photograph:

Abdul Jabbar Abdul Majid, Beh Tok Koay, Peter Lim Thiam Kee, Lim Tian Huat, Dato' Hj Maidin Syed Ali, Poon Yew Hoe, See Huey Beng, Sukanta K Dutt, Dr Veerinderjeet Singh, Venkatramanan Viswanathan, Dato' Yeo How.

MICPA COUNCIL - 2008/2009

Attendance at
Council Meetings

President

| | | | |
|-------------------------|--------|--------------|---|
| Dato' Nordin Baharuddin | (2000) | Kuala Lumpur | 4 |
|-------------------------|--------|--------------|---|

Vice-President

| | | | |
|-----------------------------------|--------|--------------|---|
| Dato' Ahmad Johan Mohammad Raslan | (2003) | Kuala Lumpur | 3 |
|-----------------------------------|--------|--------------|---|

Members

| | | | |
|--|--------|--------------|-----------|
| • ■ Dato' Abdul Halim Mohyiddin | (1987) | Kuala Lumpur | 2 |
| ■ Abdul Halim Md Lassim | (2006) | Selangor | 3 (LOA-1) |
| • ■ Abdul Jabbar Abdul Majid | (1981) | Kuala Lumpur | 0 (LOA-2) |
| Ahmad Mustapha Ghazali | (2004) | Selangor | 3 |
| • Beh Tok Koay | (1989) | Kuala Lumpur | 2 |
| ■ Datin Hj Fadzilah bte Saad | (1987) | Kuala Lumpur | 4 |
| Dato' Gan Ah Tee | (2008) | Kuala Lumpur | 4 |
| Goh Lee Hwa | (2006) | Selangor | 1 |
| Lee Tuck Heng | (2007) | Kuala Lumpur | 2 (LOA-2) |
| Peter Lim Thiam Kee | (2002) | Kuala Lumpur | 3 (LOA-1) |
| Lim Tian Huat | (1999) | Kuala Lumpur | 1 (LOA-1) |
| Loh Lay Choon | (2004) | Kuala Lumpur | 1 (LOA-2) |
| Loo Mi Li | (2007) | Kuala Lumpur | 1 (LOA-3) |
| ■ Dato' Hj Maidin Syed Ali | (2002) | Kedah | 3 |
| Mohamed Raslan Abdul Rahman | (2002) | Kuala Lumpur | 2 (LOA-1) |
| Ng Kim Tuck | (2005) | Kuala Lumpur | 2 |
| Poon Yew Hoe | (1998) | Kuala Lumpur | 3 |
| Pushpanathan a/l S A Kanagarayar | (2001) | Kuala Lumpur | 3 (LOA-1) |
| See Huey Beng | (2006) | Kuala Lumpur | 2 (LOA-2) |
| Seow Yoo Lin | (2007) | Kuala Lumpur | 0 (LOA-1) |
| Sam Soh Siong Hoon (<i>Resigned on 28.03.2009</i>) | (1983) | Johor | 1 |
| Sukanta K Dutt | (1999) | Kuala Lumpur | 3 |
| Tan Bun Poo | (2007) | Selangor | 1 (LOA-1) |
| Tan Chin Hock | (2002) | Kuala Lumpur | 4 |
| Dr Veerinderjeet Singh | (2004) | Kuala Lumpur | 3 (LOA-1) |
| Venkatramanan Viswanathan | (1986) | Melaka | 4 |
| ■ Dato' Yeo How | (2003) | Selangor | 2 (LOA-1) |
| ■ Datuk Robert Yong Kuen Loke | (1998) | Kuala Lumpur | 1 (LOA-1) |

Secretary

Foo Yoke Pin

Registered Office

No.15, Jalan Medan Tuanku
50300 Kuala Lumpur

Auditors

Ng Eng Kiat
Ooi Chee Kun

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 - 2008/2009

Executive Committee

No. of meetings: 4

| | Attendance |
|---|------------|
| Dato' Nordin Baharuddin (Chairman) | 4 |
| Dato' Ahmad Johan Mohammad Raslan | 2 |
| Dato' Abdul Halim Mohyiddin | 2 |
| Abdul Jabbar Abdul Majid | 2 (LOA-1) |
| Ahmad Mustapha Ghazali (<i>Appointed on 05.12.2008</i>) | 2 |
| Beh Tok Koay | 1 (LOA-2) |
| See Huey Beng | 3 |
| Seow Yoo Lin | 3 |
| 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: 2

| | Attendance |
|---|------------|
| Sukanta K Dutt (Chairman) | 1 |
| Ng Kim Tuck (Alternate Chairman) | 2 |
| Ahmad Mustapha Ghazali | 0 |
| Loh Lay Choon | 0 |
| Loo Mi Li | 2 |
| Tan Bun Poo | 1 |
| Venkatramanan Viswanathan | 0 |
| Dato' Yeo How | 0 |
| Co-opted Members | |
| Chia Kum Cheng | 1 |
| Stephen Khoo | 0 |
| Lee Hin Kan | 0 |
| Ooi Chee Kun | 2 |
| Stephen Oong Kee Loong | 1 |
| YM Raja Azmi Raja Nazuddin | 2 |
| David Siew Kah Toong | 1 |
| Dr Susela Devi (<i>Resigned on 12.03.2009</i>) | 0 |
| Thong Foo Vung (<i>Appointed on 18.02.2008</i>) | 2 |

Administrative & Financial Affairs Committee**No. of meetings: 1**

Attendance

| | |
|--|---------|
| Dato' Ahmad Johan Mohammad Raslan (Chairman) | 1 |
| Abdul Jabbar Abdul Majid | (LOA-1) |
| Loo Mi Li | 1 |
| Seow Yoo Lin | 0 |
| Datuk Robert Yong Kuen Loke | 0 |

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 HjH Fadzilah bte Saad | 1 |
| Poon Yew Hoe (<i>Appointed on 06.09.2008</i>) | 0 |

Co-opted Members

| | |
|-------------------|---|
| Chai Lai Sim | 0 |
| 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 that 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) | 1 |
| Abdul Jabbar Abdul Majid (Alternate Chairman) | (LOA-1) |
| Loo Mi Li | (LOA-1) |
| Sukanta K Dutt | 1 |
| Dr Veerinderjeet Singh | 1 |
| Dato' Yeo How | (LOA-1) |

Lay Persons

| | |
|--------------------------|---|
| 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: 1

Attendance

| | |
|--|---|
| Dato' Abdul Halim Mohyiddin (Chairman) | 1 |
| Abdul Halim Md Lassim | 1 |
| Datin Hj Fadzilah bte Saad | 0 |
| Dato' Gan Ah Tee | 1 |
| Loh Lay Choon | 0 |
| Pushpanathan a/l S A Kanagarayar | 1 |
| Dr Veerinderjeet Singh | 0 |

Co-opted Members

| | |
|------------------------------------|---|
| Prof Hj Abdul Manap Said | 0 |
| Dr A Seetharaman | 0 |
| Asso Prof Dr Arfah Salleh | 0 |
| 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 Dr Mahamad Bin Tayib | 0 |
| Prof Madya Dr Norman Mohd Salleh | 0 |
| Prof Dr Takiyah Mohd Iskandar | 1 |
| Dr Thillaisundaram | 1 |
| Asso Prof Susan Tho Lai Mooi | 0 |
| Joyce Yap | 1 |
| Prof Dr Zakaria Abas | 0 |

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) | 4 |
| Goh Lee Hwa | 4 |
| Lee Tuck Heng | 1 |
| Mohamed Raslan Abdul Rahman | 4 |
| See Huey Beng | 4 |
| Sukanta K Dutt | 4 |
| Dato' Yeo How (<i>Appointed on 06.09.2008</i>) | 0 |

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: 7

| | Attendance |
|--|------------|
| Pushpanathan a/l S A Kanagarayar (Chairman) | 7 |
| Abdul Halim Md Lassim | 0 |
| Loh Lay Choon | 1 |
| Ng Kim Tuck | 3 (LOA-1) |
| Tan Bun Poo | 5 |
| Tan Chin Hock | 5 |
| Venkatramanan Viswanathan | 2 |
| Co-opted Members | |
| Choong Mei Ling | 1 |
| Ben Lee Keen Pong | 3 |
| David Siew Kah Toong | 2 (LOA-1) |
| Stanley Teo Swee Chua (<i>Appointed on 05.08.2008</i>) | 2 (LOA-1) |

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: 0

Dato' Ahmad Johan Mohammad Raslan (Chairman)
 Dato' Abdul Halim Mohyiddin
 Ahmad Mustapha Ghazali
 Lim Tian Huat
 Loo Mi Li
 Dato' Hj Maidin Syed Ali
 Pushpanathan a/l S A Kanagarayar
 Seow Yoo Lin

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: 3

Attendance

| | |
|--|---|
| Lim Tian Huat (Chairman) | 2 |
| Dato' Gan Ah Tee | 3 |
| Peter Lim Thiam Kee | 0 |
| Tan Chin Hock | 0 |
| Co-opted Members | |
| Adam Primus Varghese b Abdullah | 0 |
| Ahmad Shazli Kamarulzaman (<i>Appointed on 17.12.2008</i>) | 1 |
| Chua See Hua | 2 |
| Gopala Sundaram | 3 |
| Jamhirah bte Ali | 0 |
| Kumar Kanagsingam (<i>Appointed on 04.03.2009</i>) | 1 |
| Lim San Peen | 2 |
| Lim Swee Geok | 2 |
| Mak Kum Choon | 3 |
| Ng Chih Kaye | 3 |
| Ng Pyak Yeow | 1 |
| Nitin Nadkarni (<i>Resigned on 04.03.2009</i>) | 0 |
| Saidatul Ishan bte Abd Rahman | 3 |
| S Suhendran | 0 |
| Wong Chee Lin | 3 |
| Yap Wai Fun | 3 |

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) | 1 |
| Datin Hj Fadzilah bte Saad (Alternate Chairman) | 2 |
| Lee Tuck Heng | 2 |
| Mohamed Raslan Abdul Rahman | 1 |
| Tan Bun Poo | 2 |

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) | 4 |
| Datin Hj Fadzilah bte Saad | 3 |
| Dato' Gan Ah Tee | 1 |
| Goh Lee Hwa | 3 |
| Lee Tuck Heng | 2 |
| Lim Tian Huat | 1 |
| 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: 3

Attendance

| | |
|--|---|
| Datuk Robert Yong Kuen Loke (Chairman) | 3 |
| Loh Lay Choon | 1 |
| Dato' Hj Maidin Syed Ali | 1 |
| Ng Kim Tuck | 2 |
| Dato' Nordin Baharuddin | 1 |
| See Huey Beng | 1 |
| Sam Soh Siong Hoon (<i>Resigned on 28.03.2009</i>) | 0 |
| Tan Chin Hock | 2 |

Co-opted Members

| | |
|---|---|
| Ahmad Faris Yahaya (<i>Appointed on 11.11.2008</i>) | 2 |
| Chia Kum Cheng | 3 |
| Chong Kian Soon (<i>Resigned on 10.09.2008</i>) | 0 |

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: 4****Attendance**

| | |
|---|-----------|
| Sam Soh Siong Hoon (Chairman) (<i>Resigned on 28.03.2009</i>) | 1 |
| Peter Lim Thiam Kee (Chairman) (<i>Appointed on 28.03.2009</i>) | 4 |
| Mohamed Raslan Abdul Rahman | 2 |
| Poon Yew Hoe | 1 |
| Tan Chin Hock | 3 |
| Venkatramanan Viswanathan | 2 (LOA-1) |
| Co-opted Members | |
| Abu Bakar Rajudin | 2 |
| Ahmad Shahrul Hj Mohamad | 1 (LOA-2) |
| Heng Ji Keng | 4 |
| Dato' Raymond Liew | 2 (LOA-1) |
| Lim Kien Chai (<i>Appointed on 21.04.2009</i>) | 0 |
| Mohd Afrizan Husain | 1 (LOA-1) |
| Mohd Noor Abu Bakar | 3 |
| Ng Pyak Yeow | 2 |
| David Siew Kah Toong | 2 |
| Tong Siew Choo | 3 |
| Gary Yong Yoon Shing | 1 (LOA-1) |

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: 2

Attendance

| | |
|--|---|
| Beh Tok Koay (Chairman) | 2 |
| Goh Lee Hwa | 1 |
| Peter Lim Thiam Kee | 1 |
| Poon Yew Hoe | 1 |
| Sam Soh Siong Hoon (<i>Resigned on 28.03.2009</i>) | 0 |
| Tan Chin Hock | 0 |
| Dr Veerinderjeet Singh | 1 |

Co-opted Members

| | |
|--|---|
| Lee Voon Siong | 0 |
| Lim Poh Chin (<i>Resigned on 10.03.2009</i>) | 0 |
| Kenneth Lim Tiong Beng | 2 |
| M J Monteiro | 1 |
| Ng Kim Lian | 2 |
| Ong Lay Seong | 1 |
| Phoon Sow Cheng | 1 |
| Tang Chin Fook | 2 |
| Tai Lai Kok (<i>Appointed on 10.03.2009</i>) | 1 |
| Dato' Robert Teo Keng Tuan (<i>Resigned on 19.03.2009</i>) | 0 |
| Tong Siew Choo | 1 |
| Woon Yoke Lee (<i>Appointed on 27.02.2009</i>) | 1 |

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.



Dato' Nordin Baharuddin

"I am pleased to present my second annual report since my appointment as President of the Institute. Each year is an opportunity for appraising past activities and performance, and setting forth, new resolutions and looking forward to the challenges ahead. Over the past fifty years, the Institute has indeed achieved many milestones and has built upon a history of excellence which should be recognised for its growth, value and influence in contributing to the Malaysian accountancy profession".

We are experiencing turbulent economic times as we tackle the global financial crisis. With news of failing international banks and companies, there is a sense of uncertainty about the future. The Government is taking various positive measures to boost the economy, maintain financial stability and facilitate market development. For some, having been through the previous economic downturn, they ought to be more organised and prepared emotionally and financially to combat this difficult period. For the younger ones, this is the time to experience and learn to survive the unforeseen challenges.

In the wake of the global meltdown and slowdown affecting the country, the role of the accountancy profession is needed more than ever. As CPAs, we should play a constructive role in the reformatory and rehabilitation process. In the short-term, we need to work to minimise the impact of the downturn and credit crisis on our own businesses and those of our clients. I believe that our members have a key corporate social responsibility role in working with Government, its agencies and the business community to sustain jobs and businesses during difficult times. In accepting this responsibility, we need to be resourceful and adaptable, whilst being mindful of the standards of behaviour that have defined our profession since its inception.

There has been heightened attention to, and much discussion on better disclosure and transparency. I see better corporate governance as the direction that companies, as well as Malaysia as a whole, should take in order to rise above the financial crisis. We provide high integrity and high quality financial reporting. We are the trusted advisors to our companies providing strategic insight and creating value. The need for ethical and talented professionals that make this possible will remain strong.

More than ever, we have a crucial part in enhancing corporate governance and transparency by adhering to the highest professional standards which are built on our core values of integrity and objectivity in the various functions that we perform, be it in business or in practice. Accountants should act as the gatekeepers and champions of better corporate governance. "Service with Technical Excellence", our motto, encompasses in essence every aspect of our role as professional accountants and it is our aim to ensure that it becomes an innate part of our professional personality. By making a conscious effort to strengthen our professional capabilities, we will surely be making a significant contribution, so let us remain confident in our proven abilities.

It has been a major goal of the Council to continually strengthen the Institute's education and training system so as to preserve the value of the CPA qualification. As reported last year, the Council will continue in its endeavour to seek opportunities to strengthen relationships with overseas accounting bodies by seeking mutual recognition arrangements. 2008 was indeed an exhilarating year for the Institute as we continued on our journey to forge global links and spread our wings to further expand the CPA Malaysia brand. I am delighted to announce that a key activity during the year was the formalisation of the Memorandum of Understanding (MoU) with The Institute of Chartered Accountants in Australia (ICAA). The relationship between ICAA and MICPA started way back in May 2, 1959 when the Institute's Council recognised the ICAA professional qualification for membership of the Institute. Both bodies have been pre-eminent in educating professional accountants in their respective countries and enhancing the strength of their educational designation.

We are in an exciting time of change in our education and training system with the recent signing of the MoU, which marks another significant milestone in MICPA's continuous efforts to enlarge its global footprint and has sealed a new era of professional ties for the Institute. The principles of cooperation and collaboration embedded in the MoU provides for Recognition, Examination and Membership arrangements between the two Institutes. In a bid to establish synergistic partnership in professional education and training to meet the challenges of globalisation, the MoU will provide for mutual eligibility of entry for students into both of the accountancy bodies' upon completion of the revised CPA programme. The MoU has been reached on the basis of sound educational review of each other's syllabus and the revised CPA programme will be launched in June 2009.

By establishing a joint program, this will facilitate and enhance the movement of younger members within a world-wide alliance, enable them to both work in other countries and to gain wider experiences and personal enrichment. This mobility will also enable them to participate in a global profession after returning to their own countries and the ability to contribute to economic development. I know that both our bodies have worked closely for a number of years but there will now be greater opportunity to work together in this region to build strength in the profession. The ICAA Board is fully committed to a close working relationship with MICPA.

The ability to attract students and retain talented individuals is important because we see students as the leaders of tomorrow who will navigate a more complex accounting industry and help companies and the country remain competitive in the global economy. As testimony of our commitment, the Institute continually promotes our home-grown CPA Malaysia qualification as the preferred choice for prospective accountants and potential employers by making scheduled visits to universities and colleges of advanced education. Our distinguished speakers communicate the value of our CPA programme to the students by sharing of experiences, highlighting the ingredients for success and accentuating that the Institute has a strong pool of successful luminaries and business professionals in our fold of CPAs and the diverse roles they undertake in their careers. In the coming months, the promotion of the revised CPA programme will be the main priority in the Institute's agenda. Our added marketing stronghold is that our qualification has an "international dimension" and upon completion of the examination, one will obtain dual membership.

However, the Council has not forgotten our existing members, especially those who would like to seek a foreign qualification. The Institute is in the process of discussions with ICAA and The Institute of Chartered Accountants in England and Wales (ICAEW) to recognise the CPA qualification on a reciprocal basis and to provide 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. We will keep members informed of the progress and development of our discussions in due course.

The Council is prepared to commit a heavy investment in the branding of the revised CPA programme which will be aligned with our brand essence and guidelines – *Success, Achievement and Accomplishment*. For a start, advertising campaign in the print media has been initiated and coupled with this, we will develop new marketing and publicity materials to reflect a refreshing, modern outlook so that it relates and appeals to young Malaysians, especially fresh graduates, who are our key target stakeholders.

During the year, we also focused our attention on implementing plans to strengthen the position of the Institute as the vanguard of the profession and to assist members in meeting their responsibilities. The future success of the profession will rely greatly on our ability to compete successfully in serving an ever

more sophisticated marketplace. Our primary target is to ensure that the service which members' offer to the community remains relevant and of unparalleled quality. In this regard, our continuing professional development (CPD) programmes provide a training progression that systematically equips members with the skills they need as they progress in their careers. We regularly introduced new CPD programmes on a wide range of contemporary issues and continuously reviewed and enhanced existing ones in close consultation with industry experts to ensure they are current and applicable in the workplace. The quality of our programmes and the caliber of specialists who conduct the programmes are attracting an ever-increasing number of participants to the programmes and this is very encouraging.

In promoting economic development and stability, we have engaged in on-going cooperation and collaboration with Government, regulators and international organisations. The Council also places great emphasis on representing members' interests to Government. As CPA's work is closely linked to the development of the country's capital markets and overall financial infrastructure, it is important that the profession's views are taken into account by Government in the implementation of policies and regulations governing these matters. The Institute also takes a leading role in working with Governments and policy-makers to advocate for better and fairer taxation and company legislation and in contributing its views and suggestions on various technical issues affecting the profession.

