



Annual Report 2010

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty Third Annual General Meeting of the Institute will be held at **FR Dillenia, Ground Floor, Sime Darby Convention Centre, Jalan Bukit Kiara, Kuala Lumpur**, on **June 18, 2011 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, 2010.
2. To elect the following nominees as Council Members:
 - Abdul Halim Md Lassim
 - Gan Ah Tee, Dato'
 - Lim Thiam Kee
 - Loo Mi Li
 - Maidin Syed Ali, Dato' Hj
 - Ng Kim Tuck
 - Poon Yew Hoe
 - Tan Bun Poo
 - Tan Theng Hooi
 - Teo Swee Chua
3. To confirm the appointment of Syed Faisal Albar bin Syed A R Albar, Dato' to fill a casual vacancy in the Council.
4. To appoint two auditors.
5. Any other business.

By order of the Council

FOO YOKE PIN (Mr)
Secretary

Kuala Lumpur
May 26, 2011

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 Md Lassim
Gan Ah Tee, Dato'
Lim Thiam Kee
Loo Mi Li
Maidin Syed Ali, Dato' Hj
Ng Kim Tuck
Poon Yew Hoe
Tan Bun Poo

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

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

Tan Theng Hooi (appointed on June 20, 2009)
Teo Swee Chua (appointed on August 14, 2010)

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

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

Ng Eng Kiat
Ooi Chee Kun

2. The following member has been appointed during the year to fill a casual vacancy in the Council in accordance with bye-law 13:

Syed Faisal Albar bin Syed A R Albar, Dato'

The member's appointment is to be confirmed at the Annual General Meeting.

3. During the year, Ahmad Mustapha Ghazali 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 2010/2011



Dato' Seri Ahmad Johan bin Mohammad Raslan
President



Pushpanathan a/l S A Kanagarayar
Vice President



Seated (L-R):
Abdul Halim Md Lassim, Dato' Yeo How, Dato' Gan Ah Tee,
Sukanta K Dutt
Standing (L-R):
Seow Yoo Lin, Teo Swee Chua, Dato' Syed Faisal Albar bin
Syed A R Albar, Loo Mi Li



Seated (L-R):
Tan Bun Poo, Mohamed Raslan Abdul Rahman,
Loh Lay Choon, Yong Yoon Shing
Standing (L-R):
Lim Thiam Kee, Lee Tuck Heng, Dato' Hj Maidin Syed Ali



Seated (L-R):
Dato' Ab Halim bin Mohyiddin, Tan Theng Hooi, Datin Hj Fadzilah bte Saad
Standing:
Tan Chin Hock

Not in photograph:
Beh Tok Koay, Goh Lee Hwa, Lim Tian Huat, Ng Kim Tuck, Poon Yew Hoe, See Huey Beng, Dr Veerinderjeet Singh,
Venkatramanan Viswanathan, Datuk Robert Yong Kuen Loke