I am also proud to say that, in keeping with our stature as a leading professional body, the Institute has worked closely with Government to initiate important and far-reaching reform concerning oversight of the profession and its regulatory activities and act as a voice for stronger corporate governance. A bill to set up an Audit Oversight Board (AOB) is expected to be tabled in Parliament soon. The AOB is a special independent body that will regulate auditors in the country. The idea for an AOB was first brought up during the tabling of Budget 2008. The concept is globally recognised and would also help improve investor confidence. The Institute was part of the high-level task force that put forward recommendations to Government on the most appropriate framework for the AOB. Among other things, the task force recommended adding gate-keeping powers to the AOB to ensure that only fit and proper persons are allowed to audit public listed companies. It also

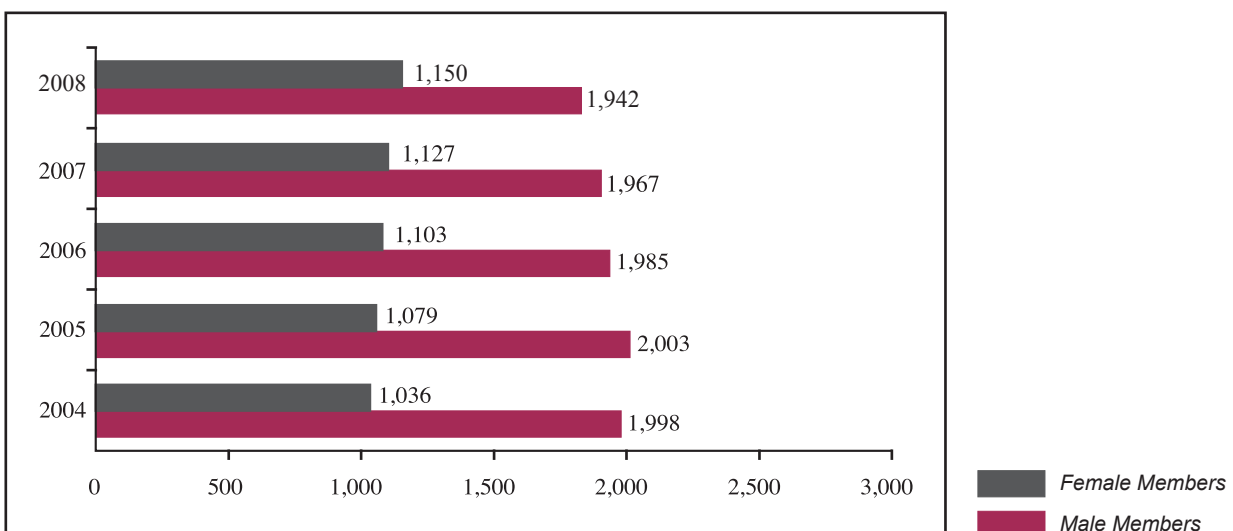
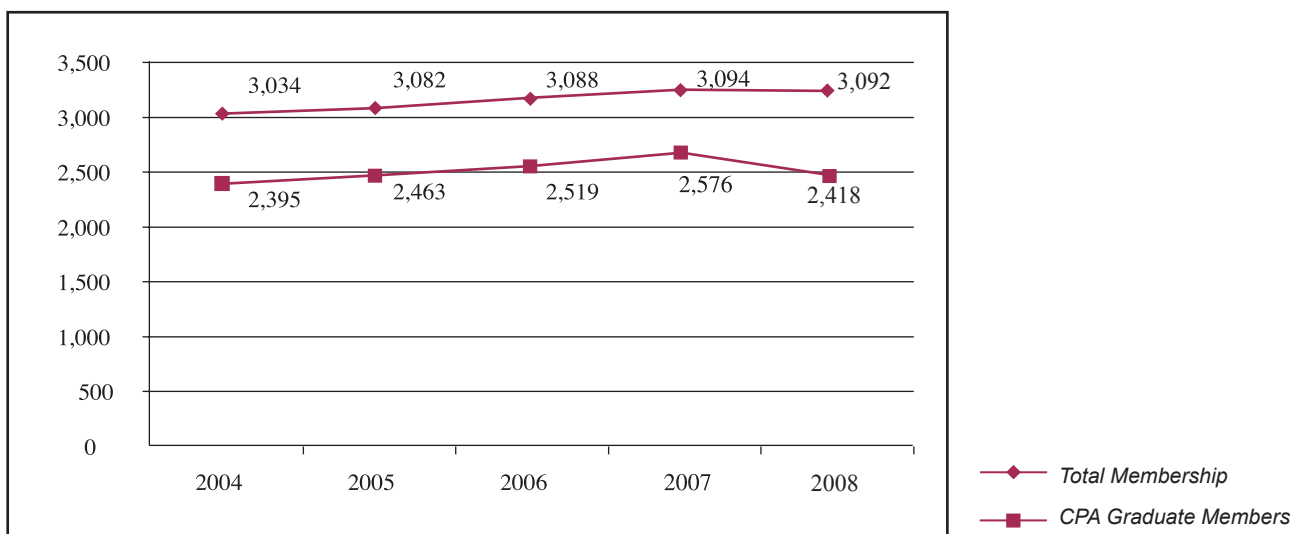
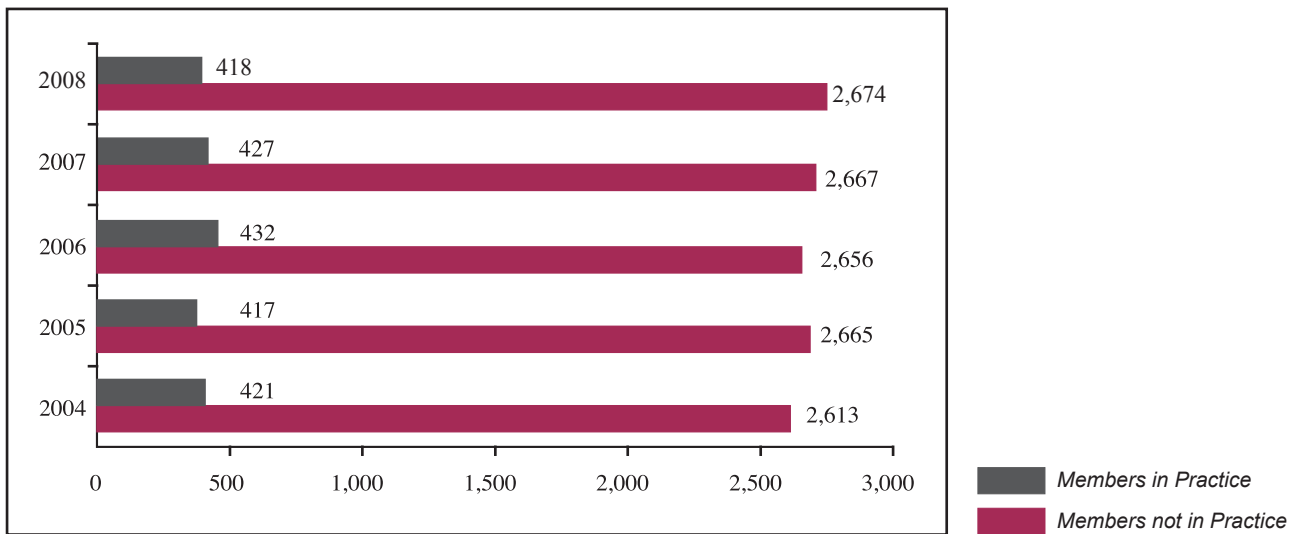
proposed that the AOB be composed of a majority of suitably qualified non-practising accountants, so that it is independent from those it is regulating. The AOB would be able to conduct regular and rigorous inspections on public-listed auditors, in addition to having disciplinary powers via a broad range of sanctions.

A key focus of the Institute's technical work is to maintain convergence with international accounting, auditing and ethical standards. The Institute provides technical updates and guidance to assist members' implement new standards, guidelines and regulatory requirements. We also participated in the standard-setting process of the Malaysian Accounting Standards Board (MASB). The Institute provides the collective view of members' on exposure drafts and discussion documents issued by the MASB during the consultative process, and makes representations on interpretation issues. We also monitor members compliance with standards and provide guidance on the application where necessary.

The movement to converge with International Financial Reporting Standards (IFRSs) has gained momentum. As capital markets have become increasingly global, the changeover from Malaysian Financial Reporting Standards to IFRS will help place Malaysian businesses on a level playing field with its international counterparts. On August 1, 2008, the FRF and MASB announced their plan to bring Malaysia to full convergence with IFRS by January 1, 2012. On our part, we conducted workshops and seminars to assist members' understand the requirements of the new/revised standards and to address application issues.

In the area of international co-operation, the Institute also 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 in the various countries. In this regard, delegation visits from The Institute of Chartered Accountants of India and The Institute of Cost & Works Accountants of India were made to the Institute during the year which certainly served to strengthen the friendship between the accountancy bodies and open up further opportunities for close co-operation on professional activities and strategic plans for the future. There was also a platform to exchange opinions on topics of common interest.

Membership Statistics as at December 31, 2008



I have no doubt that the Institute will continue to grow from strength to strength as a potent force in the further advancement of both accounting education and practice but more importantly to continue to serve the community with technical excellence. The following pages of the report provide details of the activities during the year to meet members' service expectations.

Finance

The Institute achieved a net operating surplus of RM39,600 compared with a surplus of RM65,500 for the previous year.

Total income decreased by RM137,400 or 4%. This was due mainly to the decrease in income generated from MICPA-Bursa Malaysia Business Forum and continuing professional developments.

Total expenses decreased by RM111,400 or 4%, resulting from a drop in the Institute's staff costs.

Total assets reduced by RM143,400 or 13%, due mainly to the amortisation of the development cost of study manuals amounting to RM30,000, depreciation of plant and equipment amounting to RM29,500, reduction in prepayments by RM31,500 and decreased in fixed deposits by RM45,000. Total liability reduced by RM182,900 or 19% resulting mainly from the repayment of term loan, which was obtained to finance the development cost of study manuals. The Institute has an accumulated fund of RM180,700 as at December 31, 2008 compared to an accumulated fund of RM141,130 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 brand development and to promote the revised MICPA programme.

Membership

Membership of the Institute stands at 3,092 at December 31, 2008. After taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions/practising certificate fees, a net decrease of 2 members was recorded.

Of the new admissions, 63 members were admitted under Bye-law (34)(1)(a) to (d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. The other 11 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.

The membership profile has remained basically the same. As at December 31, 2008, 46% of members worked in public practice firms, of whom 14% were members holding practising certificates. A total of 47% of the members were employed in the business community and 1% in the public sector. Retired members accounted for 6% of the total membership.

During the year, a total of 45 female members were admitted, constituting 61% of the total new admissions. At the close of 2008, the proportion of female members remained the same at 37%.

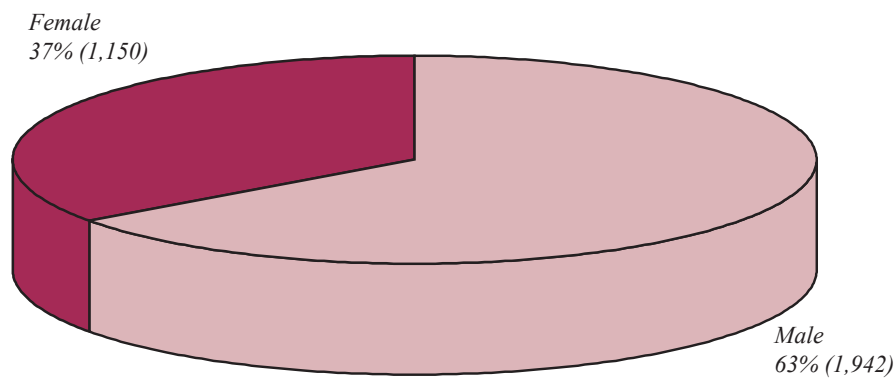


A time for member fellowship.

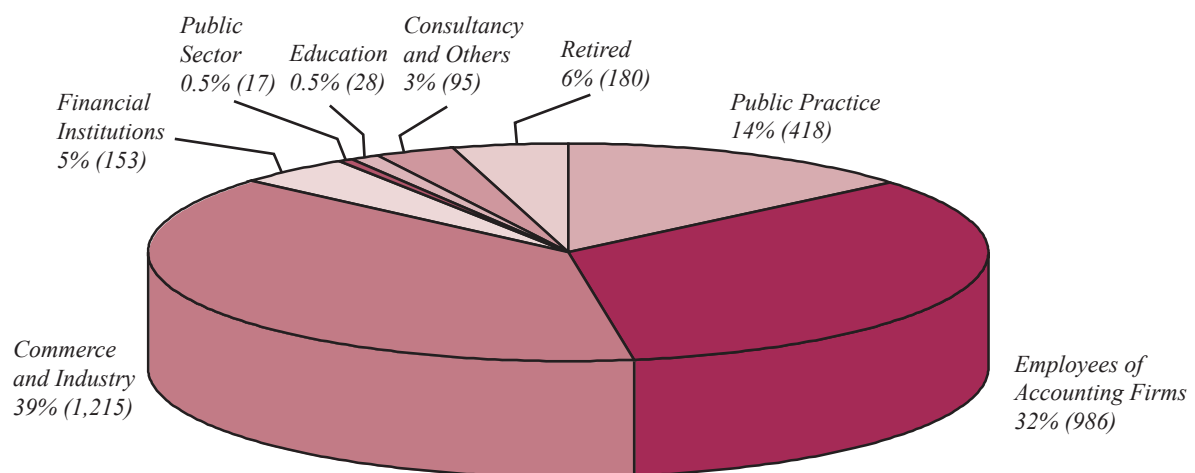
MEMBERSHIP STATISTICS

| | As at December 31 | | Net |
|-----------------|-------------------|-------|----------|
| | 2008 | 2007 | Increase |
| In Practice | 418 | 427 | (9) |
| Not in Practice | 2,674 | 2,667 | 7 |
| Total | 3,092 | 3,094 | (2) |

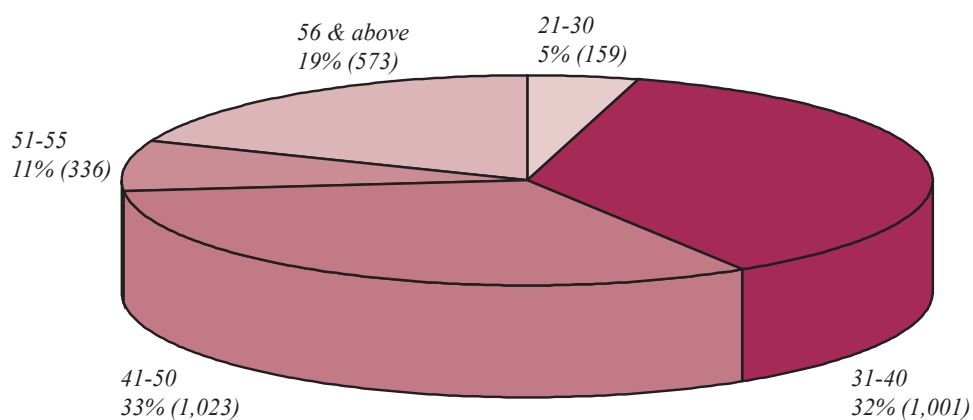
Membership Status



Membership by Field of Employment



Membership by Age



Provisional Members

A total of 8 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.

Certified Financial Accountant Members

A total of 15 new Certified Financial Accountant (CFiA) members were admitted during the year. These are mainly lecturers from the public universities in Malaysia accredited by the Institute who have been admitted under the special provision. CFiA members have the same rights of membership as a Certified Public Accountant with the exception of the right to seek election to the Institute's Council, the right to vote in any general meeting of member and the right to hold himself out as a principal or partner of an accounting firm.

Services to Members

The membership of MICPA is involved in diverse areas of work. Almost 50% of our members work in all sectors of industry and commerce. The other half of membership is involved in practices which vary enormously in size and resources, providing a wide range of services. A challenge for the Institute is to provide services and support that meet the differing needs of the different segments of membership.

The overriding goal is to ensure that members maintain high professional standards and technical competence in the performance of their work and services. 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 courses on a broad scope of topics are organised to assist members keep abreast of current changes in the work environment. The Institute monitors developments in laws and regulations that affect CPAs' work and makes representations to Government and the regulatory authorities.

The Institute maintains a network of Committees to help identify and deliver services that meet the professional development needs of specific groups. Our Technical Reference Panel provides free advisory services on technical, ethical and practice management matters.

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 profession. Members now know what is happening in the Institute and in the profession throughout the world. The Secretariat keeps improving the service functionality of the MICPA website in order to ensure members enjoy an enhanced service functionality and interactivity of the website.



Mr Ong Boon Bah, a member of the Institute for 49 years.

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

Members are committed to maintain and improve their professional knowledge and skills at the level required to ensure that their stakeholders receive the advantage of competent professional services based on current development in practice, law and business. The most effective way for members to maintain and enhance their professional competence is through the participation of planned programme of continuing professional development (CPD).

Throughout the year, CPD programmes in the form of seminars, workshops, public forums and evening talks were offered to help members enhance their capability. A wide range of topics were covered

including updates on accounting standards, financial reporting, auditing and changes in corporate law and tax legislation.

A two-day MICPA-Bursa Malaysia Business Forum 2008 was held in October 2008, featuring the theme *"Reinventing for Success"*. YB Senator Tan Sri Datuk Amirsham bin A Aziz, Minister in the Prime Minister's Department, 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 strategies and measures undertaken to promote reinvention and to strengthen the growth of businesses in light of the changing landscape and trends of global business. The two-day Business Forum held in October 2008 was targeted at company directors and senior executives.



Speakers and Moderators.

The Young CPA Group organised the Young CPA Malaysia Symposium 2008 in August 2008, featuring the theme *"Charting the Future of Accounting and Finance Professionals"*. The President of the Institute, YBhg Dato' Nordin Baharuddin, delivered the Opening Keynote Address. The main objective of the Symposium is to provide young accounting and finance professionals with critical understanding of the changing financial regulatory landscape and emerging trends across the profession and also to assist them to capitalise on their career development opportunities.

Public Practice

Almost half of the Institute's members are engaged in public practice firms, either as partners or employees. The Public Practice Committee is responsible for identifying and organising activities that will support and promote the interests of members in

practice. It also serves as a forum for consultation and discussion of issues among practitioners, on technical and practice management issues.

As reported last year, the Committee has set up a task force to update the Audit Guide for Practitioners in line with the changes made to the International Standards on Auditing. The updates were completed in May 2009 and the updated copy of the publication was available for sale to members and non-members. The Institute has organised a series of workshops on the usage of the audit guide since January 2007, and to date a total of 10 workshops had been conducted. The objective of the workshops is to equip the participants with the technical knowledge and skills in conducting audits of financial statements in accordance with approved auditing standards.

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 a forum on *Limited Liability Partnership Bill and Its Impact on Accounting Practitioners and the Public* was held in April 2009. The Forum was addressed by a panel of seven (7) members from the accounting and legal professions.

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 Financial Reporting Standards, changes in the examples of auditor's reports, tax law and company law.

Commerce and Industry

Almost half of the Institute's members are engaged in Commerce and Industry. The Commerce and Industry Committee continues to focus its attention on identifying the CPD needs of members in business and to recommend areas of interest to the Education and Training Committee for CPD activities to be organised.

The Committee organised an Evening Talk on *Wealth Management* to advise participants of the various problems and issues which family members and loved ones of those who have passed on may face. The Evening Talk also highlighted the options and strategies available in estate planning to avoid various problems and issues faced by family members and loved ones. The event attracted a fair amount of interest from the members.

The Committee also assisted in the organisation of the MICPA-Bursa Malaysia Business Forum 2008.

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 2008 competition cover a wide variety of topics, ranging from management accounting, risk management and financial management. The Committee will recommend the articles for publication in *The Malaysian Accountant* where it is deemed appropriate.



Australian High Commissioner to Malaysia, Ms Penny Williams (Centre) with other guests at the ICAA-MICPA MoU signing ceremony.

Government Relations

Our ability to maintain an effective consultative relationship with Government and the regulatory bodies will reinforce the Institute's leadership role on both professional and business issues. This is particularly important at a time when significant policy measures and changes to the securities law, taxation law and other business legislations are implemented by Government to strengthen the nation's economy and capital market.

The Institute monitors developments and proposals for changes in the relevant laws affecting business or the profession and presents members' views to Government and the regulatory authorities.

The Institute continues to make submissions and representations to the Ministry of Finance, Securities Commission and Companies Commission of Malaysia, the Inland Revenue Board and other Government departments. These included proposed reforms of company law and taxation law, new policies and guidelines issued by the Securities Commission, and proposed changes to the listing rules of Bursa Malaysia. The Institute presented the profession's

views on the proposed amendments, highlighted any unintended consequences on the profession or business, and suggested practical solutions.

The Institute continues to participate actively 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 Companies Commission of Malaysia annual dialogue, half yearly meetings of the Customs-Private Sector Consultative Panel and regular dialogues with the Inland Revenue Board. The Institute also participates in technical meetings with the Securities Commission and Bursa Malaysia to discuss implementation and practical issues relating to their new or proposed amended rules and regulations.

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

Technical activities form a key component of the Institute's work programme, spanning over all major aspects of members' professional work. Setting standards and guidelines remains a core area in the Institute's agenda. We must maintain high professional and technical standards to uphold the public confidence in the work performed by our members. 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, the Institute continues to review all standards issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC. We undertake constant review of the International Standards on Quality Control (ISQC), International Standards on Auditing (ISAs), International Standards on Assurance Engagements (ISAEs), International Standards on Review Engagements (ISREs) and International Standards on Related Services (ISRSs). The Institute has adopted, through due process, substantially all the standards and other guidance issued by the IAASB to date.

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.

The Institute also participates in the Financial Reporting Standards Implementation Committee of MIA. The Committee deliberates on issues relating to the implementation of financial reporting standards. A consensus on the implementation of the financial reporting standards will be issued through a due process.

A number of our members are also engaged in specialist areas of practice including taxation, insolvency and corporate advisory services. The Institute monitors changes to legislation and regulations affecting members' work in these areas. Technical updates and guidance are issued promptly to assist members carry out their work effectively.

The Institute works in close co-operation 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 ISQC, ISAs and other pronouncements issued by IAASB and makes recommendations to the Councils of MIA and MICPA on their adoption or otherwise. The joint meeting also undertakes the review of exposure drafts and other pronouncements issued by IAASB and submit its responses to IAASB. A Joint Working Group on Securities Guidelines is also 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 (3) specialist working groups and ad hoc task force appointed to undertake specific projects.

The AATC had been having joint meeting with the MIA's Accounting and Auditing Committee (AAC) since January 2007. During the year, the Committee has adopted a number of new / revised / redrafted

/ revised and redrafted pronouncements issued by IAASB at the joint meeting. IAASB has completed its clarity project and the last batch of the clarified standards was issued in December 2008. With this significant achievement of IAASB, there are now 36 newly updated and clarified International Standards on Auditing (ISAs) and a clarified International Standard on Quality Control adopted by auditors worldwide.

During the year, the Committee has issued the following four (4) Auditing Technical Releases as guidance for members:

- ATR 6 - Unit Trust Funds – Distribution Equalisation
- ATR 7 – Examples of Auditor's Reports
- ATR 8 – Pro forma Letter of Engagement – Statutory Audit for Single Entity and Group
- ATR 9 – Sample of Auditor's Report in Bahasa Malaysia

The Committee has also issued the following guidance to members:

- Auditor's Certification for Exempt Private Companies.
- Sample Auditor's Report pursuant to Building and Common Property (Maintenance and Management) Act 2007.

The guidance on the Accounting Treatment for Securities Borrowing and Lending Transactions will be issued to members in due course.

The Institute has made submission to the Securities Commission (SC) on its Consultation Paper 1/2009, *Proposed Equity and Equity-Linked Securities Guidelines for the Unified Board*. The Institute has also made submission to Bursa Malaysia on its Consultation Papers 1/2009, *Proposed Revamp of the Listing Requirements of Bursa Malaysia Securities Berhad for the Establishment of a Unified Board* and 2/2009, *Proposed Revamp of the Listing Requirements of Bursa Malaysia Securities Berhad Relating to New MESDAQ Market*.

The Joint Working Group on Securities Guidelines (JWGSG) has had a busy agenda. The following projects of the JWGSG are on-going:

- Development of guidance on the preparation of pro forma financial information for purposes of submission of corporate proposals to the SC.

- Development of guidance on auditor's duty to report breaches of laws (whistle blowing role) under the amendments made to the Companies Act 1965.
- Development of the revised guidance on the Accountants' Reports for Prospectuses.

In December 2008, the Institute has set up a specialist group, Insurance Working Group (IWG), to review and revise the existing model insurance financial statements, JPI/GPI 15 to incorporate the new requirements of FRS 4, *Insurance Contracts*. The IWG consists of representatives from the audit firms, actuaries, Bank Negara Malaysia, MASB, MIA, insurance associations and insurance companies.



Participants at a CPD programme.

During the year, the MASB has issued FRS 4, *Insurance Contracts*, FRS 7, *Financial Instruments: Disclosures*, FRS 8, *Operating Segments*, FRS 123, *Borrowing Costs*, Amendments to FRS 1, *First-Time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate* and Amendment to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*. The MASB has also issued 5 IC Interpretations, namely IC Interpretation 9, *Reassessment of Embedded Derivatives*, IC Interpretation 10, *Interim Financial Reporting and Impairment*, IC Interpretation 11, *FRS 2—Group and Treasury Share Transactions*, IC Interpretation 13, *Customer Loyalty Programmes* and IC Interpretation 14, *FRS 119—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*. The FRSs and ICs will take effect for annual periods beginning on or after January 1, 2010 except for FRS 8 which will be effective for annual periods beginning on or after July 1, 2009.

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

| | |
|----------------------------|--|
| ED 61 | Presentation of Financial Statements |
| ED 62 | Improvements to FRSs |
| ED 63 | Amendments to Standards on Financial Instruments |
| ED i-3 | Presentation of Financial Statements of Islamic Financial Institutions |
| Draft IC Interpretation 12 | Service Concession Arrangements |

The AATC has assigned a number of working groups to undertake a review of the exposure drafts and to provide comments to MASB.

Company and Securities Law

The Corporate Law Reform Committee (CLRC) was established by the Companies Commission of Malaysia (SSM) 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. The final report of the CLRC was issued in November 2008 and comprised the final recommendations and the reasons for such recommendations.

The SSM has issued the second consultative document on the proposed framework for Limited Liability Partnership (LLP) in Malaysia for comment in April 2008. The consultative document incorporates deliberation on the concept of the proposed LLP towards a more comprehensive framework. The proposal was intended to complement the existing forms of business vehicles by providing a wider choice for business to structure their operations which would make them more comprehensive regionally and internationally. The proposed LLP will offer a combination of limited liability for its members and the flexibility of the partnership arrangement for the internal arrangement for its business. The SSM has incorporated the comments received during the consultative period and has drafted the Limited Liability Partnership Bill in March 2009. The Bill has yet to be finalised.

During the year, the SSM has also issued two practice notes, Practice Note 1/2008 - *Requirements Relating to the Lodgement of Annual Return of Companies* and Practice Note 2/2008 - *Change of Financial Year*.

The Corporate Practice Consultative Forum (CPCF) was established by the SSM, with the aim to providing 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 six professional bodies, including the Institute. During the year, SSM has established a Technical Committee under the CPCF, which consists of the CPCF members and representatives from various divisions of the SSM. The CPCF Technical Committee aims to promote, encourage and support the exchange of views and information on matters and issues in areas affecting the company secretarial and administration matters and to set and promulgate the highest standards or best practices in the profession, especially towards the practice of good corporate governance. The CPCF Technical Committee would report to the CPCF on matters discussed and resolved from time to time and to refer any unresolved issues to the CPCF for deliberation. The Committee also discuss and resolve operational and technical issues faced by company secretaries and SSM with the objectives of facilitating and further enhancing the business delivery system.

The 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 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 more facilitative environment for raising of capital. The SC has also invited the Institute to submit issues pertaining to the capital market that the Institute may wish the SC to consider as part of its submission to the Ministry of Finance for the Federal Budget 2010.

The Institute has also submitted its comments to the SC on the proposed Equity and Equity-linked Securities Guidelines for the Unified Board during its consultation period.

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

Insolvency

The Insolvency Practice Committee consists of representatives from all interest groups including the Institute's members in practice, the Bar Council, the Association of Banks Malaysia, Bank Negara Malaysia, the Companies Commission of Malaysia and the Insolvency Department of Malaysia. The Committee serves as a useful forum for the discussion of practical issues arising from insolvency management and administration.

The main activity of the Committee during the year was to update the existing Insolvency Guidance Notes which were issued by the Institute more than ten (10) years ago. The Committee jointly with the MIA's Insolvency Practice Working Group have also developed four (4) new Insolvency Guidance Notes on the *Summoning and Holding Meeting of Creditors*, *Remuneration of Insolvency Office Holders*, *Handling of Funds in Formal Insolvency Appointments* and *A Receivers Responsibility to Preferential Creditors*. The revised and new Insolvency Guidance Notes will be issued for members' guidance in due course.

The Committee will be 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* upon completion of the project on the updating of the existing Insolvency Guidance Notes.

The Committee as a special interest group, continues to be a member of INSOL International, an international organisation of insolvency professionals. The INSOL International has issued seven (7) technical series since January 2007. 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 Tax Practice Committee serves as a key liaison between the Institute and Government on taxation matters. The Committee makes regular representations to Government and the revenue authorities on behalf of members and participates

in the Government's consultation process on the development, revision and implementation of tax law and regulations.

The Institute continues to work in close co-operation with the Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia (CTIM) [formerly known as Malaysian Institute of Taxation] in making submissions to the Inland Revenue Board (IRB) concerning practical issues encountered by members in the application of tax legislation, and the rules and regulations issued by the IRB. During the year, several dialogue sessions were held with the Revenue Management Department and the Technical Department of the IRB to seek clarification and arrive at practical solutions to the problems. The IRB has also formed a Working Group between the professional bodies and IRB to resolve issues that may arise from time to time. Since the formation of the Working Group in February 2008, five meetings were held by the Working Group to resolve issues relating to e-Filing.

The Ministry of Finance (MOF) has invited the Institute to provide comments and suggestions to the Draft Income Tax (Transfer Pricing) Rules 2009. The Institute, jointly with MIA and CTIM has submitted the comments on the Draft Income Tax (Transfer Pricing) Rules 2009 to the MOF in November 2008 for consideration. The MOF has also invited the Institute to submit comments on the proposed Income Tax (Advance Pricing Arrangement) Rules 2009 in January 2009.

The Tax Analysis Division of MOF, in collaboration with the IRB, has developed a system to approve application for tax agent under subsection 153(3) of the Income Tax Act 1967 via on-line.

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 Rulings serves as a useful guide to both tax payers 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 scaled 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 December 2008, the Institute, jointly with MIA and MAICSA had sent a letter to the IRB to seek confirmation that the above tax treatment would be applicable for the years of assessment 2005 to 2008. In this regard, the IRB has confirmed that all professional bodies including MIA, MICPA and MAICSA will be treated as "trade association" for income tax purposes for the years of assessment 2005 to 2008.

During the year, the Institute, jointly with MIA and CTIM have met with the MOF to discuss tax issues related to Financial Reporting Standards (FRS). The MOF has requested the professional bodies to propose appropriate tax treatments to the issues raised and submit to MOF for consideration. In this regard and in view of the full convergence with International Financial Reporting Standards in year 2012 as announced by the Malaysian Accounting Standards Board, the Institute, jointly with MIA and CTIM have established the Joint Tax Working Group on Financial Reporting Standards. The Working Group will analyse and highlight the changes brought about by the FRS which have tax implications and to propose to the relevant tax authorities the appropriate tax treatments in respect of the FRS, where applicable.

The Committee also represented the Institute at the half-yearly meetings of the Customs-Private Sector Consultative Panel. During the year, the Committee submitted a proposal on the refund of service tax / sales tax paid on bad debts for the Royal Malaysian Customs' consideration.

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 annual budget

commentary, which is undertaken on a joint venture basis by the Institute, MIA and CTIM. A total of 109,000 copies of the 2009 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 76,000 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 nine large accounting firms.

On March 10, 2009, the Minister of Finance, YAB Dato' Sri Mohd Najib Tun Abdul Razak has unveiled the Second Stimulus Package 2009 of RM60 billion. The three (3) Institutes in association with Horwath KL Tax Sdn Bhd has published the 2009 Second Stimulus Package Tax Commentary for members' reference.

Communications and Public Relations

"Technical Excellence" underlies all our mission and activities and that must be the message in our communications with the stakeholders – Government, the business and financial community, the education community, as well as current and potential employers.



Career talks at universities.

During the year under review, the Institute continued with its endeavours to strengthen communication channels both internally with members, students and with external stakeholders to consolidate our image. In publicising the Institute's role in education and training, the underlying message has been quite clear in that we constantly place emphasis on "training" top caliber accountants to fulfill the nation's need for highly skilled business professionals. It is emphasised that the profession is central to the country's economic life and CPAs careers have become more diverse

and challenging. The CPA designation stands for quality and technical excellence and these distinctive attributes has made CPA a premier brand.

Considerable time and effort has been devoted by the Institute's Secretary in making scheduled visits to secondary schools, universities, polytechnics and colleges of advanced education to present career talks to attract young bright talents to join the profession. Our CPA ambassadors are also invited to join us during exhibitions and career fairs to assist in creating awareness to potential students and share their personal experiences as students of MICPA. CPA firms have also been invited to co-brand with the Institute during the career fairs.

To foster closer links with university students, our main target, the Institute sponsored a number of activities organised by the student bodies. Advertorials and advertisements were also placed in targeted student publications to profile the CPA brand.

The Budget Day provided the Institute with an opportunity to strengthen its media visibility as the Institute participated in a series of pre and post budget interviews with both the print and broadcast media.

New activities are being planned in the pipeline which is viewed as a catalyst in generating more student recruits. The recruitment drive and promotion of the value of the revised CPA programme will be the Institute's most important scheme in the coming months.

ICAA-MICPA Memorandum of Understanding (MoU) – Sealing of a Synergistic Partnership in Professional Education

On February 24, 2009, a Memorandum of Understanding (MoU) was signed by The Institute of Chartered Accountants in Australia (ICAA) and The Malaysian Institute of Certified Public Accountants (MICPA) which will have significant impact towards the development of professional education in Malaysia.

The MoU marks another significant milestone in MICPA's continuous efforts to enlarge its global footprint and will seal a new era of professional ties for the Institute. In a bid to establish a synergistic partnership in professional education and training to meet the challenges of globalisation, the MoU provides for mutual eligibility of entry for students into both of the accountancy bodies' upon completion of

the revised CPA programme. The MoU has been reached on the basis of sound educational review of each other's syllabus.



Sealing of a synergistic partnership - ICAA-MICPA MoU.

New entrants to the programme will be required to undertake common examinations and upon satisfactory completion, students will be eligible to admit as members of ICAA and MICPA. The principles of cooperation and collaboration embedded in the MoU provides for *Recognition, Examination & Membership* arrangements between the two Institutes. The revised CPA Programme will be launched in June 2009.

The MoU was signed by Mr Mel Ashton FCA, Director, representing ICAA and YBhg Dato' Nordin Baharuddin, President, representing MICPA and was witnessed by YB Senator Tan Sri Datuk Amirsham A Aziz, the then Minister in the Prime Minister's Department and Her Excellency, Ms Penny Williams, Australian High Commissioner to Malaysia.

At the same ceremony, Mr Graham Meyer, Chief Executive Officer of ICAA, presented an FCA Honorary Membership Certificate to YB Senator Tan Sri Datuk Amirsham A Aziz as a Fellow Member of ICAA. Tan Sri was very honoured by the presentation.

MICPA 50th Golden Jubilee Gala Dinner

The MICPA turned 50 Golden Years on July 26, 2008. To commemorate the momentous occasion, the Institute's Golden Jubilee Gala Dinner with the theme *A Golden Celebration on the Red Carpet* was held at the Mandarin Oriental Kuala Lumpur.

This event was graced by YB Dato' Hj Hasan bin Malek, Deputy Minister in the Prime Minister's Department who also launched the Institute's 50th Anniversary Logo. Over 600 members, invited guests and staff of the Secretariat attended the dinner.



MICPA's 50th Golden Jubilee Celebrations.

The Deputy Minister presented *Anugerah Presiden 2008* to a member who has made exceptional contributions to society, the accountancy profession and the Institute which can be emulated by others. YBhg Tan Sri Dato' Seri Mohd Hassan Marican, President and Chief Executive Officer of Petronas, was the recipient of *Anugerah Presiden 2008*. A Fellow of The Institute of Chartered Accountants in England and Wales (ICAEW), Tan Sri Hassan was admitted as a member of MICPA in February 1992. He is also a member of the Malaysian Institute of Accountants (MIA). Tan Sri has built a distinguished and eminent career spanning a period of over 35 years, both in the United Kingdom and in Malaysia.



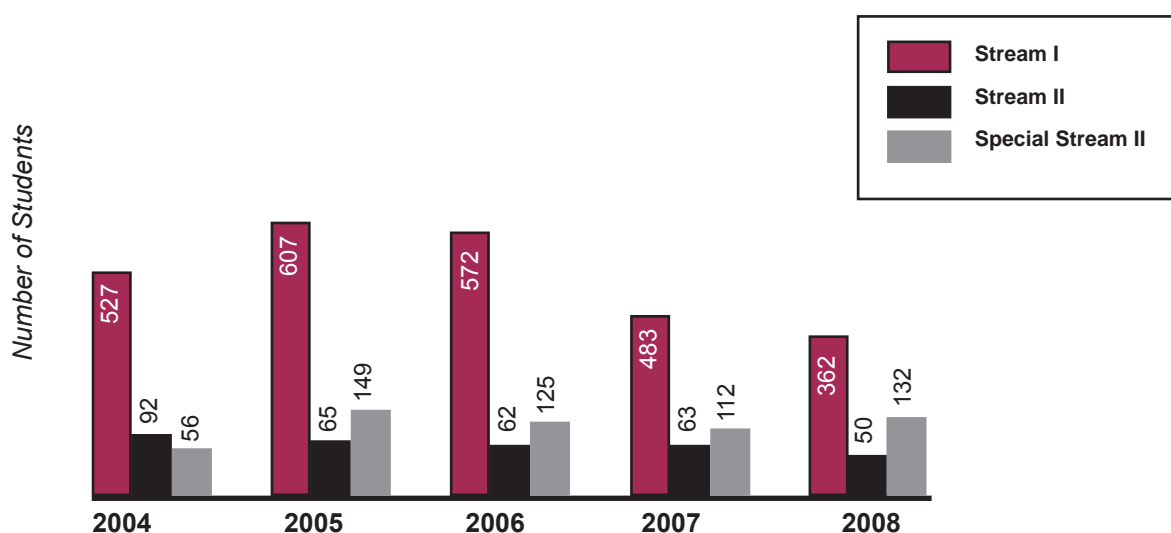
Recipient of *Anugerah Presiden 2008*,
YBhg Tan Sri Dato' Seri Mohd Hassan Marican.

In his acceptance speech, YBhg Tan Sri Dato' Seri Mohd Hassan Marican expressed that he was indeed honoured to have been accorded the MICPA's *Anugerah Presiden* on the occasion of the Institute's 50th Golden Jubilee. He said "to be recognised by your own fraternity makes it very special".