MICPA COUNCIL - 2010/2011

Attendance at
Council Meetings

President

Dato' Seri Ahmad Johan bin Mohammad Raslan (2003) Kuala Lumpur 6

Vice-President

■ Pushpanathan a/l S A Kanagarayar (2001) Kuala Lumpur 6

Members

● ■ Dato' Ab Halim bin Mohyiddin	(1987)	Kuala Lumpur	3 (LOA-1)
■ Abdul Halim Md Lassim	(2006)	Selangor	4
● Beh Tok Koay	(1989)	Kuala Lumpur	4 (LOA-1)
■ Datin Hj Fadzilah bte Saad	(1987)	Kuala Lumpur	5
Dato' Gan Ah Tee	(2008)	Kuala Lumpur	4 (LOA-1)
Goh Lee Hwa	(2006)	Selangor	3
Lee Tuck Heng	(2007)	Kuala Lumpur	6
Lim Thiam Kee	(2002)	Kuala Lumpur	6
Lim Tian Huat	(1999)	Kuala Lumpur	2 (LOA-3)
Loh Lay Choon	(2004)	Kuala Lumpur	6
Loo Mi Li	(2007)	Kuala Lumpur	3 (LOA-1)
■ Dato' Hj Maidin Syed Ali	(2002)	Kedah	4
Mohamed Raslan Abdul Rahman	(2002)	Selangor	3 (LOA-1)
Ng Kim Tuck	(2005)	Selangor	2 (LOA-3)
Poon Yew Hoe	(1998)	Kuala Lumpur	2 (LOA-1)
See Huey Beng	(2006)	Kuala Lumpur	0 (LOA-2)
Seow Yoo Lin	(2007)	Selangor	3
Sukanta K Dutt	(1999)	Kuala Lumpur	5 (LOA-1)
■ Dato' Syed Faisal Albar bin Syed A R Albar (Appointed on 16.10.2010)	(2010)	Kuala Lumpur	2
Tan Bun Poo	(2007)	Selangor	5
Tan Chin Hock	(2002)	Kuala Lumpur	5
Tan Theng Hooi	(2009)	Selangor	4 (LOA-1)
Teo Swee Chua (Appointed on 14.08.2010)	(2010)	Selangor	5
Dr Veerinderjeet Singh	(2004)	Kuala Lumpur	5
Venkatramanan Viswanathan	(1986)	Melaka	2
■ Dato' Yeo How	(2003)	Singapore	3 (LOA-1)
■ Datuk Robert Yong Kuen Loke	(1998)	Kuala Lumpur	1 (LOA-2)
Yong Yoon Shing	(2010)	Kuala Lumpur	3 (LOA-3)

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 - 2010/2011

Executive Committee

No. of meetings: 4

	Attendance
Dato' Seri Ahmad Johan bin Mohammad Raslan (Chairman)	3 (LOA-1)
Pushpanathan a/l S A Kanagarayar (Alternate Chairman)	4
Dato' Ab Halim bin Mohyiddin	3 (LOA-1)
Beh Tok Koay	2 (LOA-2)
Dato' Gan Ah Tee	3
Mohamed Raslan Abdul Rahman (<i>Appointed on 11.01.2011</i>)	0
See Huey Beng	0 (LOA-1)
Seow Yoo Lin (<i>Resigned on 11.01.2011</i>)	2
Tan Theng Hooi	4
Dr Veerinderjeet Singh (<i>Appointed on 16.10.2010</i>)	1
Datuk Robert Yong Kuen Loke	3

Terms of Reference:-

1. To identify and implement plans of action on specific issues of current concern affecting members, the Institute and the accountancy profession.
2. To coordinate liaison with the Government on policies or any other matters pertaining to accounting and the profession.
3. To establish and supervise liaison committees with the Government, its Ministries or agencies in relation to Corporate Law.
4. To coordinate reviews of legislation or draft legislation as and where appropriate.
5. To be responsible for the smooth running of the Secretariat.
6. To be responsible for the preparation of budgets and financial statements of the Institute.
7. 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.

Accounting & Auditing Technical Committee

No. of meetings: 0

Sukanta K Dutt (Chairman)
 Ng Kim Tuck (Alternate Chairman)
 Ahmad Mustapha Ghazali (*Resigned on 19.06.2010*)
 Loh Lay Choon
 Loo Mi Li
 Tan Bun Poo
 Teo Swee Chua (*Appointed on 14.08.2010*)
 Venkatramanan Viswanathan
 Dato' Yeo How

Co-opted Members

Audrey Chan
Chia Kum Cheng
Stephen Khoo
Lee Hin Kan
Dr Nurmazilah bt Mahzan
Ooi Chee Kun
Stephen Oong Kee Leong
YM Raja Azmi Raja Nazuddin
David Siew Kah Toong
Thong Foo Vung

Financial Reporting Standards Implementation Committee (FRSIC)

No. of meetings: 5

	Attendance
Ng Kim Tuck	4

Working Group on Accounting Issues Consultative Committee

No. of meetings: 2

	Attendance
Loo Mi Li (Convenor)	2

Co-opted Members

Thong Foo Vung	1
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Working Group on Securities Borrowing and Lending