The President, YBhg Dato' Nordin Baharuddin presented a Memento and a Certificate of Honourable Mention to Mr Ong Boon Bah in recognition of his

Students' Statistics

| | 2008 | 2007 |
|---|--------------|--------------|
| Number of registered students at January 1 | 658 | 759 |
| Registration during the year | 87 | 38 |
| Less: | | |
| Admitted to membership/provisional membership, excluded or terminated | 201 | 139 |
| Number of registered students at December 31 | 544 | 658 |
| NET (DECREASE) | (114) | (101) |



| Qualification | As at December 31, 2008 | | | | Total as at December 31, 2007 |
|---|-------------------------|-----------|-------------------|------------|-------------------------------|
| | Stream I | Stream II | Special Stream II | Total | |
| STPM or Equivalent | 0 | 1 | 0 | 1 | 1 |
| DIA | 0 | 1 | 0 | 1 | 3 |
| Accounting Degrees | 126 | 31 | 132 | 289 | 406 |
| Other Degrees | 0 | 13 | 0 | 13 | 14 |
| Sub-total | 126 | 46 | 132 | 304 | 424 |
| Completed training contract but not examination | 236 | 4 | 0 | 240 | 234 |
| GRAND TOTAL | 362 | 50 | 132 | 544 | 658 |

membership with the Institute for the past 49 years from date of admission, May 2, 1959. The other recipient was Mr Lim Sean Teck who was admitted as a member on July 18, 1959. The Institute also recognised the *First CPA Graduate Member*, Mr Lim Yew Chan who sat for the CPA examination in December 1965 and was admitted as a member on June 25, 1966.

The most important asset of any organisation is its staff. The President also presented “*Long Service Award*” to two Secretariat Staff, Ms Irene Ng, PA to the Executive Director and Encik Ruslan A Hamits, Office Guard in recognition of their loyalty, diligence and dedicated service with the Institute for over 10 years.



Amy Mastura performing a “duet” with a guest at the annual dinner.

Entertainer, Amy Mastura, wooed the audience with a rendition of popular songs and aptly started off with “Celebration”. She also managed to interact with the audience and invited the Institute’s Vice-President, YBhg Dato’ Ahmad Johan Mohammad Raslan and past Council Member, Mr Sam Soh Siong Hoon for a sing-along. All in all, it was a pleasant and enjoyable evening.

Leadership Camp

The MICPA organised its inaugural Leadership Camp with the theme “*Leadership for a Changing World*” from August 22–24, 2008 at Pusat Rekreasi dan Perkhemahan, Batang Kali. The leadership camp forms part of the Institute’s continued efforts to provide an opportunity for accountancy students from all over the country to meet, interact and establish closer relationship.

The camp received very enthusiastic response from students from the various public universities including UKM, UPM, UUM, UM and UIAM and attracted close to 80 students who joined in the camp.

The main objective of the camp is to assist accountancy students to realise their leadership potential and to develop a sense of social and environmental responsibility. The 3-day programme was specially designed to be held in a relaxed atmosphere and was a great learning curve to equip participants with the necessary tools to:

- build confidence;
- broaden and learn core leadership skills to become better youth leaders;
- encourage team building & personal growth;
- develop effective communication skills through group interaction; and
- examine goals, values and relationships through experience sharing.

In his welcome address, the Executive Director of MICPA expressed his gratitude to the Accounting Club of Universiti Kebangsaan Malaysia, in particular the Organising Committee for jointly organising the leadership camp with MICPA. He thanked them for their assistance and perseverance in making the event a successful one. He added that such activities also serve as training ground for the students to enhance their organisational skills and leadership qualities.



Having a “fun-filled” time at the Leadership Camp.

Dr Cheah You Sum, a trainer by profession, guided and inspired the students during the camp with relevant knowledge, skills and attitudes. He also presented two papers titled *Unlock your Leadership Potential* and *Highlight Your Communication Skills*, which the students found very enriching and stimulating.

MICPA Excellence Awards

The Institute held its annual presentation of Excellence Awards, Examination Certificates and

Prizes, Membership and Practising Certificates at a special ceremony held on October 25, 2008 at Best Western Premier Seri Pacific Kuala Lumpur.

The presentation ceremony was officiated by YBhg Prof Dato' Ir Dr Radin Umar bin Radin Sohadi in his capacity as the Director-General of the Department of Higher Education but also representing YB Datuk Ir Hj Idris bin Hj Haron, Deputy Minister of Higher Education I who was unable to be present due to unforeseen rescheduling of his official duties. The event was witnessed by over 230 guests including students, their family members, friends and guests of the MICPA.



Our CPAs happiest moment.

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.

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.

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-round CPA student who has recently completed the MICPA examinations. This year, the award was presented to Mr Tiow Wei Sheng who is attached to UEM World Berhad, an Approved Training Organisation of the Institute. Tiow Wei Sheng joined the MICPA's training programme under Stream II

in 2005 with UEM World Berhad. He passed each Module of the Advanced Stage Examination of the MICPA examination at the first attempt and has won the MICPA Gold Medal for two subjects. He is also a CPA Ambassador and assists the Institute to promote the CPA brand during career fairs and exhibitions at universities and colleges of advanced education.

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 8 Excellence Awards were presented to top students from IUM, UKM, UM, USM, UiTM, UUM, MMU and UNITEN.

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

At the same ceremony, the Immediate Past President of the Institute, YBhg Dato' Abdul Halim Mohyiddin presented examination certificates to all successful candidates of the November 2007 and May 2008 MICPA examinations. Dato' Abdul Halim Mohyiddin also presented membership and practicing certificates to newly admitted members of the Institute.



The Most Outstanding CPA Student, Tiow Wei Sheng.

YBhg Prof Dato' Ir Dr Radin Umar also presented a total of 5 gold medals to students who had passed the examinations with high distinction. The objective of the prize is to give honour and recognition to students who have excelled in the MICPA Professional Examination. Selection of the winner for the prize is carried out by the Examination Committee based on specific criteria and the award is made to a student with the best aggregate marks. The prize is awarded in the name of the firms who sponsor the gold medals. The Public Affairs Committee would like to pay tribute to the sponsors of the Examination prizes,

who have so generously supported the Institute's course in encouraging examination excellence over the years.



Newly appointed ATO, Prokhas Sdn Bhd.

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 Prokhas Sdn Bhd in recognition of the organisation's commitment and support for the MICPA training programme under Stream II. Encik Ahmad Faris Yahaya, General Manager-Corporate Services, received the Appreciation Award on behalf of the organisation. Encik Ahmad Faris Yahaya is also a CPA member of the Institute and has recently been appointed to the Institute's Public Affairs Committee as a Co-opted member.

MICPA 50th Anniversary Commemorative Lecture

The Institute's 50th Anniversary Commemorative Lecture was held on May 14, 2009 at Mandarin Oriental Kuala Lumpur.

This is the summit event in the Institute's calendar of the year as it provides an opportunity for members of the accountancy profession, Government, the regulatory authorities and the business community to get together and to evaluate the most pertinent issues affecting the Malaysian economy and the role of the accountancy profession. 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 Lecture was delivered by Yang Amat Berbahagia Tun Mohamed Dzaiddin Hj Abdullah, Chairman of Bursa Malaysia Berhad, titled *"What is Bursa*

Malaysia's Voice to Embrace the Global Meltdown with Confidence".

Tun Dzaiddin as we all know was the former Chief Justice of Malaysia and Chairman of the Royal Commission on the Royal Malaysian Police Force. He is a man of vast experience having served in various capacities not only in the Malaysian judiciary but also in the legal profession.

In his Lecture, Tun Mohamed Dzaiddin highlighted that Bursa Malaysia is looking at widening investment options for investors by introducing a broader range of products that cater for a variety of market conditions. To spur greater liquidity, he said that Bursa Malaysia was banking on structured products that have a multiplier effect on the underlying securities. He also added that in order to encourage more issuers to list structured warrants on Bursa Malaysia, the stock exchange has introduced a fee incentive scheme for issuance of structured warrants to increase the number and type of structured products.



YABhg Tun Mohamed Dzaiddin Hj Abdullah delivering the Commemorative Lecture.

Collaboration with Universities, Participation in Career Fairs and Exhibitions & Sponsorship of Student Activities

As part of the Institute's efforts to foster closer collaboration with the universities in a positive and mutually beneficial manner, the Institute had scheduled meetings with the Deans and faculty members of the Faculty of Accountancy at the various public universities.

The Executive Director with the Secretariat Staff made scheduled visits to UPM, UKM, USM, UUM, IIUM, UM, UiTM (Shah Alam, Sri Iskandar & Arau), UNITEN, MMU (Cyberjaya & Melaka Campuses), Universiti Malaysia Terengganu, Politeknik Ungku Omar and Politeknik Tuanku Sultanah Bahiyah.

Kolej Komuniti Jasin in Melaka had also visited the Institute where a total of 33 students from the Accountancy & Business Programme and 7 Lecturers were briefed on the Institute's activities, the CPA and CFiA qualification respectively.

Students were able to gain insight on how to become a CPA, in particular the training schemes and examination system of the MICPA and the wide career prospects for professional accountants.

The Institute continued in its endeavor to embark on a more aggressive marketing strategy to position the CPA and CFiA as the designated choice. In this respect, the Institute participated actively in career fairs and exhibitions across the country to promote accountancy as a career, and in particular to create greater awareness of the CPA Malaysia and CFiA qualification.

To encourage closer links between university students and the profession, the Institute sponsored a number of students' activities organised by the accounting clubs of the various public universities as well as seminars and conferences organised by the accounting faculties.



Student enquiries during an exhibition.

Career Talks at Secondary Schools

Accountancy has become one of the more popular courses being pursued by young Malaysians. We believe that in today's competitive environment, it is crucial that we provide information in helping young people to make informed career plans and choices and this starts at grass root level. In this respect, a series of scheduled career talks at secondary schools to Form 4, 5 and 6 students undertaking the principles of accounting subject was planned. The Executive Director presented a talk on *Career in Accountancy* to a total of 11 schools in the Klang Valley.

Visits to Members' Firms and Approved Training Organisations

The Institute is aware that a two-way flow of communication is important and emphasis is being attributed to improving the framework of communication between the Institute, members' firms and Approved Training Organisations (ATOs).



Prospective students.

In moving forward, the Institute is making courtesy visits to members' firms and ATOs as a means of further enhancing the synergistic partnership which already exists between both parties and to identify ways to collaborate and strengthen professional relationship. The visits have proved to be positive and fruitful and gave the Institute an opportunity to understand the operations as well as to hear the views and expectations of our ATO's and members' firms are seeking from the Institute.

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.

The site 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.

In 2007, the Institute 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 Malaysian Accountant

Maintaining constant communication with members and students is an important element of the Institute. The Institute's bi-monthly Journal is a regular feature and constitutes an important communication channel which keeps members and students up-to-date not only with the activities of the Institute but also with the latest developments affecting the profession around the world. With the increasing internationalisation of business, and particularly accounting standards, it is crucial that members are kept informed of what is happening.

Editorially, each issue of the Journal carries a range of articles covering a variety of topics including accounting, tax, law, information technology, management, updates from MASB, IFAC, IASB, case law highlights, lifestyle articles of interest and global professional business news contributed by our Australian correspondent.

The editorial board is constantly endeavours to make improvements to the Journal, in terms of both content and presentation and we have introduced some changes to the design and layout. The minor revamp is a nice way to brighten things up. Whilst every effort is being made to enhance the communication process between our various stakeholders, the success of this communication network will depend ultimately on members themselves. We encourage members to submit view, proposals and articles of professional interest for publication in *The Malaysian Accountant Journal*.

Information Technology Services

In recognition of the widespread use of IT, two e-mail communication bulletins have been initiated which are email broadcast to members and students on a monthly basis. 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.

Both bulletins complement and serve as a supplement to the Journal and provide a platform to keep readers informed of the Institute's initiatives, plans and activities. Since its inception, the editorial content of both bulletins have been enhanced and includes news, activities, announcements on upcoming CPD programmes, technical pronouncements updates from the Institute, changes in laws and regulations relating to members work, as well as news from other professional bodies and updates on regional and international conferences.

National Annual Corporate Report Awards

The National Annual Corporate Report Awards or NACRA is an annual event jointly organised by Bursa Malaysia Bhd, the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA).

Yang Berhormat Encik Jelaing Anak Mersat, Deputy Minister of Domestic Trade and Consumer Affairs, presented the Challenge Trophies and Awards to the Winners of NACRA 2008 at an awards presentation ceremony held on November 19, 2008 at Shangri-La Hotel Kuala Lumpur. The ceremony was attended by a large number of senior management of the participating companies, a cross section of business leaders from the private and public sectors, Government and regulatory bodies and invited guests.

NACRA fosters a spirit of competitiveness amongst Malaysian companies in striving for excellence in corporate reporting, by encouraging high quality financial reporting, which is a cornerstone for building a healthy investment climate in Malaysia. This is emphasised in NACRA's theme "*Towards Accountability and Excellence*".



YB En Jelaing Anak Mersat, Deputy Minister of Domestic Trade and Consumer Affairs, delivering his speech at the NACRA awards presentation.

In his speech, the Minister stressed that corporate annual reports should provide reliable indicators and factual information on a company's financial performance and its prospects and plans to allow investors to assess the viability of their investment and the company's potential growth. He added that detailed information was important, as investors would be attracted to markets they understand, trust and have confidence in.

The focus on Corporate Social Responsibility (CSR) and reporting has increased and it is mandatory for all public listed companies with year-ends on or after December 31, 2007 to report their CSR activities in accordance to Bursa Malaysia's listing requirements. In view of this, the Environmental Reporting Awards were renamed as the Corporate Social Responsibility Awards (CSR).

A total of 20 awards were presented in 5 categories. Public Bank Berhad once again 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 Award for Best Annual Report in Bahasa Malaysia under the Presentation Awards category. YBhg Tan Sri Dato' Sri Dr Teh Hong Piow, Chairman of Public Bank Berhad, received the Awards and the NACRA Challenge Trophy on behalf of the bank.

Telekom Malaysia Berhad performed extremely well when they walked away with the Gold Award for Most Outstanding Annual Report of the Year and Best Designed Annual Report in the Presentation Awards Category. Telekom also won the Gold Award for Best Annual Report in Bahasa Malaysia under the Presentation Awards Category and the Silver Awards

for Best Corporate Social Responsibility Awards. The organisation also won an Award under the Industry Excellence Awards for companies listed on the Main Board for Trading and Services.

The Award for Best Annual Report of Non-Listed Organisations was won by Cagamas Berhad. A Certificate of Merit was also presented to 9 finalists in recognition of the commendable high quality of annual reporting achieved by these organisations.

The MICPA was the Adjudication Committee for NACRA 2008 with Mr Ken Pushpanathan as Chairman of the NACRA 2008 Adjudication Committee and Mr Ng Kim Tuck as the Alternate Chairman.



Public Bank Bhd, recipient of The Most Outstanding Annual Report of the Year.

Professional Regulation

Financial Statements Review

The Institute continues to play a critical role in enhancing and protecting the reputation of the accountancy profession. The Institute achieves this through on-going monitoring of members' professional conduct with regard to compliance with technical and professional standards.

The Financial Statements Review Committee monitors members' compliance with technical and professional standards through an on-going programme of review of published financial statements audited by members or member firms of the Institute. 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 twelve cases of complaints, six of which were brought forward from the previous year. The Committee has completed the inquiry into eight of the cases. Of these, two cases were dismissed as it was determined that a prima facie case had not been made against the members, three cases were referred to the Disciplinary Committee and in the other three cases, the Committee made an order against the members concerned by consent that the member be reprimanded and fined. The remaining cases were under consideration at the time of this report.

The Disciplinary Committee heard three cases of complaint but decision has been deferred pending further inquiry. 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 and support the work of IFAC. We have actively promulgated convergence with international auditing standards issued by the International Auditing and Assurance Standards Board of IFAC. The Institute has adopted the 36 newly updated and clarified International Standards on Auditing (ISAs) and a clarified International Standard on Quality Control.

During the year, the Institute visited The Institute of Chartered Accountants in Australia. The visit provides an opportunity for the exchange of information on the latest developments in the profession and discussion on mutual recognition of qualification.



Visitors to the Institute.

The Institute has also received a number of visitors from overseas government entity and professional bodies. These included the delegation from the Ministry of Economy and Finance, National Accounting Council of Cambodia, the Chief Executive Officer of the Kampuchea Institute of Certified Public Accountants and Auditors, the President of The Institute of Chartered Accountants in Australia, the delegations from The Institute of Chartered Accountants of India, the delegations from The Institute of Cost & Works Accountants of India and the Executive Director, Learning and Professional Development of The Institute of Chartered Accountants in England and Wales.

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 87 new students comprising predominantly graduates with accounting degrees. As compared to previous year, the new student intake has increased by one fold. After taking into account student 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 544 at December 31, 2008. This represented a decline in student population by 17% compared to 2007.

Although the concerted efforts made by the Institute to promote the CPA qualification have resulted in an increase in student intake compared to the previous year, this has been counterbalanced by the drop-

out of existing students. There is no doubt that we need to implement effective measures to promote the value of the CPA qualification, in particular the revised MICPA programme, to our target market. As highlighted in the earlier pages of this Report, the Institute has embarked on an active programme to promote the revised MICPA programme to public and private universities and institutions of higher learning. Presentations have been made to the accounting faculties on the merits of the revised MICPA programme. Further steps was also undertaken to enhance the CPA recognition status at the international level.

Some of these initiatives will take time to bear results. In the meanwhile, 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 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 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 Advance Stage Examination.

At December 31, 2008, a total of 362 students were registered under Stream I, 50 students under Stream II and 132 students under Special Stream II. There are over 77 ATOs providing CPA training under Stream II.

Examination

A total of 339 examination entries were received from registered students for the May and November examinations in 2008. This comprised 12 entries from the Professional Stage Examination and 327 entries for the Advanced Stage Examination. In addition, 3 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 14% as compared to 2007 as a result of drop out in the students register. The number of students sitting for the Professional Stage Examination continues to be small.

| Enrolment for MICPA Examinations | | |
|----------------------------------|-------------------|------|
| | No. of Candidates | |
| | 2008 | 2007 |
| Professional Stage Examination | | |
| Module A | 7 | 2 |
| Module B | 5 | 3 |
| Advanced Stage Examination | | |
| Module C | 78 | 58 |
| Module D | 82 | 155 |
| Module E | 57 | 66 |
| Module F | 110 | 110 |
| Bye-law 34(1)(f) candidates | 3 | 10 |

Education and Training

The Education and Training Committee is charged with two major areas of responsibilities – to conduct the education and training programmes for students and to deliver CPD programmes for members.

The student register shows that 3.8% of the students are pursuing the Professional Stage Examination (consisting of Module A and B of three papers each) and 96.2% of the students are pursuing the Advanced Stage Examination (consisting of Module C, D, E and F of one paper each). The highly skewed statistics are 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/her 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.

A total of 354 students had enrolled for the workshop sessions for Advanced Stage Examination in 2008. This represented a drop in enrolment by 26% compared to the previous year as a result of high drop-out in the students register.

In February 2009, the Institute has signed a Memorandum of Understanding (MoU) with the Institute of Chartered Accountants in Australia. The principles of cooperation and collaboration embedded in the MoU provides for Recognition, Examination and Membership arrangements between the two Institutes, amongst which are the development of a Revised Qualifying Programme for MICPA that incorporates education modules of both bodies and upon satisfactory completion of the revised CPA programme and other admission requirements, a student will be eligible for membership of both ICAA and MICPA. The revised CPA programme will be launched in June 2009.

The Committee is also responsible for the planning and organising CPD programmes for members. As reported in the earlier pages, the Institute continued to organise CPD programmes in the form of seminars, workshops and forums, covering a wide range of topic, throughout the years for the benefit of members.



Half-Day Forum - Speakers with the President of MICPA.

Acknowledgement

It has been a privilege and an inspiring experience to serve the Institute as President during its 50th year. It has given me the opportunity to work alongside dedicated and exceptional people and to meet members and discuss current issues facing the profession.

I would like to take this opportunity to express my deep gratitude to my fellow Council members whose support and encouragement have made my duties as the President so much easier. I must say the effectiveness of leadership, in my books, has always been directly proportional to the totality of support, which the Council members have given so unselfishly.

At this juncture, I would like to pay a special tribute to Mr Sam Soh Siong Hoon, who has during the year stepped down as a Council Member for his undivided support to the Institute during his twenty five years of service on the Council. He has also contributed in many areas to the Institute's technical work, particularly as Chairman of the Public Practice Committee.

With the Institute turning 51 this year, it goes without saying that as the country's oldest professional accountancy body, MICPA has come a long way. But the driving force behind the Institute are its members and at this juncture, I wish to acknowledge the significant contributions made by the many members for your ongoing contributions, which underpin the continuing success of the Institute. It is the input of their technical knowledge and expertise that has enabled the Institute to maintain the highest standards of excellence.

I also cannot conclude this statement without acknowledging and commending the Secretariat team as they play a vital role in the delivery of services to members and students. I would like to express my sincere appreciation to the Executive Director, Mr Foo Yoke Pin for his unceasing efforts in displaying a high sense of responsibility and commitment in executing the various duties entrusted to him. The Secretariat staff provides invaluable support to the Council and the various Committees in carrying out their activities.

On a final note, we have an exciting year ahead of us in view of the many important changes that will be implemented and I am confident that with the continued support and commitment of members, the Institute will be able to achieve its new goals with success.

Technical Pronouncements May 2009

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 1 Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | | Jan. 1, 2010 |
| FRS 2 Share-based Payment | | Jan. 1, 2006 |
| FRS 2 Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations | | Jan. 1, 2010 |
| FRS 3 Business Combinations | FRS 122 ²⁰⁰⁴ | Jan. 1, 2006 |
| FRS 4 Insurance Contracts | FRS 202 ²⁰⁰⁴ & FRS 203 ²⁰⁰⁴ | Jan. 1, 2010 |
| 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 7 Financial Instruments : Disclosures | | Jan. 1, 2010 |
| FRS 8 Operating Segments | FRS 114 ²⁰⁰⁴ | Jul. 1, 2009 |
| 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 |
| FRS 121 Amendment to Financial Reporting Standard 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation | | Jul. 1, 2007 |

| | | Extant Accounting Standards Superseded | MASB Operational Date |
|-------------------------|--|---|-----------------------------|
| FRS 123 ²⁰⁰⁴ | Borrowing Costs | IAS 23 | Jul. 1, 2002 |
| FRS 123 | Borrowing Costs | FRS 123 ²⁰⁰⁴ | Jan. 1, 2010 |
| 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 127 | Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | | Jan. 1, 2010 |
| FRS 128 | Investments in Associates | FRS 128 ²⁰⁰⁴ | Jan. 1, 2006 |
| FRS 129 | Financial Reporting in Hyperinflationary Economies | FRS 129 ²⁰⁰⁴ | Jan. 1, 2003 |
| FRS 131 | Interests in Joint Ventures | FRS 131 ²⁰⁰⁴ | Jan. 1, 2006 |
| FRS 132 | Financial Instruments: Disclosure and Presentation [FRS 132 will be renamed as FRS 132 Financial Instruments: Presentation on adoption of FRS 7 Financial Instruments : Disclosures] | 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 | | Jan. 1, 2010 |
| FRS 140 | Investment Property | IAS 40 & that part of FRS 125 ²⁰⁰⁴ 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.

(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 Original Operational Date |
|---------|--|-----------------------------------|
| 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 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 |

| | | MASB Operational Date |
|-----------------------|---|--------------------------|
| 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 |
| 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 |
| IC Interpretation 9 | Reassessment of Embedded Derivatives | Jan. 1, 2010 |
| IC Interpretation 10 | Interim Financial Reporting and Impairment | Jan. 1, 2010 |
| IC Interpretation 11 | FRS 2 – Group and Treasury Share Transactions | Jan. 1, 2010 |
| IC Interpretation 13 | Customer Loyalty Programmes | Jan. 1, 2010 |
| IC Interpretation 14 | FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | Jan. 1, 2010 |

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 | MASB | IASB |
|-------------|-------------|-------------|
| Operational | Operational | Operational |
| Date | Date | Date |
| 1993 | 1998 | 1987 |

(h) Malaysian Accounting Standards (MAS)

| | MICPA Operational Date | MASB Operational Date |
|--|------------------------------|-----------------------------|
|--|------------------------------|-----------------------------|

(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] |
| 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] |
|-------|-------------------------|-----------------------|

(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 |

| | IAG/ISA Superseded | MICPA Issue Date | IFAC Issue Date |
|---|-----------------------|---------------------|--------------------|
| 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/ISQC 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 |
| ISQC 1 (Redrafted) Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements | ISQC 1 | Requirements to be established by Jan. 1, 2010 | Requirements to be established by Dec. 15, 2009 |

(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 200 (Revised and Redrafted) Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing | ISA 200 | Jan. 2010 | Dec. 2009 |
| ISA 210 Terms of Audit Engagements | IAG 2 | Jan. 2006 | Dec. 2005 |
| ISA 210 (Redrafted) Agreeing the Terms of Audit Engagements | ISA 210 | Jan. 2010 | Dec. 2009 |
| ISA 220 (Revised) Quality Control for Audits of Historical Financial Information | IAG 7 | Jan. 2006 | Jun. 2005 |
| ISA 220 (Redrafted) Quality Control for an Audit Financial Statements | ISA 220 (Revised) | Jan. 2010 | Dec. 2009 |
| ISA 230 (Revised) Audit Documentation | ISA 230 | Jan. 2008 | Jun. 2006 |
| ISA 230 (Redrafted) Audit Documentation | ISA 230 (Revised) | Jan. 2010 | Dec. 2009 |
| ISA 240 (Revised) 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 | ISA 240 (Revised) | Jan. 2010 | Dec. 2009 |
| ISA 250 Consideration of Laws and Regulations in an Audit of Financial Statements | ISA 31 | Jan. 2006 | Dec. 2004 |
| ISA 250 (Redrafted) Consideration of Laws and Regulations in an Audit of Financial Statements | ISA 250 | Jan. 2010 | Dec. 2009 |

| | | IAG/ISA Superseded | MICPA Operational Date | IFAC Operational Date |
|------------------------------------|---|------------------------|------------------------------|-----------------------------|
| ISA 260 | Communication of Audit Matters with Those Charged with Governance | – | Jan. 2006 | Dec. 2004 |
| ISA 260 (Revised and Redrafted) | Communication with Those Charged with Governance | ISA 260 | Jan. 2010 | Dec. 2009 |
| ISA 265 | Communicating Deficiencies in Internal Control to Those Charged with Governance and Management | – | Jan. 2010 | Dec. 2009 |
| ISA 300 (Revised) | Planning an Audit of Financial Statements | IAG 4 | Jul. 2006 | Dec. 2004 |
| ISA 300 (Redrafted) | Planning an Audit of Financial Statements | ISA 300 (Revised) | 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 | ISA 315 | Jan. 2010 | Dec. 2009 |
| ISA 320 | Audit Materiality | IAG 25 | Jan. 2006 | Dec. 2004 |
| ISA 320 (Revised and Redrafted) | Materiality in Planning and Performing an Audit | ISA 320 | Jan. 2010 | Dec. 2009 |
| ISA 330 | The Auditor's Procedures in Response to Assessed Risks | – | Jan. 2006 | Dec. 2004 |
| ISA 330 (Redrafted) | The Auditor's Responses to Assessed Risks | ISA 330 | Jan. 2010 | Dec. 2009 |
| ISA 402 | Audit Considerations Relating to Entities Using Service Organisations | IAG 6 Addendum 2 | Jan. 2006 | Dec. 2004 |
| ISA 402 (Revised and Redrafted) | Audit Considerations Relating to an Entity Using a Service Organisation | ISA 402 | Jan. 2010 | Dec. 2009 |
| ISA 450 (Revised and Redrafted) | Evaluation of Misstatements Identified During the Audit | – | Jan. 2010 | Dec. 2009 |
| ISA 500 | Audit Evidence | IAG 8 | Jan. 2006 | Dec. 2004 |
| ISA 500 (Redrafted) | Audit Evidence | ISA 500 | Jan. 2010 | Dec. 2009 |
| ISA 501 | Audit Evidence - Additional Considerations for Specific Items | IAG 8 Addenda 1 & 2 | Jan. 2006 | Dec. 2004 |
| ISA 501 (Redrafted) | Audit Evidence - Specific Considerations for Selected Items | ISA 501 | Jan. 2010 | Dec. 2009 |
| ISA 505 | External Confirmations | – | Jan. 2006 | Dec. 2004 |
| ISA 505 (Revised and Redrafted) | External Confirmations | ISA 505 | Jan. 2010 | Dec. 2009 |
| ISA 510 | Initial Engagements - Opening Balances | IAG 28 | Jan. 2006 | Dec. 2004 |
| ISA 510 (Redrafted) | Initial Audit Engagements - Opening Balances | ISA 510 | Jan. 2010 | Dec. 2009 |

| | | IAG/ISA Superseded | MICPA Operational Date | IFAC Operational Date |
|---------------------------------------|--|-----------------------|------------------------------|-----------------------------|
| ISA 520 | Analytical Procedures | IAG 12 | Jan. 2006 | Dec. 2004 |
| ISA 520 (Redrafted) | Analytical Procedures | ISA 520 | Jan. 2010 | Dec. 2009 |
| ISA 530 | Audit Sampling and Other Means of Testing | IAG 19 | Jan. 2006 | Dec. 2004 |
| ISA 530 (Redrafted) | Audit Sampling | ISA 530 | Jan. 2010 | Dec. 2009 |
| ISA 540 | Audit of Accounting Estimates | IAG 26 | Jan. 2006 | Dec. 2004 |
| ISA 540 (Revised and Redrafted) | Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures | ISA 540 & ISA 545 | Jan. 2010 | Dec. 2009 |
| ISA 545 | Auditing Fair Value Measurements and Disclosures | — | Jul. 2006 | Dec. 2004 |
| ISA 550 | Related Parties | IAG 17 | Jan. 2006 | Dec. 2004 |
| ISA 550 (Revised and Redrafted) | Related Parties | ISA 550 | Jan. 2010 | Dec. 2009 |
| ISA 560 | Subsequent Events | IAG 21 | Jan. 2006 | Dec. 2004 |
| ISA 560 (Redrafted) | Subsequent Events | ISA 560 | Jan. 2010 | Dec. 2009 |
| ISA 570 | Going Concern | IAG 23 | Jan. 2006 | Dec. 2004 |
| ISA 570 (Redrafted) | Going Concern | ISA 570 | Jan. 2010 | Dec. 2009 |
| ISA 580 | Management Representations | IAG 22 | Jan. 2006 | Dec. 2004 |
| ISA 580 (Revised and Redrafted) | Management Representations | ISA 580 | Jan. 2010 | Dec. 2009 |
| ISA 600 | Using the Work of Another Auditor | IAG 5 | Jan. 2000 | Jul. 1994 |
| ISA 600 (Revised and Redrafted) | Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors) | ISA 600 | Jan. 2010 | Dec. 2009 |
| ISA 610 | Considering the Work of Internal Auditing | IAG 10 | Jan. 2006 | Dec. 2004 |
| ISA 610 (Redrafted) | Using the Work of Internal Auditors | ISA 610 | Jan. 2010 | Dec. 2009 |
| ISA 620 | Using the Work of an Expert | IAG 18 | Jan. 2006 | Dec. 2004 |
| ISA 620 (Revised and Redrafted) | Using the Work of an Auditor's Expert | ISA 620 | Jan. 2010 | Dec. 2009 |
| ISA 700 (Revised) | The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements | ISA 700 | Jul. 2008 | Dec. 2006 |
| ISA 700 (Redrafted) | Forming an Opinion and Reporting on Financial Statements | ISA 700 (Revised) | Jan. 2010 | Dec. 2009 |
| ISA 701 | Modifications to the Independent Auditor's Report | — | Jul. 2008 | Dec. 2006 |
| ISA 705 (Revised and Redrafted) | Modifications to the Opinion in the Independent Auditor's Report | ISA 701 | Jan. 2010 | Dec. 2009 |
| ISA 706 (Revised and Redrafted) | Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report | ISA 701 | Jan. 2010 | Dec. 2009 |

| | | IAG/ISA Superseded | MICPA Operational Date | IFAC Operational Date |
|---------------------------------------|--|-----------------------|------------------------------|-----------------------------|
| ISA 710 | Comparatives | – | Jan. 2006 | Dec. 2004 |
| ISA 710 (Redrafted) | Comparative Information – Corresponding Figures and Comparative Financial Statements | ISA 710 | Jan. 2010 | Dec. 2009 |
| ISA 720 | Other Information in Documents Containing Audited Financial Statements | IAG 14 | Jan. 2006 | Dec. 2004 |
| ISA 720 (Redrafted) | The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements | ISA 720 | Jan. 2010 | Dec. 2009 |
| ISA 800 | The Independent Auditor's Report on Special Purpose Audit Engagements | IAG 24 | Jul. 2008 | Dec. 2006 |
| ISA 800 (Revised and Redrafted) | Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks | ISA 800 | Jan. 2010 | Dec. 2009 |
| ISA 805 (Revised and Redrafted) | Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement | – | Jan. 2010 | Dec. 2009 |
| ISA 810 (Revised and Redrafted) | Engagements to Report on Summary Financial Statements | – | Jan. 2010 | Dec. 2009 |

(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) |
| 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)

| | | |
|-------|---|-------------------------|
| 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 |
| 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 |
| ATR 6 | Unit Trust Funds – Distribution Equalisation | Jun. 2008 |
| ATR 7 | Examples of Auditor's Reports | Jun. 2008 |
| ATR 8 | Pro forma Letter of Engagement – Statutory Audit for Single Entity and Group | Mar. 2009 |
| ATR 9 | Sample Auditor's Report in Bahasa Malaysia | Mar. 2009 |

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)

| | MICPA Issue Date | IFAC Issue Date |
|--|---------------------|--------------------|
| Preface to Statements on International Management Accounting | Dec. 1992 | Feb. 1987 |

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

| | | |
|--|------------|-----------|
| 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 |
| 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

| | | MICPA Issue Date | IFAC Issue Date |
|---------|--|---------------------|--------------------|
| (ii) | Being considered by MICPA for Issuance | | |
| IMAS 11 | A Profession Transforming: From Accounting to Management | – | Mar. 2001 |

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 52 | Private Entity Reporting Standards | Jun. 2006 |
| ED 61 | Presentation of Financial Statements | Feb. 2009 |
| ED 62 | Improvements to FRSs | Feb. 2009 |
| ED 63 | Amendments to Standards on Financial Instruments | Feb. 2009 |
| ED i-3 | Presentation of Financial Statements of Islamic Financial Institutions | Feb. 2009 |
| IC Interpretation 12 | Service Concession Arrangements | Nov. 2008 |
| DSOP * i-1 | Financial Reporting from an Islamic Perspective | Nov. 2008 |
| (* denotes Draft Statement of Principles) | | |

H Status of Other International Standards on Assurance Engagements (ISAE) Issued as Exposure Draft by IAASB

| | | MICPA Issue Date | IFAC Issue Date |
|--------------|---|---------------------|--------------------|
| (a) | ISAE Issued as MICPA Exposure Draft | | |
| ED ISAE 3402 | Assurance Reports on Controls at a Third Party Service Organisation | Mar. 2008 | Dec. 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)

| | IFAC Issue Date |
|--|--------------------|
| International Public Sector Accounting Standards Board – Interim Terms of Reference | Nov. 2004 |
| Preface to International Public Sector Accounting Standards (Revised) | Jan. 2007 |
| Introduction to the International Public Sector Accounting Standards | 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 |
| 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 Part 1 | |
| Cash Basis IPSAS Financial Reporting Under the Cash Basis of Accounting Part 2 : Encouraged Additional Disclosures | Jan. 2008 |
| Glossary of Defined Terms in IPSAS 1 to IPSAS 26 | Mar. 2009 |

(b) Guidelines

| | | IFAC Issue Date |
|-------|---|------------------------------------|
| No. 1 | Financial Reporting by Government Business Enterprises | Jul. 1989 (withdrawn Nov. 2002) |
| 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 (withdrawn in 1994) |

(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 |
|---|-----------|

K International Information Technology Guidelines

(a) Guidelines

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

L International Accounting Education Standards Board (IAESB) Pronouncements

IAESB Framework for International Education Pronouncements

Introduction to International Education Standards

(a) International Education Standards (IES) for Professional Accountants

| | | IFAC Operational Date |
|-------|--|--------------------------|
| 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 and General Education | 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 |

(b) International Education Practice Statements (IEPSs) for Professional Accountants

| | | IFAC Issue Date |
|--------|--|--------------------|
| IEPS 1 | Approaches to Developing and Maintaining Professional Values, Ethics and Attitudes | Oct. 2007 |
| IEPS 2 | Information Technology for Professional Accountants | Oct. 2007 |
| IEPS 3 | Practical Experience Requirements – Initial Professional Development for Professional Accountants | Dec. 2007 |

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 |
| IFRS 2 | Share-based Payment |
| IFRS 3 | Business Combinations |
| IFRS 4 | Insurance Contracts |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources |
| IFRS 7 | Financial Instruments: Disclosures |
| IFRS 8 | Operating Segments |

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 (ISQC)
- (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 International Public Sector Accounting Standards Board (IPSASB) 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, 2008

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, 2008.

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 39,586 |
|--|-----------|

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 made 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 May 28, 2008 are as follows:-

Dato' Ab Halim bin Mohyiddin
Abdul Halim bin Md Lassim
Abdul Jabbar Abdul Majid
Dato' Ahmad Johan bin Mohammad Raslan
Ahmad Mustapha bin Ghazali
Beh Tok Koay
Datin Hj Fadzilah bte Saad
Dato' Gan Ah Tee
Goh Lee Hwa
Lee Tuck Heng
Lim Tian Huat
Lim Thiam Kee
Loh Lay Choon
Loo Mi Li
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 (*Resigned on 28.03.2009*)
Seow Yoo Lin
Sukanta K Dutt
Tan Bun Poo
Tan Chin Hock
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:

Abdul Halim bin Md Lassim
Goh Lee Hwa
Lim Tian Huat
Mohamed Raslan Abdul Rahman
Pushpanathan a/l S A Kanagarayar
See Huey Beng
Tan Chin Hock
Dr Veerinderjeet Singh
Dato' Yeo How
Datuk Robert Yong Kuen Loke

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 fee received by a Council Member for updating of the MICPA study manual 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 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 which 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

This report is made pursuant to the Council's resolution passed on May 28, 2009.

Balance Sheet as at December 31, 2008

| | Note | 2008 RM | 2007 RM |
|--|------|-----------------------|-------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Plant and equipment | 5 | 55,203 | 71,941 |
| Development costs of study manuals | 6 | 34,200 | 64,003 |
| Advances to MACPA Educational Trust Fund | 7 | 38,050 | 43,739 |
| | | <u>127,453</u> | <u>179,683</u> |
| Current Assets | | | |
| Study manuals, at cost | | 7,251 | 13,204 |
| Receivables, prepayments and deposits | 8 | 509,732 | 526,590 |
| Fixed deposits | 9 | 304,830 | 350,000 |
| Cash and bank balances | | 13,087 | 36,232 |
| | | <u>834,900</u> | <u>926,026</u> |
| Total Assets | | <u><u>962,353</u></u> | <u><u>1,105,709</u></u> |
| Fund and Liabilities | | | |
| Accumulated Fund | | | |
| Balance at January 1 | | 141,131 | 75,937 |
| Net operating surplus for the financial year | | 39,586 | 65,194 |
| Balance at December 31 | | <u>180,717</u> | <u>141,131</u> |
| Non-Current Liability | | | |
| Term loan (secured) | 10 | – | 38,138 |
| Current Liabilities | | | |
| Fees in advance | | 22,575 | 24,482 |
| Payables and accruals | 11 | 756,213 | 762,636 |
| Term loan (secured) | 10 | – | 136,340 |
| Tax liabilities | | 2,848 | 2,982 |
| | | <u>781,636</u> | <u>926,440</u> |
| Total Liabilities | | <u><u>781,636</u></u> | <u><u>964,578</u></u> |
| Total Fund and Liabilities | | <u><u>962,353</u></u> | <u><u>1,105,709</u></u> |

The notes on pages 65 to 80 form an integral part of these financial statements.