No. of meetings: 1

	Attendance
Sukanta K Dutt (Convenor)	1
Ng Kim Tuck	1

Working Group on Due Diligence Guidelines

No. of meetings: 2

	Attendance
Sukanta K Dutt (Convenor)	2
Loo Mi Li	2

MASB Working Groups

No. of meetings: 4

	Attendance
Co-opted Member	
Chia Kum Cheng	4

Terms of Reference:-

1. To consider new or revised International Auditing and Assurance Standards and guidance for approval by Council.
2. To provide interpretations and guidance on MASB standards in the form of technical releases (TR).
3. To review exposure drafts and other consultative documents issued by the Malaysian Accounting Standards Board and the International Auditing and Assurance Standards Board.
4. To review and provide guidance on statutory financial reporting requirements and listing regulations.
5. To undertake research in contemporary accounting and auditing issues and where appropriate, publish the research findings in the form of accounting research bulletins (ARB).
6. To establish and supervise working committees formed to produce recommendations on financial reporting and auditing standards and guidelines.
7. To liaise with international bodies of the accountancy profession on all matters of a technical nature, concerning or affecting accounting or auditing.

Commerce & Industry Committee

No. of meetings: 0

	Attendance
Dato' Yeo How (Chairman)	0
Poon Yew Hoe (Alternate Chairman)	0
Abdul Halim Md Lassim	0
Datin Hj Fadzilah bte Saad	0
Dato' Gan Ah Tee	0
 Co-opted Members	
Cho Oi Kwan	0
Ben Lee Keen Pong	0
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: 0

	Attendance
Sukanta K Dutt (Chairman)	0
Tan Theng Hooi (Alternate Chairman)	0
Loo Mi Li	0
Seow Yoo Lin	0
Dr Veerinderjeet Singh	0
Dato' Yeo How	0

Lay Persons

Prof Hj Abdul Manap Said	0
Chua See Hua	0

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' Ab Halim bin Mohyiddin (Chairman)	1
Pushpanathan a/l S A Kanagarayar (Alternate Chairman)	1
Abdul Halim Md Lassim	1
Datin Hj Fadzilah bte Saad	1
Dato' Gan Ah Tee	0
Loh Lay Choon	0
Tan Theng Hooi	1

Co-opted Members

Prof Hj Abdul Manap Said	0
Asso Prof Dr Arfah Salleh	0
Prof Dr Fauziah Md Taib	1
Dr Hafiz Majdi Ab. Rashid	0
Asso Prof Dr Ibrahim Ali	0
Prof Dr Ibrahim Kamal Abdul Rahman	0
Prof Dr Juhari Samidi	1
Prof Dr Mahamad bin Tayib	0
Dr Mazlina Mat Zain	1
Asst Prof Ng Kean Kok	1
Prof Madya Dr Norman Mohd Salleh	0

Dr Norhayah Zulkifi	0
Prof Dr Takiah Mohd Iskandar	0
Asso Prof Susan Tho Lai Mooi	0
Joyce Yap	0
Anbalagan Krishnan (<i>Appointed on 20.09.2010</i>)	0
Prof Madya Dr Nor Aziah Abdul Manaf (<i>Appointed on 04.03.2011</i>)	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
Dr Veerinderjeet Singh (Chairman)	4
Beh Tok Koay (Alternate Chairman)	3
Goh Lee Hwa	2
Lee Tuck Heng	4
Mohamed Raslan Abdul Rahman	2
See Huey Beng	3
Sukanta K Dutt	4
Dato' Yeo How	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: 11

	Attendance
Pushpanathan a/l S A Kanagarayar (Chairman)	10
Loh Lay Choon (Alternate Chairman)	5 (LOA-1)
Abdul Halim Md Lassim	0 (LOA-2)
Ng Kim Tuck	6 (LOA-2)
Tan Bun Poo	8
Tan Chin Hock	7
Teo Swee Chua (<i>Appointed on 14.08.2010</i>)	5 (LOA-1)
Venkatramanan Viswanathan	2