Income Statement for the year ended December 31, 2008

| | Note | 2008 RM | 2007 RM |
|---|-------------|----------------------|----------------------|
| Income | | | |
| Members' annual fees | | 1,446,130 | 1,406,598 |
| Examination fees | | 110,140 | 131,940 |
| Practising certificate fees | | 229,730 | 235,475 |
| Students' exemption fees | | 73,050 | 46,950 |
| Students' annual fees | | 120,905 | 149,550 |
| Members' admission fees | | 66,183 | 39,250 |
| Students' registration and transfer fees | | 28,985 | 29,395 |
| Provisional members' fees | | 24,340 | 26,643 |
| | | <u>2,099,463</u> | <u>2,065,801</u> |
| Income from Other Activities | 12 | 934,351 | 1,086,080 |
| Other Income | 13 | <u>19,286</u> | <u>38,698</u> |
| Total Income | | 3,053,100 | 3,190,579 |
| Operating Expenses | 14 | (2,253,142) | (2,412,516) |
| Expenses of Other Activities | 12 | <u>(751,132)</u> | <u>(692,200)</u> |
| | | 48,826 | 85,863 |
| Finance Cost | 15 | <u>(8,855)</u> | <u>(20,149)</u> |
| | | 39,971 | 65,714 |
| Tax Expense | 16 | <u>(385)</u> | <u>(520)</u> |
| Net Operating Surplus for the Financial Year | | <u><u>39,586</u></u> | <u><u>65,194</u></u> |

The notes on pages 65 to 80 form an integral part of these financial statements.

***Statement of Recognised Gains and Losses
for the year ended December 31, 2008***

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Net operating surplus for the financial year | <u>39,586</u> | <u>65,194</u> |

The notes on pages 65 to 80 form an integral part of these financial statements.

Cash Flow Statement for the year ended December 31, 2008

| | Note | 2008 RM | 2007 RM |
|--|-------------|--------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| Cash receipts | | | |
| Subscriptions | | 1,872,952 | 1,845,672 |
| Examination fees | | 120,390 | 156,960 |
| Journal and publications | | 120,690 | 125,234 |
| Seminars | | 448,868 | 687,398 |
| Study manuals | | 71,975 | 90,505 |
| Examination workshops | | 200,905 | 272,785 |
| Others | | 281,881 | 239,113 |
| Cash payments | | | |
| Operating expenses | | (2,901,074) | (3,248,976) |
| Tax paid | | (519) | (314) |
| Study manuals | | (7,786) | (9,183) |
| Payments of rental to MACPA Educational Trust Fund | | (96,000) | — |
| Net cash generated from operating activities | | 112,282 | 159,194 |
| Cash Flows from Investing Activities | | | |
| Development cost of study manuals | 5 | (47,500) | (5,000) |
| Purchase of plant and equipment | | (12,804) | (23,914) |
| Interest received from fixed deposits | | 14,815 | 19,866 |
| Receipts from/(Payments on behalf of) MACPA Educational Trust Fund | | 48,225 | (43,113) |
| Net cash generated from/(used in) investing activities | | 2,736 | (52,161) |
| Cash Flows from Financing Activities | | | |
| Repayment of term loan | | (174,478) | (125,507) |
| Term loan interest paid | | (8,855) | (20,149) |
| Net cash used in financing activities | | (183,333) | (145,656) |
| Net Decrease in Cash and Cash Equivalents | | (68,315) | (38,623) |
| Cash and Cash Equivalents at Beginning of Year | | 386,232 | 424,855 |
| Cash and Cash Equivalents at End of Year | 18 | 317,917 | 386,232 |

The notes on pages 65 to 80 form an integral part of these financial statements.

Notes to the Financial Statements at December 31, 2008

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 principal activity of the Institute is the advancement of the accountancy profession.

The number of employees at the end of the financial year is 21 (2007: 21).

The financial statements are presented in Ringgit Malaysia (RM), 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, 2009.

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 RM362,871 (2007: RM277,749) which have been outstanding for more than 30 days and bank balances and fixed deposits of RM315,917 (2007: RM384,232) 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.

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. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Financial Reporting Standards (“FRSs”) and Issues Committee (“IC”) Interpretations That Are Effective But Not Applicable

The new and revised FRSs and IC Interpretations issued by the MASB that are effective from the beginning of the stated financial periods but which are not applicable to the Institute's operations are as follows :

| | | 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 |
| 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 |
| IC Interpretation 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | July 1, 2007 |
| IC Interpretation 2 | Members' Shares in Co-operative Entities and Similar Instruments | July 1, 2007 |
| IC Interpretation 5 | Rights to Interests 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 FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies | July 1, 2007 |
| IC Interpretation 8 | Scope of FRS 2 | July 1, 2007 |

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) FRSs and IC Interpretations That Are Not Yet Effective and Have Not Been Early Adopted

The Institute has not early adopted the following new FRSs and IC Interpretations which have been issued by the MASB but are not yet effective :

| | | Effective for financial period beginning on or after |
|----------------------|--|---|
| FRS 4 | Insurance Contracts | 1 January 2010 |
| FRS 7 | Financial Instruments : Disclosure | 1 January 2010 |
| FRS 8 | Operating Segments | 1 July 2009 |
| FRS 139 | Financial Instruments : Recognition and Measurement | 1 January 2010 |
| IC Interpretation 9 | Reassessment of Embedded Derivatives | 1 January 2010 |
| IC Interpretation 10 | Interim Financial Reporting and Impairment | 1 January 2010 |

FRS 7 : Financial Instruments - Disclosure

FRS 7 requires disclosures of information relating to the significance of financial instruments on an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date and how the entity manages those risks. The impact of applying FRS 7 on these financial statements upon its first adoption is not disclosed by virtue of exemption provided under paragraph 44AB of this standard.

FRS 139 : Financial Instruments - Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Hedge accounting is permitted only under strict circumstances. The impact of applying FRS 139 on these financial statements upon first adoption of the standard is not disclosed by virtue of the exemption provided under paragraph 103A of FRS 139.

IC Interpretation 9 : Reassessment of Embedded Derivatives

IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract in which case reassessment is required. The adoption of this interpretation will not have any significant financial impact on the financial statements of the Institute.

FRS 4, 8 and IC Interpretation 10 are not applicable to the Institute's operations.

(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 Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with the Financial Reporting Standards requires Council to exercise their judgement in the process of applying the Institute's accounting

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

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) Income for sale of publications and MICPA study manuals is recognised when physical control of the materials passes to the purchasers.
- (iii) 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.

3. 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 a 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 date. 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 lives of the study manuals, which are estimated at 3 to 5 years.

Fees incurred for updating of the MICPA study manuals are expensed in the year the fees are incurred.

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 estimated costs to sell.

(f) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off as and 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.

3. 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 (RM) 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:

| | 2008 RM | 2007 RM |
|------------------------|------------|------------|
| 1 United States Dollar | 3.46 | 3.31 |
| 1 Sterling Pound | 5.00 | 6.61 |
| 1 Australian Dollar | 2.40 | 2.92 |

3. 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.

4. 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Key Sources of Estimation Uncertainty (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 8.

5. PLANT AND EQUIPMENT

| 2008 | Office equipment RM | Furniture and fittings RM | Security system RM | Computers RM | Total RM |
|---|---------------------------|---------------------------------|--------------------------|-----------------|-------------|
| Costs | | | | | |
| At beginning of year | 332,537 | 122,918 | 5,415 | 207,198 | 668,068 |
| Additions | 2,958 | — | — | 9,846 | 12,804 |
| Write-off | (184,870) | (6,962) | — | (13,436) | (205,268) |
| At end of year | 150,625 | 115,956 | 5,415 | 203,608 | 475,604 |
| Accumulated depreciation | | | | | |
| At beginning of year | 314,152 | 83,056 | 3,904 | 195,015 | 596,127 |
| Charge for the year | 10,368 | 8,192 | — | 10,982 | 29,542 |
| Write-off | (184,870) | (6,962) | — | (13,436) | (205,268) |
| At end of year | 139,650 | 84,286 | 3,904 | 192,561 | 420,401 |
| Net book value as at December 31, 2008 | 10,975 | 31,670 | 1,511 | 11,047 | 55,203 |

5. PLANT AND EQUIPMENT (continued)

| 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 | 332,537 | 122,918 | 5,415 | 207,198 | 668,068 |
| 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 | 314,152 | 83,056 | 3,904 | 195,015 | 596,127 |
| Net book value as at December 31, 2007 | 18,385 | 39,862 | 1,511 | 12,183 | 71,941 |

6. DEVELOPMENT COSTS OF STUDY MANUALS

| | 2008 RM | 2007 RM |
|---------------------------------------|--------------------|--------------------|
| Development costs | 718,524 | 671,024 |
| Accumulated amortisation | (684,324) | (607,021) |
| | <u>34,200</u> | <u>64,003</u> |
| Movement in accumulated amortisation: | | |
| Balance at January 1 | 607,021 | 483,699 |
| Charged to Income Statement | 77,303 | 123,322 |
| Balance at December 31 | <u>684,324</u> | <u>607,021</u> |

The development costs include an amount of RM3,000 (2007: Nil) paid to a Council Member.

7. 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.

8. RECEIVABLES, PREPAYMENTS AND DEPOSITS

| | 2008 RM | 2007 RM |
|---|--------------------|--------------------|
| Receivable from Budget Commentary 2009/2008 | 99,726 | 103,247 |
| Receivable from NACRA competition | 1,690 | 109,165 |
| Subscriptions receivables | 362,871 | 277,749 |
| Other receivables | 27,353 | 6,063 |
| Tax recoverable | 2,416 | 2,416 |
| Other prepayments | 8,626 | 40,075 |
| Deposits | 7,050 | 7,050 |
| | <u>509,732</u> | <u>545,765</u> |
| Less : Allowance for doubtful debts | – | (19,175) |
| | <u>509,732</u> | <u>526,590</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.

During the year, allowance for doubtful debts amounting to RM19,175 (2007: Nil) was written off against subscriptions receivable account.

9. FIXED DEPOSITS

| | 2008 RM | 2007 RM |
|-------------------------------------|--------------------|--------------------|
| Fixed deposits with a licensed bank | <u>304,830</u> | <u>350,000</u> |

The weighted average interest rate during the financial year for fixed deposits with a licensed bank is 3.18% (2007: 3.2%) per annum.

The fixed deposits have an average maturity of 90 days (2007: 90 days).

10. TERM LOAN - SECURED

Repayable as follows:

| | 2008 RM | 2007 RM |
|---|--------------------|--------------------|
| Current | | |
| - Within one year | – | 136,340 |
| Non-current | | |
| - More than one year but less than five years | – | 38,138 |
| | <u>–</u> | <u>174,478</u> |

The term loan borne interest at 1.5% above the bank's base lending rate per annum on monthly rests. The term loan was fully drawdown in December 2004 and repayable by sixty monthly installments of RM12,138 each, commencing from January 2005. The weighted average interest rate during the financial year is 8.25% (2007: 8.25%) per annum.

10. TERM LOAN - SECURED (continued)

The term loan was 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.

The term loan has been fully settled during the financial year ended December 31, 2008.

11. PAYABLES AND ACCRUALS

| | 2008 RM | 2007 RM |
|----------------------------|--------------------|--------------------|
| Advances for study manuals | 115,455 | 116,405 |
| Due to students societies | 186,372 | 174,247 |
| Other payables | 201,373 | 230,693 |
| Accruals | 253,013 | 241,291 |
| | <u>756,213</u> | <u>762,636</u> |

12. OTHER ACTIVITIES

| 2008 | Income RM | Expenses RM | Surplus/ (Deficit) RM |
|-------------------------------------|----------------------|------------------------|--------------------------------------|
| Examination workshops | 196,835 | 153,992 | 42,843 |
| Continuing professional development | 231,053 | 131,573 | 99,480 |
| Annual dinner | 189,928 | 248,179 | (58,251) |
| MICPA excellence awards | 5,530 | 25,227 | (19,697) |
| Journal and publications | 13,096 | 9,080 | 4,016 |
| Informal gatherings | 9,624 | 6,060 | 3,564 |
| MICPA study manuals | 71,075 | 81,091 | (10,016) |
| Young CPA symposium | 25,778 | 21,128 | 4,650 |
| Commemorative lecture & luncheon | 47,000 | 74,047 | (27,047) |
| | <u>789,919</u> | <u>750,377</u> | <u>39,542</u> |
| Joint activities with other bodies: | | | |
| Business forum | 40,794 | - | 40,794 |
| NACRA competition | - | 755 | (755) |
| Budget Commentary 2009 | 103,638 | - | 103,638 |
| | <u>144,432</u> | <u>755</u> | <u>143,677</u> |
| | <u>934,351</u> | <u>751,132</u> | <u>183,219</u> |

12. OTHER ACTIVITIES (continued)

| | 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> |

Expenses on the above activities relate to identifiable direct expenses only and do not include overhead expenses. The expenses for journal and publications and MICPA study manuals include the amortisation of the development costs amounting to RM4,333 and RM72,970 (2007: RM1,333 and RM121,989) respectively.

13. OTHER INCOME

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Interest on fixed deposits | 17,002 | 20,635 |
| Fines received from disciplinary proceedings | 825 | 3,150 |
| Sale of mailing labels | 1,449 | 6,104 |
| Others | 10 | 8,809 |
| | <u>19,286</u> | <u>38,698</u> |

14. OPERATING EXPENSES

| | 2008 RM | 2007 RM |
|---|--------------------|--------------------|
| Advertisement expenses | 4,847 | 6,067 |
| AGM and Council meeting expenses | 6,823 | 4,914 |
| Auditors' remuneration | 7,500 | 6,000 |
| Bad debts written off | 51,725 | 77,384 |
| Bank charges | 18,365 | 17,528 |
| Brand development programme | 1,355 | 12,175 |
| Depreciation | 29,542 | 29,438 |
| Direct examination expenses | 52,942 | 77,554 |
| Donation | 200 | - |
| Electricity and water | 28,062 | 28,991 |
| General expenses | 7,087 | 7,141 |
| Insurance | 6,283 | 7,514 |
| Inventories written off | 4,011 | - |
| Journal and technical pronouncements | 198,115 | 170,946 |
| Legal and professional fees | 5,325 | 12,592 |
| Maintenance | 24,429 | 17,382 |
| Medical expenses | 6,001 | 5,821 |
| Office rental | 96,000 | 96,000 |
| Periodicals and library stock | 9,247 | 8,716 |
| Postage and telephone | 108,686 | 103,125 |
| Printing and stationery | 71,759 | 77,449 |
| Professional development expenses | 120,075 | 116,958 |
| Publication of students' course materials | 5,600 | 6,100 |
| Staff costs | | |
| - Employees Provident Fund and SOCSO | 164,970 | 189,075 |
| - Salaries and bonus | 1,186,076 | 1,281,728 |
| Staff recreation fund | 3,490 | 4,705 |
| Subscriptions to international accountancy bodies | 27,000 | 26,907 |
| Travelling expenses | 7,627 | 20,306 |
| | <u>2,253,142</u> | <u>2,412,516</u> |

The direct examination expenses for the financial year ended December 31, 2007 include an amount of RM2,394 (2008: Nil) in respect of examiners fee paid to a Council Member.

15. FINANCE COST

| | 2008 RM | 2007 RM |
|--------------------|--------------------|--------------------|
| Term loan interest | <u>8,855</u> | <u>20,149</u> |

16. 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.

| | 2008 RM | 2007 RM |
|---------------------|--------------------|--------------------|
| Current tax expense | <u>385</u> | <u>520</u> |

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

16. TAX EXPENSE (continued)

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

| | 2008 % | 2007 % |
|--------------------------------------|------------------|------------------|
| Applicable tax rate | 5.43 | 9.83 |
| Tax effect in respect of: | | |
| Utilisation of unabsorbed tax losses | (8.69) | (28.96) |
| Non allowable expenses | 5.57 | 22.21 |
| Rate adjustment on taxable income | (1.35) | (2.29) |
| Effective tax rate | <u>0.96</u> | <u>0.79</u> |

- (c) Subject to the agreement with the Inland Revenue Board, the Institute has unabsorbed tax losses amounting to RM315,780 (2007: RM379,767) which are available for set-off against future taxable surplus.

17. DEFERRED TAXATION

Deferred tax, determined after appropriate offsetting is as follows:

| | 2008 RM | 2007 RM |
|--------------------------|-------------------|-------------------|
| Deferred tax liabilities | 1,860 | 6,290 |
| Deferred tax assets | (1,860) | (6,290) |
| Net deferred tax | <u>-</u> | <u>-</u> |

- (a) The components and movements of deferred tax liabilities and assets during the financial year are as follows :

| 2008 | As at 1.1.2008 RM | Recognised in income statement RM | As at 31.12.2008 RM |
|--|----------------------------------|--|------------------------------------|
| Deferred tax liabilities : | | | |
| Excess of development cost of study manuals incurred over development cost amortised | <u>6,290</u> | <u>(4,430)</u> | <u>1,860</u> |
| Deferred tax assets : | | | |
| Excess of depreciation over capital allowances | <u>-</u> | <u>(235)</u> | <u>(235)</u> |
| Unabsorbed tax losses | <u>(6,290)</u> | <u>4,665</u> | <u>(1,625)</u> |
| | <u>(6,290)</u> | <u>4,430</u> | <u>(1,860)</u> |

17. DEFERRED TAXATION (continued)

| 2007 | As at 1.1.2007 RM | Recognised in income statement RM | As at 31.12.2007 RM |
|---|----------------------------------|--|------------------------------------|
| Deferred tax liabilities : | | | |
| Excess of capital allowances over depreciation | 1,070 | (1,070) | – |
| Excess of development cost of study manuals incurred over development cost amortised | 51,050 | (44,760) | 6,290 |
| | <u>52,120</u> | <u>(45,830)</u> | <u>6,290</u> |
| Deferred tax assets : | | | |
| Unabsorbed tax losses | <u>(52,120)</u> | <u>45,830</u> | <u>(6,290)</u> |

- (b) The amount of unabsorbed tax losses for which deferred tax assets have not been recognised in the financial statements is as follows:

| | 2008 RM | 2007 RM |
|-----------------------|--------------------|--------------------|
| Unabsorbed tax losses | <u>285,860</u> | <u>315,780</u> |

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:

| | 2008 RM | 2007 RM |
|------------------------|--------------------|--------------------|
| Fixed deposits | 304,830 | 350,000 |
| Cash and bank balances | 13,087 | 36,232 |
| | <u>317,917</u> | <u>386,232</u> |

19. RELATED PARTY TRANSACTIONS

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

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

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Payments on behalf of MACPA Educational Trust Fund | – | 43,113 |
| Administrative expenses charged to MACPA Educational Trust Fund | 40,516 | 29,000 |
| Rental charged by MACPA Educational Trust Fund | <u>96,000</u> | <u>96,000</u> |

In addition to the above transactions, the term loan of the Institute was secured over the property of MACPA Educational Trust Fund as disclosed in Note 10 to the financial statements.

19. RELATED PARTY TRANSACTIONS (continued)

The outstanding balance for advances to MACPA Educational Trust Fund as at balance sheet date is RM38,050 (2007: RM43,739). The terms of the advances are disclosed in Note 7 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:

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Short-term employees benefits | 228,000 | 502,500 |
| Post-employment benefits - contribution to Employees Provident Fund | 27,360 | 81,720 |
| | 255,360 | 584,220 |
| Benefit-in-kind | — | 8,700 |
| | <u>255,360</u> | <u>592,920</u> |

The development costs of study manuals and examiners fee paid to Council Members are disclosed in Note 6 and Note 14 to the financial statements respectively.

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

| | 2008 RM | 2007 RM |
|-----------------------------------|--------------------|--------------------|
| Included in payables and accruals | <u>30,000</u> | <u>25,200</u> |

20. COMPARATIVES

The comparatives have been provided for deferred taxation as disclosed in Note 17 in line with the introduction of the deferred taxation note.

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 Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Institute as at December 31, 2008 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, 2008.

On behalf of the Council Members,

Dato' Nordin Baharuddin
President

Dato' Ahmad Johan bin Mohammad Raslan
Vice-President

Kuala Lumpur
May 28, 2009

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 2009)

Before me:

Wong Ah Ying
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report to the Members

The Malaysian Institute of Certified Public Accountants (3246-U)

(Institut Akauntan Awam Bertauliah Malaysia)

Report on the Financial Statements

We have audited the financial statements of THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, which comprise the balance sheet as at December 31, 2008, and the income statement, statement of recognised gains and losses and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 61 to 80.

Councils' Responsibility for the Financial Statements

The Councils of the Institute are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Institute as of December 31, 2008 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Institute have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Institute, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ooi Chee Kun

996/03/10(J/PH)

Chartered Accountant

Ng Eng Kiat

1064/03/11(J/PH)

Chartered Accountant

Kuala Lumpur

May 28, 2009

Penyata Kewangan 2008

Laporan Majlis bagi tahun berakhir 31 Disember 2008

Majlis dengan sukacitanya membentangkan laporan dan penyata kewangan teraudit Institut Akauntan Awam Bertauliah Malaysia (Institut) bagi tahun kewangan berakhir 31 Disember 2008.

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 | <u>39,586</u> |

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 28 Mei 2008 ialah:

Dato' Ab Halim bin Mohyiddin
Abdul Halim bin Md Lassim
Abdul Jabbar Abdul Majid
Dato' Ahmad Johan bin Mohammad Raslan
Ahmad Mustapha bin Ghazali
Beh Tok Koay
Datin Hj Fadzilah bte Saad
Dato' Gan Ah Tee
Goh Lee Hwa
Lee Tuck Heng
Lim Tian Huat
Lim Thiam Kee
Loh Lay Choon
Loo Mi Li

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 (*Meletak jawatan pada 28.03.2009*)
Seow Yoo Lin
Sukanta K Dutt
Tan Bun Poo
Tan Chin Hock
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:

Abdul Halim bin Md Lassim
Goh Lee Hwa
Lim Tian Huat
Mohamed Raslan Abdul Rahman
Pushpanathan a/l S A Kanagarayar
See Huey Beng
Tan Chin Hock
Dr Veerinderjeet Singh
Dato' Yeo How
Datuk Robert Yong Kuen Loke

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 yang diterima oleh seorang ahli Majlis untuk mengemaskini buku panduan belajar 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 sewajarnya 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 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-tanggungannya apabila tiba masanya;
 - (ii) hasil kendalian Institut bagi tahun kewangan tidak dipengaruhi secara bermakna oleh sebarang butiran, urusanniaga atau kejadian penting dan luarbiasa; dan
 - (iii) tiada timbul sebarang butiran, urusanniaga atau 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

Laporan ini dibuat menurut resolusi Majlis yang telah dilulus pada 28 Mei 2009.

Kunci Kira-kira pada 31 Disember 2008

| | Nota | 2008 RM | 2007 RM |
|---|-------------|--------------------|--------------------|
| Aset-aset | | | |
| Aset Bukan Semasa | | | |
| Loji dan peralatan | 5 | 55,203 | 71,941 |
| Kos pembangunan buku panduan belajar | 6 | 34,200 | 64,003 |
| Pendahuluan kepada Tabung Amanah Pendidikan MACPA | 7 | 38,050 | 43,739 |
| | | <u>127,453</u> | <u>179,683</u> |
| Aset Semasa | | | |
| Buku panduan belajar, pada kos | | 7,251 | 13,204 |
| Penghutang, prabayaran dan deposit | 8 | 509,732 | 526,590 |
| Simpanan tetap | 9 | 304,830 | 350,000 |
| Wang tunai dan baki di bank | | 13,087 | 36,232 |
| | | <u>834,900</u> | <u>926,026</u> |
| Jumlah Aset | | <u>962,353</u> | <u>1,105,709</u> |
| Dana dan Liabiliti | | | |
| Dana Terkumpul | | | |
| Baki pada 1 Januari | | 141,131 | 75,937 |
| Lebihan kendalian bersih bagi tahun kewangan | | 39,586 | 65,194 |
| Baki pada 31 Disember | | <u>180,717</u> | <u>141,131</u> |
| Liabiliti Bukan Semasa | | | |
| Pinjaman berjangka (dijamin) | 10 | — | 38,138 |
| Liabiliti Semasa | | | |
| Yuran pendahuluan | | 22,575 | 24,482 |
| Pemiutang dan akruan | 11 | 756,213 | 762,636 |
| Pinjaman berjangka (dijamin) | 10 | — | 136,340 |
| Liabiliti Cukai | | 2,848 | 2,982 |
| | | <u>781,636</u> | <u>926,440</u> |
| Jumlah Liabiliti | | <u>781,636</u> | <u>964,578</u> |
| Jumlah Dana dan Liabiliti | | <u>962,353</u> | <u>1,105,709</u> |

Nota-nota pada muka surat 93 hingga 108 merupakan sebahagian penting penyata kewangan ini.

Penyata Pendapatan bagi tahun kewangan berakhir 31 Disember 2008

| | Nota | 2008 RM | 2007 RM |
|---|-------------|----------------------|----------------------|
| Pendapatan | | | |
| Yuran tahunan ahli | | 1,446,130 | 1,406,598 |
| Yuran peperiksaan | | 110,140 | 131,940 |
| Yuran sijil pengamalan | | 229,730 | 235,475 |
| Yuran pengecualian pelajar | | 73,050 | 46,950 |
| Yuran tahunan pelajar | | 120,905 | 149,550 |
| Yuran kemasukan ahli | | 66,183 | 39,250 |
| Yuran pendaftaran dan pemindahan pelajar | | 28,985 | 29,395 |
| Yuran ahli sementara | | 24,340 | 26,643 |
| | | <u>2,099,463</u> | <u>2,065,801</u> |
| Pendapatan daripada Aktiviti-Aktiviti Lain | 12 | 934,351 | 1,086,080 |
| Pendapatan Lain | 13 | <u>19,286</u> | <u>38,698</u> |
| Jumlah Pendapatan | | 3,053,100 | 3,190,579 |
| Belanja Kendalian | 14 | (2,253,142) | (2,412,516) |
| Belanja Aktiviti-Aktiviti Lain | 12 | <u>(751,132)</u> | <u>(692,200)</u> |
| | | 48,826 | 85,863 |
| Kos Kewangan | 15 | <u>(8,855)</u> | <u>(20,149)</u> |
| | | 39,971 | 65,714 |
| Belanja Cukai | 16 | <u>(385)</u> | <u>(520)</u> |
| Lebihan Kendalian Bersih bagi Tahun Kewangan | | <u><u>39,586</u></u> | <u><u>65,194</u></u> |

Nota-nota pada muka surat 93 hingga 108 merupakan sebahagian penting penyata kewangan ini.

***Penyata Keuntungan dan Kerugian yang Diiktiraf
bagi tahun kewangan berakhir 31 Disember 2008***

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Lebihan kendalian bersih bagi tahun kewangan | <u>39,586</u> | <u>65,194</u> |

Nota-nota pada muka surat 93 hingga 108 merupakan sebahagian penting penyata kewangan ini.

Penyata Aliran Tunai bagi tahun kewangan berakhir 31 Disember 2008

| | Nota | 2008 RM | 2007 RM |
|---|------|-------------|-------------|
| Aliran Tunai daripada Aktiviti Kendalian | | | |
| Penerimaan tunai | | | |
| Yuran | | 1,872,952 | 1,845,672 |
| Yuran peperiksaan | | 120,390 | 156,960 |
| Jurnal dan penerbitan | | 120,690 | 125,234 |
| Seminar | | 448,868 | 687,398 |
| Buku panduan belajar | | 71,975 | 90,505 |
| Bengkel peperiksaan | | 200,905 | 272,785 |
| Lain-lain | | 281,881 | 239,113 |
| Bayaran tunai | | | |
| Belanja kendalian | | (2,901,074) | (3,248,976) |
| Cukai dibayar | | (519) | (314) |
| Buku panduan belajar | | (7,786) | (9,183) |
| Bayaran sewa pejabat kepada Tabung Amanah Pendidikan MACPA | | (96,000) | — |
| Tunai bersih terjana daripada aktiviti kendalian | | 112,282 | 159,194 |
| Aliran Tunai daripada Aktiviti Pelaburan | | | |
| Kos pembangunan buku panduan belajar | | (47,500) | (5,000) |
| Pembelian loji dan peralatan | 5 | (12,804) | (23,914) |
| Faedah diterima daripada simpanan tetap | | 14,815 | 19,866 |
| Penerimaan daripada/(Bayaran bagi pihak) Tabung Amanah Pendidikan MACPA | | 48,225 | (43,113) |
| Tunai bersih terjana daripada/(diguna dalam) aktiviti pelaburan | | 2,736 | (52,161) |
| Aliran Tunai daripada Aktiviti Pembiayaan | | | |
| Pembayaran balik pinjaman berjangka | | (174,478) | (125,507) |
| Bayaran faedah untuk pinjaman berjangka | | (8,855) | (20,149) |
| Tunai bersih diguna dalam aktiviti pembiayaan | | (183,333) | (145,656) |
| Kurangan Bersih dalam Tunai dan Kesetaraan Tunai | | (68,315) | (38,623) |
| Tunai dan Kesetaraan Tunai pada Awal Tahun Kewangan | | 386,232 | 424,855 |
| Tunai dan Kesetaraan Tunai pada Akhir Tahun Kewangan | 18 | 317,917 | 386,232 |

Nota-nota pada muka surat 93 hingga 108 merupakan sebahagian penting penyata kewangan ini.

Nota Kepada Penyata Kewangan

31 Disember 2008

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.

Aktiviti utama Institut ialah memajukan profesion perakaunan.

Jumlah kakitangan di akhir tahun kewangan adalah 21 (2007: 21).

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

Penyata kewangan telah diluluskan dan dibenarkan untuk diterbitkan menurut satu resolusi Majlis pada 28 Mei 2009.

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 instrumen ekuiti bagi satu pihak perusahaan lain.

Aset kewangan Institut merangkumi penghutang dan tunai dan baki di 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 urusanniaga dengan institusi perbankan mungkin menimbulkan risiko kredit yang memerlukan kerugian diiktirafkan sekiranya pihak yang mengurusniaga gagal melaksanakan urusanniaga mengikut kontrak. Pihak yang mengurusniaga adalah institusi perbankan berlesen dan organisasi profesional. Adalah menjadi dasar Institut untuk memantau kedudukan kewangan pihak yang mengurusniaga secara berterusan untuk memastikan bahawa pendedahan Institut terhadap risiko kredit adalah minimum.

Pada tarikh kunci kira-kira, Institut mempunyai yuran belum diterima berjumlah RM362,871 (2007: RM277,749) yang telah berhutang melebihi tempoh 30 hari dan baki di bank dan simpanan tetap sebanyak RM315,917 (2007: RM384,232) 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 Kecairan

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

Institut mengamalkan pengurusan risiko kecairan 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 menyimpan di simpanan tetap pada kadar faedah yang kompetitif di bawah terma dan syarat yang paling menguntungkan.

Institut juga terdedah kepada risiko kadar faedah yang berkaitan dengan 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. DASAR-DASAR PERAKAUNAN PENTING

Kesemua dasar-dasar perakaunan penting yang dikemukakan di bawah adalah sejajar dengan yang diterima pakai pada tahun kewangan sebelumnya.

(i) Piawaian Pelaporan Kewangan (FRSs) dan Tafsiran Jawatankuasa Interpretasi (IC) yang berkuatkuasa tetapi tidak relevan

FRS baru dan dipinda dan Tafsiran IC yang telah diterbitkan oleh MASB yang berkuatkuasa dari permulaan tempoh kewangan dinyatakan tetapi tidak relevan kepada kendalian Institut adalah seperti berikut:

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

3. DASAR-DASAR PERAKAUNAN PENTING (sambungan)

(ii) FRSs dan Tafsiran IC yang belum berkuatkuasa dan belum diterima pakai awal

Institut belum menerima pakai awal FRSs dan Tafsiran IC berikut yang baru telah diterbitkan oleh MASB tetapi belum berkuatkuasa:

| | | Berkuatkuasa untuk tempoh kewangan bermula pada atau selepas |
|----------------|---|--|
| FRS 4 | Kontrak Insurans | 1 Januari 2010 |
| FRS 7 | Instrumen Kewangan : Pendedahan | 1 Januari 2010 |
| FRS 8 | Segmen Kendalian | 1 Julai 2009 |
| FRS 139 | Instrumen Kewangan : Pengiktirafan dan Pengukuran | 1 Januari 2010 |
| Tafsiran IC 9 | Penilaian Semula Derivatif Tersirat | 1 Januari 2010 |
| Tafsiran IC 10 | Pelaporan Kewangan Interim dan Rosot Nilai | 1 Januari 2010 |

FRS 7 : Instrumen Kewangan – Pendedahan

FRS 7 menghendaki pendedahan maklumat berkenaan dengan kepentingan instrument kewangan ke atas kedudukan kewangan dan prestasi suatu entiti dan sifat dan tahap risiko yang timbul dari instrument kewangan di mana entiti didedahkan sepanjang tempoh dan pada tarikh pelaporan dan bagaimana entiti menguruskan risiko tersebut. Kesan terima pakai FRS 7 ke atas penyata kewangan sebaik sahaja ianya diterima pakai untuk pertama kalinya tidak didedahkan berdasarkan kepada pengecualian yang diperuntukkan di bawah perenggan 44AB piawaian ini.

FRS 139 : Instrumen Kewangan – Pengiktirafan dan Pengukuran

FRS 139 menetapkan prinsip untuk mengiktiraf dan mengukur aset kewangan, liabiliti kewangan dan beberapa kontrak untuk membeli atau menjual butiran bukan kewangan. Perakaunan “lindung nilai” dibenarkan hanya dalam keadaan yang terkawal. Kesan terima pakai FRS 139 ke atas penyata kewangan sebaik sahaja ianya diterima pakai untuk pertama kalinya tidak didedahkan berdasarkan kepada pengecualian yang diperuntukkan di bawah perenggan 103A FRS 139.

Tafsiran IC 9 : Penilaian Semula Derivatif Tersirat

Tafsiran IC 9 mengkehendaki suatu entiti untuk menilai sama ada suatu derivatif tersirat perlu diasingkan dari kontrak utama dan dianggap sebagai suatu derivatif apabila entiti pertama kalinya menjadi pihak kepada kontrak. Penilaian semula selepasnya tidak dibenarkan melainkan terdapat perubahan dalam terma kontrak yang mengubahsuai aliran tunai dengan ketaranya dan perubahan ini akan dikehendaki di bawah kontrak di mana penilaian semula diperlukan. Terima pakai tafsiran ini tidak akan memberi kesan kewangan yang ketara ke atas penyata kewangan Institut.

FRS 4, 8 dan Tafsiran IC 10 adalah tidak relevan kepada kendalian institut.

(a) Asas Penyediaan

Penyata kewangan Institut disediakan berasaskan konvensyen kos sejarah kecuali seperti yang dinyatakan di dalam ringkasan dasar perakaunan penting ini. Penyata kewangan Institut mematuhi Piawaian Pelaporan Kewangan dan peruntukan Akta Syarikat, 1965 di Malaysia.

3. DASAR-DASAR PERAKAUNAN PENTING (sambungan)

(a) Asas Penyediaan (sambungan)

Penyediaan penyata kewangan menurut Piawaian Pelaporan Kewangan memerlukan Majlis untuk melaksanakan pertimbangan dalam proses mengguna pakai dasar perakaunan Institut dan mungkin mempunyai kesan ketara ke atas jumlah diiktirafkan dalam penyata kewangan Institut. Ia juga memerlukan penggunaan anggaran perakaunan dan andaian yang mempengaruhi jumlah aset dan liabiliti dilaporkan dan pendedahan 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 anggaran dan pertimbangan berasaskan kepada sebaik-baik pengetahuan Majlis mengenai peristiwa dan tindakan semasa, keputusan sebenar 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.

Dasar 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) Pendapatan daripada jualan penerbitan dan buku panduan belajar MICPA diiktiraf apabila kawalan fizikal bahan dipindahkan kepada pembeli.
- (iii) 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.

3. DASAR-DASAR PERAKAUNAN PENTING (sambungan)

(c) Loji dan Peralatan dan Susut Nilai

Loji dan peralatan dicatat pada kos, tolak susut nilai terkumpul dan kerugian rosot 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 dan lengkapan | 10% |
| Sistem kawalan | 10% |
| Peralatan pejabat | 20% |
| Komputer | 33% |

Loji dan peralatan dikaji semula untuk rosot nilai berasaskan dasar perakaunan untuk rosot nilai aset.

(d) Rosot Nilai Aset

Nilai buku aset bukan semasa (selain daripada aset cukai tertunda dan pelaburan lain) disemak semula untuk rosot nilai pada setiap tarikh kunci kira-kira. Kerugian rosot nilai diperuntukkan apabila nilai buku 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 rosot nilai adalah dicaj kepada penyata pendapatan.

Kerugian rosot nilai hanya akan dibalikkan sehingga takat pengiktirafan kerugian-kerugian rosot nilai satu aset terdahulunya. Semua pembalikan kerugian rosot nilai 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 dari 3 hingga 5 tahun.

Bayaran untuk mengemaskini buku panduan belajar MICPA dibelanjakan dalam tahun di mana bayaran dilakukan.

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 untuk menjual dianggarkan.

(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.

3. DASAR-DASAR PERAKAUNAN PENTING (sambungan)

(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.

(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.

Pampasan ketidakhadiran terkumpul seperti cuti tahunan berbayar adalah diiktiraf sebagai belanja apabila perkhidmatan adalah diberikan oleh kakitangan yang meningkatkan hak mereka bagi pampasan ketidakhadiran masa depan. Pampasan ketidakhadiran 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 urusniaga. 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.

3. DASAR-DASAR PERAKAUNAN PENTING (sambungan)

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

| | 2008 RM | 2007 RM |
|------------------------|------------|------------|
| 1 United States Dollar | 3.46 | 3.31 |
| 1 Sterling Pound | 5.00 | 6.61 |
| 1 Australian Dollar | 2.40 | 2.92 |

(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.

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

4. ANGGARAN DAN PERTIMBANGAN PERAKAUNAN PENTING

(a) Pertimbangan kritikal dalam menggunakan Dasar-dasar Perakaunan

Tiada pertimbangan kritikal dibuat oleh Majlis dalam proses penggunaan dasar-dasar perakaunan Institut yang memberi kesan ketara ke atas jumlah diiktirafkan 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

Pertimbangan 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.

4. ANGGARAN DAN PERTIMBANGAN PERAKAUNAN PENTING (sambungan)**(ii) Susut Nilai Loji dan Peralatan**

Kos loji dan peralatan disusut nilai berasaskan garis lurus ke atas hayat berguna aset. Majlis menganggarkan hayat kegunaan 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 kegunaan ekonomi dan nilai sisa aset tersebut. Oleh yang demikian, susut nilai untuk masa hadapan boleh disemak semula.

(iii) Peruntukan untuk Hutang Ragu

Institut membuat peruntukan untuk hutang ragu berasaskan kepada 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. Di mana jangkaan berbeza daripada anggaran asal, perbezaan sebegini akan memberi kesan kepada nilai buku penghutang. Nilai buku penghutang dan peruntukan terkumpul bagi hutang ragu dinyatakan dalam Nota 8.