Co-opted Members

Chong Chen Kian	6
Choong Mei Ling	4
Herbert Chua	9
Ben Lee Keen Pong	4
Alex Ooi Thiam Poh	4 (LOA-1)
David Siew Kah Toong	5
Brandon Bruce Sta Maria	1

Terms of Reference:-

1. To uphold the standards of the accountancy profession in Malaysia by supporting members in enhancing the quality of financial statements reporting. This is to be done by the 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 members responsible for reporting on them to any areas in which the presentation or content appears to fall short of such compliance with regulatory requirements and applicable approved accounting standards in Malaysia.
2. To respond appropriately to questions and problems submitted to the Institute by members who may have difficulty in complying with the recommendations of this Committee.
3. As and when appropriate, to refer special items of difficulty or interest to the relevant committees or the Council of the Institute.
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 considered 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.

Insolvency Practice Committee

No. of meetings: 6

	Attendance
Lim Tian Huat (Chairman)	6
Dato' Gan Ah Tee (Alternate Chairman)	6
Lim Thiam Kee	3
Tan Chin Hock	1
Co-opted Members	
Adam Primus Varghese b Abdullah	4
Ahmad Shazli Kamarulzaman	0
Chua See Hua	2

Gopala Krishnan Sundaram	2
Kumar Kanagasingam	5
Lim San Peen	6
Lim Swee Geok	6
Mak Kum Choon	5
Monaliza binti Ahmad	3
Ng Chih Kaye	5
Ng Pyak Yeow	1
Ong Hock An	6
Shamsol Zakri bin Zakaria	4
S Suhendran	0
Wong Chee Lin	3
Yap Wai Fun	2

Terms of Reference:-

- To provide a forum for the exchange of ideas and discussion of issues faced by practitioners in relation to:
 - the law and practice of insolvency and corporate restructuring;
 - their dealings with the Department of Insolvency, Malaysia, Companies Commission of Malaysia and other relevant authorities; and
 - making the necessary representations and/or recommendations to such authorities.
- To prepare guidance notes on insolvency & corporate restructuring practices as and when required.
- To create awareness among members in insolvency and corporate restructuring practice in this country on the highest degree of integrity, objectivity and competency and to consistently evaluate the current framework of insolvency and corporate restructuring law and its practice in Malaysia.
- To encourage and facilitate greater cooperation and communication amongst insolvency and corporate restructuring practitioners in Malaysia.
- To deal with any other matters relating to insolvency and corporate restructuring.

Investigation Committee

No. of meetings: 1

	Attendance
See Huey Beng (Chairman)	1
Datin Hj Fadzilah bte Saad (Alternate Chairman)	1
Lee Tuck Heng	1
Mohamed Raslan Abdul Rahman	1
Tan Bun Poo	1

Terms of Reference:-

- 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.
- 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.
- 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: 5

	Attendance
Seow Yoo Lin (Chairman)	3
Goh Lee Hwa (Alternate Chairman)	1
Datin Hj Fadzilah bte Saad	5
Lee Tuck Heng	3
Lim Tian Huat	0
Dato' Hj Maidin Syed Ali	2

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: 1

	Attendance
Datuk Robert Yong Kuen Loke (Chairman)	1
Tan Theng Hooi (Alternate Chairman)	1
Loh Lay Choon	0 (LOA-1)
Dato' Hj Maidin Syed Ali	0
Ng Kim Tuck	0
See Huey Beng	1
Tan Chin Hock	1
Yong Yoon Shing (<i>Appointed on 19.06.2010</i>)	1
Co-opted Members	
Ahmad Faris Yahaya	0
Chia Kum Cheng	1

Terms of Reference:-

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

Public Practice Committee

No. of meetings: 5

	Attendance
Lim Thiam Kee (Chairman)	5
Ng Kim Tuck	1
Poon Yew Hoe	2
Tan Chin Hock	3
Teo Swee Chua (<i>Appointed on 14.08.2010</i>)	1
Venkatramanan Viswanathan	1
Yong Yoon Shing (<i>Appointed on 19.06.2010</i>)	1
Co-opted Members	
Abu Bakar Rajudin	1
Ahmad Shahrul Hj Mohamad	3 (LOA-1)
Heng Ji Keng	4
Dato' Raymond Liew	2
Lim Kien Chai	1 (LOA-1)
Mohd Afrizan Husain	1
Mohd Noor Abu Bakar	1
Ng Pyak Yeow	1
David Siew Kah Toong	4
Tong Siew Choo	3

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.
6. To assist the professional development needs of practitioners.

Tax Practice Committee

No. of meetings: 3

Attendance

Beh Tok Koay (Chairman)	3
Dr Veerinderjeet Singh (Alternate Chairman)	1
Goh Lee Hwa	2
Lim Thiam Kee	2
Poon Yew Hoe	0
Tan Chin Hock	1

Co-opted Members

Lee Voon Siong	0
Kenneth Lim Tiong Beng (<i>Retired on 31.12.2010</i>)	1
M J Monteiro	0
Ng Kim Lian	3
Ong Lay Seong	0
Phoon Sow Cheng	3
Tang Chin Fook	2
Tai Lai Kok	2
Tong Siew Choo	3
Woon Yoke Lee	3
Yeo Eng Ping (<i>Appointed on 04.03.2011</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.

PRESIDENT'S STATEMENT

*Since it was established fifty three years ago, MICPA has undergone many phases of transformation to meet increasingly multi-faceted challenges of a highly competitive landscape. Over the years, we have grown in strength, remained steeped in our tradition of service with technical excellence and delivering quality professional education. There are many challenges still ahead for the accountancy profession. Together we must continue to perform and accomplish business according to the highest ethical and technical standards. We must also think strategically, be proactive in our responses to change and support the brands that underpin our successes. Our challenge is to maintain that momentum – and this is embodied in the theme for this year's Annual Report, **Committed to the Cause**.*



In an unprecedented and ambitious initiative to take the nation's economy to the next level of development, we saw the launch of the Economic Transformation Programme (ETP), a comprehensive programme that is expected to transform Malaysia into a developed, high-income nation by 2020. The ETP is essentially the economic roadmap for Malaysia, one that is co-created by the private sector and the Government with specific deliverables to grow each of the 12 National Key Economic Areas (NKEAs).

These transformational changes have significant impact on the profession as our work is closely linked to the financial infrastructure of the country. In our drive to help realise the national agenda, we need to move in tandem in addressing the requirements of what we can do to generate more professionals who have highly specialised skills to contribute to Malaysia's high income economy. We need to respond promptly to the relevant issues in order to facilitate the development of the capital market towards its new horizons and our focus will be on education, financial and business services.

Dato' Seri Ahmad Johan bin Mohammad Raslan

Contributing to Human Capital Development

We don't need a government roadmap to tell us that one essential ingredient is home grown talents – well-trained individuals who can compete against the best when it comes to innovation and productivity. Quality education and training is a critical driver for our transformation from a middle-to-high income nation for economies that want to move up the value chain. It is also an engine of growth and it is vital for us to continue to remain at the forefront in producing talents who can compete against the best. As an IFAC member, it is critical for the Institute to work towards adopting and implementing the International Education Standards (IES) to ensure that highly qualified, skilled and competent persons are admitted as members of the Institute.

In this regard, we are committed to accept only high performing graduates into our professional programme. To bring out the best in each student, we need to offer each student an educational experience that fosters a spirit of inquiry and enterprise, as well as nurtures life skills and global perspectives. Our education standards meet or exceed the highest international standards for accounting education as outlined in the International Education Standards for Professional Accountancy Programmes including stimulating work situations, group learning, self-learning, honing research ability and stimulating an inquisitive and analytical ability.