5. LOJI DAN PERALATAN

| 2008 | Peralatan pejabat RM | Perabot dan lengkapan RM | Sistem kawalan RM | Komputer RM | Jumlah RM |
|---------------------------------|---------------------------------|---|------------------------------|------------------------|----------------------|
| Kos | | | | | |
| Pada awal tahun | 332,537 | 122,918 | 5,415 | 207,198 | 668,068 |
| Tambahan | 2,958 | — | — | 9,846 | 12,804 |
| Dihapuskira | (184,870) | (6,962) | — | (13,436) | (205,268) |
| Pada akhir tahun | <u>150,625</u> | <u>115,956</u> | <u>5,415</u> | <u>203,608</u> | <u>475,604</u> |
| Susut nilai terkumpul | | | | | |
| Pada awal tahun | 314,152 | 83,056 | 3,904 | 195,015 | 596,127 |
| Susut nilai bagi tahun kewangan | 10,368 | 8,192 | — | 10,982 | 29,542 |
| Dihapuskira | (184,870) | (6,962) | — | (13,436) | (205,268) |
| Pada akhir tahun | <u>139,650</u> | <u>84,286</u> | <u>3,904</u> | <u>192,561</u> | <u>420,401</u> |
| Nilai buku bersih | | | | | |
| Pada 31 Disember 2008 | <u>10,975</u> | <u>31,670</u> | <u>1,511</u> | <u>11,047</u> | <u>55,203</u> |

5. LOJI DAN PERALATAN (sambungan)

| 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 |
| Pada akhir tahun | 332,537 | 122,918 | 5,415 | 207,198 | 668,068 |
| 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 |
| Pada akhir tahun | 314,152 | 83,056 | 3,904 | 195,015 | 596,127 |
| Nilai buku bersih Pada 31 Disember 2007 | 18,385 | 39,862 | 1,511 | 12,183 | 71,941 |

6. KOS PEMBANGUNAN BUKU PANDUAN BELAJAR

| | 2008 RM | 2007 RM |
|---------------------------------------|--------------------|--------------------|
| Kos pembangunan | 718,524 | 671,024 |
| Perlunasan terkumpul | (684,324) | (607,021) |
| | 34,200 | 64,003 |
| Perubahan dalam perlunasan terkumpul: | | |
| Baki pada 1 Januari | 607,021 | 483,699 |
| Caj kepada Penyata Pendapatan | 77,303 | 123,322 |
| Baki pada 31 Disember | 684,324 | 607,021 |

Kos pembangunan termasuk jumlah RM3,000 (2007:Nil) dibayar kepada seorang ahli Majlis.

7. 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.

8. PENGHUTANG, PRABAYARAN DAN DEPOSIT

| | 2008 RM | 2007 RM |
|---|----------------|----------------|
| Hutang dari Ulasan Belanjawan 2009/2008 | 99,726 | 103,247 |
| Hutang dari pertandingan NACRA | 1,690 | 109,165 |
| Yuran belum diterima | 362,871 | 277,749 |
| Pelbagai penghutang | 27,353 | 6,063 |
| Cukai yang dapat diperolehi semula | 2,416 | 2,416 |
| Prabayaran lain | 8,626 | 40,075 |
| Deposit | 7,050 | 7,050 |
| | <u>509,732</u> | <u>545,765</u> |
| Tolak : Elaun untuk hutang ragu | — | (19,175) |
| | <u>509,732</u> | <u>526,590</u> |

Yuran belum terima dari ahli-ahli semasa matang pada hari pertama Januari dan perlu dijelaskan pada 30 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 bagi aktiviti-aktiviti lain.

Sepanjang setahun, peruntukan untuk hutang ragu berjumlah RM19,175 (2007: Nil) dihapuskan ke atas akaun yuran belum diterima.

9. SIMPANAN TETAP

| | 2008 RM | 2007 RM |
|--|----------------|----------------|
| Simpanan tetap dengan sebuah bank berlesen | <u>304,830</u> | <u>350,000</u> |

Kadar faedah purata berwajaran pada tahun kewangan untuk simpanan tetap dengan sebuah bank berlesen adalah 3.18% (2007: 3.2%) setahun.

Tempoh matang purata simpanan tetap ialah 90 hari (2007: 90 hari)

10. PINJAMAN BERJANGKA BERCAGAR

Bayaran balik bagi pinjaman adalah seperti berikut:

| | 2008 RM | 2007 RM |
|---|------------|----------------|
| Semasa | | |
| - Dalam masa satu tahun | — | 136,340 |
| Bukan Semasa | | |
| - Lebih dari satu tahun tetapi kurang dari lima tahun | — | 38,138 |
| | <u>—</u> | <u>174,478</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% (2007: 8.25%) setahun.

10. PINJAMAN BERJANGKA BERCAGAR (sambungan)

Pinjaman berjangka bercagar secara:

- (i) Ikrar negatif ke atas aset MICPA.
- (ii) Kaveat pemegang lien ke atas hartanah Tabung Amanah Pendidikan MACPA yang terletak di No. 15, Jalan Medan Tuanku, 50300 Kuala Lumpur.

Pinjaman berjangka telah dijelaskan sepenuhnya pada tahun kewangan berakhir 31 Disember 2008.

11. PEMIUTANG DAN AKRUAN

| | 2008 RM | 2007 RM |
|--|--------------------|--------------------|
| Pendahuluan untuk buku panduan belajar | 115,455 | 116,405 |
| Hutang kepada persatuan pelajar | 186,372 | 174,247 |
| Pemiutang lain | 201,373 | 230,693 |
| Akruan | 253,013 | 241,291 |
| | <u>756,213</u> | <u>762,636</u> |

12. AKTIVITI LAIN

| 2008 | Pendapatan RM | Belanja RM | Lebih/ (Defisit) RM |
|---|--------------------------|-----------------------|------------------------------------|
| Bengkel peperiksaan | 196,835 | 153,992 | 42,843 |
| Pembangunan profesional berterusan | 231,053 | 131,573 | 99,480 |
| Majlis jamuan tahunan | 189,928 | 248,179 | (58,251) |
| Anugerah kecemerlangan MICPA | 5,530 | 25,227 | (19,697) |
| Jurnal dan penerbitan | 13,096 | 9,080 | 4,016 |
| Perhimpunan tidak formal ahli-ahli | 9,624 | 6,060 | 3,564 |
| Buku panduan belajar MICPA | 71,075 | 81,091 | (10,016) |
| Simposium CPA Muda | 25,778 | 21,128 | 4,650 |
| Syarahan kenangan dan jamuan | 47,000 | 74,047 | (27,047) |
| | <u>789,919</u> | <u>750,377</u> | <u>39,542</u> |
| Aktiviti yang dikelola bersama petubuhan lain: | | | |
| Forum perniagaan | 40,794 | - | 40,794 |
| Pertandingan NACRA | - | 755 | (755) |
| Ulasan Belanjawan 2009 | 103,638 | - | 103,638 |
| | <u>144,432</u> | <u>755</u> | <u>143,677</u> |
| | <u>934,351</u> | <u>751,132</u> | <u>183,219</u> |

12. AKTIVITI LAIN (sambungan)

| | Pendapatan RM | Belanja RM | Lebihan/ (Defisit) RM |
|--|--------------------------|-----------------------|--------------------------------------|
| 2007 | | | |
| Bengkel perakaunan | 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 dikelola 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> |

Belanja bagi aktiviti di atas merupakan belanja langsung yang dapat dikenalpasti sahaja dan tidak termasuk belanja overhead. Belanja untuk buku panduan belajar MICPA termasuk perlunasan kos pembangunan buku panduan belajar berjumlah RM4,333 dan RM72,970 (2007: RM1,333 dan RM121,989)

13. PENDAPATAN LAIN

| | 2008 RM | 2007 RM |
|---|--------------------|--------------------|
| Faedah simpanan tetap | 17,002 | 20,635 |
| Denda diterima yang timbul dari tindakan disiplin | 825 | 3,150 |
| Jualan label pengirisan | 1,449 | 6,104 |
| Lain-lain | 10 | 8,809 |
| | <u>19,286</u> | <u>38,698</u> |

14. BELANJA KENDALIAN

| | 2008 RM | 2007 RM |
|--|------------------|------------------|
| Belanja pengiklanan | 4,847 | 6,067 |
| Belanja mesyuarat agung tahunan dan mesyuarat Majlis | 6,823 | 4,914 |
| Ganjaran juruaudit | 7,500 | 6,000 |
| Hutang lapuk dihapuskira | 51,725 | 77,384 |
| Bayaran bank | 18,365 | 17,528 |
| Program pembangunan jenama | 1,355 | 12,175 |
| Susut nilai | 29,542 | 29,438 |
| Belanja langsung peperiksaan | 52,942 | 77,554 |
| Sumbangan | 200 | - |
| Elektrik dan air | 28,062 | 28,991 |
| Belanja am | 7,087 | 7,141 |
| Insuran | 6,283 | 7,514 |
| Inventori dihapuskira | 4,011 | - |
| Jurnal dan pernyataan teknikal | 198,115 | 170,946 |
| Bayaran perundangan dan profesional | 5,325 | 12,592 |
| Penyelenggaraan | 24,429 | 17,382 |
| Belanja perubatan | 6,001 | 5,821 |
| Sewa pejabat | 96,000 | 96,000 |
| Majalah dan stok perpustakaan | 9,247 | 8,716 |
| Pos dan telefon | 108,686 | 103,125 |
| Percetakan dan alatulis | 71,759 | 77,449 |
| Belanja pembangunan profesional | 120,075 | 116,958 |
| Penerbitan bahan kursus pelajar | 5,600 | 6,100 |
| Kos pekerja | | |
| - Kumpulan Wang Simpanan Pekerja dan SOCSO | 164,970 | 189,075 |
| - Gaji dan bonus | 1,186,076 | 1,281,728 |
| Dana rekreasi pekerja | 3,490 | 4,705 |
| Yuran kepada badan perakaunan antarabangsa | 27,000 | 26,907 |
| Belanja perjalanan | 7,627 | 20,306 |
| | <u>2,253,142</u> | <u>2,412,516</u> |

Belanja langsung peperiksaan bagi tahun kewangan berakhir 31 Disember 2007 termasuk sejumlah RM2,394 (2008: Nil) yang dibayar kepada seorang ahli Majlis sebagai bayaran perkhidmatan pemeriksa.

15. KOS KEWANGAN

| | 2008 RM | 2007 RM |
|---------------------------|--------------|---------------|
| Faedah pinjaman berjangka | <u>8,855</u> | <u>20,149</u> |

16. BELANJA CUKAI

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

| | 2008 RM | 2007 RM |
|----------------------|------------|------------|
| Belanja cukai semasa | <u>385</u> | <u>520</u> |

Cukai telah diperuntukkan bagi pendapatan faedah yang diperolehi oleh Institut.

16. BELANJA CUKAI (sambungan)

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

| | 2008 % | 2007 % |
|----------------------------------|------------------|------------------|
| Kadar cukai dikenakan | 5.43 | 9.83 |
| Kesan cukai berkaitan dengan: | | |
| Kerugian cukai belum diserap | (8.69) | (28.96) |
| Belanja tidak dibenar potongan | 5.57 | 22.21 |
| Pelarasan kadar cukai pendapatan | (1.35) | (2.29) |
| Kadar cukai efektif | <u>0.96</u> | <u>0.79</u> |

- (c) Tertakluk kepada persetujuan dengan Lembaga Hasil Dalam Negeri, Institut mempunyai kerugian cukai belum diserap sebanyak RM315,780 (2007: RM379,767) boleh digunakan untuk mengimbangi lebihan kena dibayar cukai pada masa hadapan.

17. CUKAI TERTUNDA

Cukai tertunda ditentukan selepas tolakan sewajarnya adalah seperti berikut:

| | 2008 RM | 2007 RM |
|--------------------------|-------------------|-------------------|
| Liabiliti cukai tertunda | 1,860 | 6,290 |
| Aset cukai tertunda | (1,860) | (6,290) |
| Cukai tertunda bersih | <u>-</u> | <u>-</u> |

- (a) Komponen dan perubahan liabiliti dan aset cukai tertunda pada tahun kewangan adalah seperti berikut:

| 2008 | Pada 1.1.2008 RM | Diiktiraf dalam penyata pendapatan RM | Pada 31.12.2008 RM |
|---|---------------------------------|--|-----------------------------------|
| Liabiliti cukai tertunda : | | | |
| Lebihan kos pembangunan buku panduan belajar ke atas kos pembangunan dilunaskan | <u>6,290</u> | <u>(4,430)</u> | <u>1,860</u> |
| Aset cukai tertunda : | | | |
| Lebihan susut nilai ke atas peruntukan modal | - | (235) | (235) |
| Kerugian cukai tidak diserap | <u>(6,290)</u> | <u>4,665</u> | <u>(1,625)</u> |
| | <u>(6,290)</u> | <u>4,430</u> | <u>(1,860)</u> |

17. CUKAI TERTUNDA (sambungan)

| 2007 | Pada 1.1.2007 RM | Diiktiraf dalam penyata pendapatan RM | Pada 31.12.2007 RM |
|---|---------------------------------|--|-----------------------------------|
| Liabiliti cukai tertunda : | | | |
| Lebihan peruntukan modal ke atas susut nilai | 1,070 | (1,070) | — |
| Lebihan kos pembangunan buku panduan belajar ke atas kos pembangunan dilunaskan | 51,050 | (44,760) | 6,290 |
| | <u>52,120</u> | <u>(45,830)</u> | <u>6,290</u> |
| Aset cukai tertunda : | | | |
| Kerugian cukai tidak diserap | <u>(52,120)</u> | <u>45,830</u> | <u>(6,290)</u> |

- (b) Jumlah kerugian cukai tidak diserap di mana aset cukai tertunda belum diiktiraf dalam penyata kewangan adalah seperti berikut:

| | 2008 RM | 2007 RM |
|------------------------------|--------------------|--------------------|
| Kerugian cukai tidak diserap | <u>285,860</u> | <u>315,780</u> |

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:

| | 2008 RM | 2007 RM |
|------------------------|--------------------|--------------------|
| Simpanan tetap | 304,830 | 350,000 |
| Tunai dan baki di bank | 13,087 | 36,232 |
| | <u>317,917</u> | <u>386,232</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

| | 2008 RM | 2007 RM |
|---|--------------------|--------------------|
| Bayaran bagi pihak Tabung Amanah Pendidikan MACPA | — | 43,113 |
| Belanja pentadbiran dicaj kepada Tabung Amanah Pendidikan MACPA | 40,516 | 29,000 |
| Caj sewa oleh Tabung Amanah Pendidikan MACPA | <u>96,000</u> | <u>96,000</u> |

Di samping urusniaga di atas, pinjaman berjangka Institut adalah dicagar ke atas hartanah Tabung Amanah Pendidikan MACPA seperti dinyatakan dalam Nota 10 kepada penyata kewangan.

19. URUSNIAGA PIHAK BERKAITAN (sambungan)

Baki belum jelas untuk pendahuluan kepada Tabung Amanah Pendidikan MACPA pada tarikh kunci kira-kira adalah sebanyak RM38,050 (2007: RM43,739). Syarat pendahuluan dinyatakan dalam Nota 7 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:

| | 2008 RM | 2007 RM |
|---|----------------|----------------|
| Faedah pekerja-pekerja jangka pendek | 228,000 | 502,500 |
| Faedah selepas pengajian | 27,360 | 81,720 |
| - sumbangan kepada Kumpulan Wang Simpanan Pekerja | 255,360 | 584,220 |
| Manfaat berupa barangan | — | 8,700 |
| | <u>255,360</u> | <u>592,920</u> |

Kos pembangunan buku panduan belajar dan bayaran pemeriksa dibayar kepada ahli Majlis dinyatakan dalam Nota 6 dan Nota 14 kepada penyata kewangan.

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

| | 2008 RM | 2007 RM |
|-------------------------------------|---------------|---------------|
| Termasuk dalam pemiutang dan akruan | <u>30,000</u> | <u>25,200</u> |

20. PERBANDINGAN

Perbandingan telah diperuntukkan bagi cukai tertunda seperti yang dinyatakan dalam Nota 17 mengikut pengenalan nota cukai tertunda.

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 Pelaporan Kewangan dan Peruntukan Akta Syarikat, 1965 di Malaysia supaya memberi gambaran yang benar dan saksama mengenai:

- (i) kedudukan Institut pada 31 Disember 2008 dan keputusannya bagi tahun kewangan berakhir pada tarikh tersebut; dan
- (ii) aliran tunai Institut bagi tahun kewangan berakhir pada 31 Disember 2008.

Bagi pihak Ahli-ahli Majlis,

Dato' Nordin Baharuddin
Presiden

Dato' Ahmad Johan bin Mohammad Raslan
Naib Presiden

Kuala Lumpur
28 Mei 2009

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 2009)

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)

Laporan Mengenai Penyata Kewangan

Kami telah mengaudit penyata kewangan INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA, yang merangkumi kunci kira-kira Institut pada 31 Disember 2008, dan penyata pedapatan, penyata keuntungan dan kerugian diiktiraf dan penyata aliran tunai Institut untuk tahun berakhir pada tarikh tersebut, serta satu ringkasan dasar perakaunan yang penting dan nota-nota penerangan lain, seperti yang dibentangkan pada mukasurat 89 hingga 108.

Tanggungjawab Majlis ke atas Penyata Kewangan

Para ahli-ahli Majlis Institut bertanggungjawab dalam penyediaan dan pembentangan penyata kewangan yang saksama menurut Piawaian Pelaporan Kewangan dan Akta Syarikat 1965 di Malaysia. Tanggungjawab ini termasuk: merangka, melaksana dan memastikan kawalan dalaman yang bersesuaian dalam penyediaan dan pembentangan penyata kewangan yang saksama yang bebas daripada salahnyata yang ketara, sama ada disebabkan oleh penipuan atau kesilapan; memilih dan mengguna pakai polisi perakaunan yang bersesuaian; dan dalam keadaan tertentu membuat anggaran perakaunan yang munasabah.

Tanggungjawab Juruaudit

Tanggungjawab kami adalah untuk menyatakan pendapat tentang penyata kewangan berdasarkan audit yang dilaksanakan. Kami telah melaksanakan audit tersebut menurut piawaian pengauditan yang diluluskan di Malaysia. Piawaian tersebut mewajibkan kami mematuhi tuntutan etika di samping merancang dan melaksanakan audit untuk memperoleh keyakinan yang munasabah sama ada atau tidak penyata kewangan tersebut bebas daripada salahnyata yang ketara.

Sesuatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit mengenai amaun dan pendedahan dalam penyata kewangan. Prosedur yang dipilih bergantung pada pertimbangan kami, termasuk penilaian risiko salahnyata yang ketara pada penyata kewangan, sama ada disebabkan oleh penipuan atau kesilapan. Dalam membuat penilaian risiko tersebut, kami mengambil kira kawalan dalaman yang bersesuaian untuk Institut dalam penyediaan dan pembentangan penyata kewangan yang saksama bagi tujuan merangka prosedur audit yang bersesuaian dengan keadaan, tetapi bukan bertujuan menyatakan pendapat mengenai keberkesanan kawalan dalaman Institut. Sesuatu audit juga termasuk penilaian kesesuaian dasar-dasar perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan yang dibuat oleh para ahli-ahli Majlis, serta penilaian pembentangan penyata kewangan secara keseluruhan.

Kami percaya bahawa bukti audit yang kami peroleh adalah mencukupi dan bersesuaian untuk memberikan asas yang munasabah untuk pendapat kami.

Pendapat

Pada pendapat kami, penyata kewangan tersebut telah disediakan selaras dengan Piawaian Pelaporan Kewangan dan Akta Syarikat 1965 di Malaysia untuk memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Institut pada 31 Disember 2008 dan prestasi kewangan dan aliran tunai untuk tahun kewangan berakhir pada tarikh tersebut.

Laporan mengenai Keperluan Perundangan dan Badan Pengawasan Lain

Menurut keperluan Akta Syarikat 1965 di Malaysia, kami juga melaporkan bahawa pada pendapat kami, rekod perakaunan dan rekod lain, serta daftar yang wajib disimpan di bawah Akta oleh Institut telah disimpan dengan sempurna selaras dengan peruntukan Akta tersebut.

Hal-hal Lain

Laporan ini disediakan hanya untuk ahli-ahli Institut, sebagai satu badan sahaja, selaras dengan peruntukan seksyen 174 Akta Syarikat 1965 di Malaysia dan bukan untuk sebarang tujuan yang lain. Kami tidak akan bertanggungjawab kepada mana-mana pihak lain untuk kandungan laporan ini.

Ooi Chee Kun

996/03/10(J/PH)

Akauntan Bertauliah

Ng Eng Kiat

1064/03/11(J/PH)

Akauntan Bertauliah

Kuala Lumpur

28 Mei 2009

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 Bunga Raya, Level 3, Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur on June 20, 2009 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.