The Council envisages that the alliance with the Institute of Chartered Accountants in Australia (ICAA) in offering the joint programme has resulted in tangible benefits. Both Institutes share a strong commitment to education and training of professional accountants and the Revised MICPA Programme has received good response from our member firms and approved training organisations. I am pleased to inform that the first batch of students under the joint programme will be graduating in August 2011. The arrangement facilitates the movement of young members within a world-wide alliance, enabling them to both work in other countries to gain wider experience and personal enrichment but also

enabling them to participate in a global profession after returning to the country and enhancing their ability to contribute to economic development. On our part, we will continue in our endeavour to promote the distinct feature of the Revised MICPA Programme to a wider student audience and the academic institutions.

It is also part of our training commitment to extend and improve the education support for students so as to increase the accessibility to the professional qualification. I am pleased to announce that the Institute has recently launched the Students Sponsorship Programme (SSP) jointly with approved accounting firms and approved training organisations. The objective is to assist students who are interested to pursue the Revised MICPA Programme while pursuing the final year of an accredited 4-year Bachelor of Accountancy degree programme. The Programme provides an avenue to approved accounting firms or approved training organisations in identifying suitable candidates for internship and employment. The SSP is open to candidates who meet certain minimum criteria. The MICPA will work together with the various accredited public and private universities in Malaysia to identify suitable candidates who are interested to pursue the Revised MICPA Programme.

Financial Services

The financial industry is the bedrock of any economy. It is important that our financial services sector be sound and ready to support the expected growth in the economy. MICPA's vision is for our members to drive the world's most successful organisations. At the home front, the Institute has made concerted efforts to establish good relations with Government agencies and regulatory bodies. The MICPA acts as a conduit for members' views on issues concerning the profession and is an informed and valued commentator on key business issues. It is important to note the Institute's role in contributing and providing a significant source of intellectual capital across a diverse range of finance, accounting and business issues on draft legislation, law reforms and regulation during its early stages

of development. Through roundtable discussions and submissions, we were able to highlight to Government and regulators any unintended or adverse consequences for the profession and the community at large.

Malaysia has set January 1, 2012 as the deadline for full convergence with International Financial Reporting Standards (IFRS) which will be applicable to all entities other than private entities. The change will help Malaysian businesses operate in an increasingly global environment by placing Malaysian companies and capital markets on a level playing field with other international economies and markets. The use of a single accounting and reporting model worldwide is also expected to eventually create cost savings and facilitate cross-border investing by improving the comparability and transparency of financial disclosure. We believe that “thought leadership” programmes through our Continuing Professional Development help members keep abreast of current developments and to build on their knowledge, skills and experience. The courses ranging from financial reporting, risk management, auditing help members develop set skills that can assist them in their working environment.

Business Services

A modern, transparent and accountable system is critical to powering the capital market. An operating structure of the Government that is both transparent, accountable and operates against a backdrop of strong governance will help facilitate economic ventures and investments that take place in the country. At the same time, economic growth and activity needs to be based on the highest standards of integrity.

An economy is well served by businesses that are run honestly, where managers abide by strong ethical practices in their dealings with the Government, other firms, and the public at large. The recent global financial crisis, along with numerous corporate scandals, has highlighted the relevance of accounting and reporting standards

and transparency for preventing fraud and mismanagement, ensuring good governance, and maintaining investor and consumer confidence. The Institute has long been sensitive to this concern and one of the most important roles undertaken by the Institute is the ongoing responsibility to safeguard the reputation of the profession by ensuring that all members are fully competent and that standards of professional and technical behavior are exemplary. In this endeavour, the various Committees established by the Council to service different segments of the membership have been playing their roles steadfastly. Our record of activities in the ensuing pages highlights the initiatives that have been undertaken throughout the year.

Members of the Institute also have a duty to observe high standards of professional conduct taking into consideration the public interest. The MICPA Code of Ethics sets out the fundamental principles of professional ethics and provides guidance on the application of these principles to help members meet these obligations. Now that the stage has been set, professional accountants have a collective responsibility to play in ensuring that the roll-out of the projects under the ETP is credible, efficient and sustainable.

Finance

The net operating surplus of the Institute has increased by RM51,200 (29.3%) from RM175,000 in 2009 to RM226,200 in 2010.

Total income increased by RM314,500 or 10.2% due mainly to the increase in income generated from conducting examinations under the Revised MICPA Programme.

Total expenses increased by RM263,400 or 9% due mainly to the increase in expenses incurred to promote and to conduct examinations under the Revised MICPA Programme and additional allowance for impairment loss of receivables.

Total assets increased by RM341,000 or 23.4%, due mainly to the substantial increase in fixed deposits. Total liability increased by RM114,500 or 10.4%

resulting mainly from the increase in expenses accrued for conducting examinations under the Revised MICPA Programme and members' fees received in advance. The Institute has an accumulated fund of RM581,900 as at December 31, 2010 compared to an accumulated fund of RM355,400 in previous year.

Membership

Membership of the Institute consists of four classes of members who are admitted in accordance with the Institute's Articles of Association and Bye-laws. The classes are Certified Public Accountant (CPA), Provisional Member, Certified Financial Accountant (CFIA) and Associate Member. As at December 31, 2010, the membership of the Institute stands at 3,158.

MEMBERSHIP STATISTICS			
	As at December 31		Net
	2010	2009	Increase/ (Decrease)
Certified Public Accountants	3,090	3,072	18
Provisional Members	42	50	(8)
Certified Financial Accountants	26	25	1
Total	3,158	3,147	11

Certified Public Accountant (CPA)

The CPA membership of the Institute stands at 3,090 as at December 31, 2010. After taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions/practising certificate fees, a net increase of 18 members was recorded.

Of the new admissions, 58 members were admitted under Bye-law (34)(1)(a) to (d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. Another 15 members were admitted under Bye-law (34)(1)(f) who were full members of approved

overseas accountancy body and 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, 2010, 44% of members worked in public practice firms, of whom 13% were members holding practising certificates. A total of 48% of the members were employed in the business community and 1% in the public sector. Retired members accounted for 7% of the total CPA membership.

During the year, a total of 43 female members were admitted, constituting 59% of the total new admissions. At the close of 2010, the proportion of female members increased marginally by 2% to 38%.

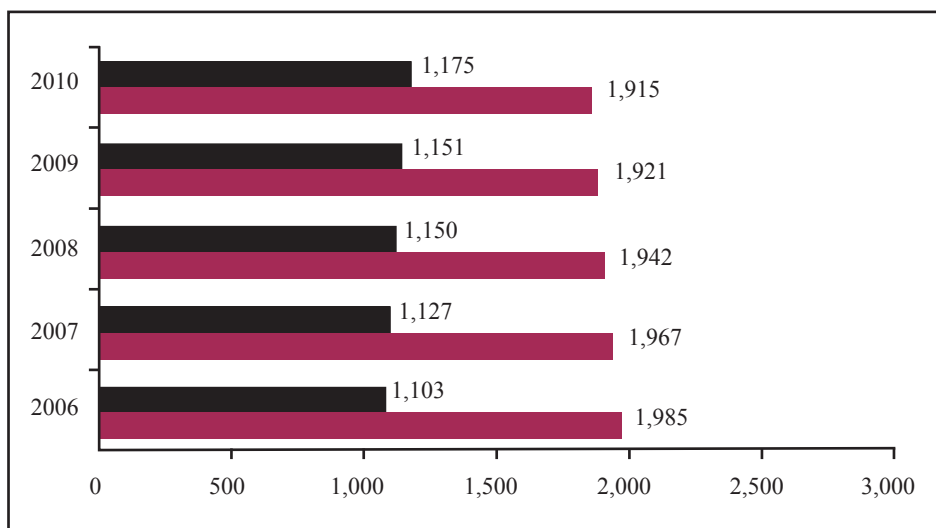
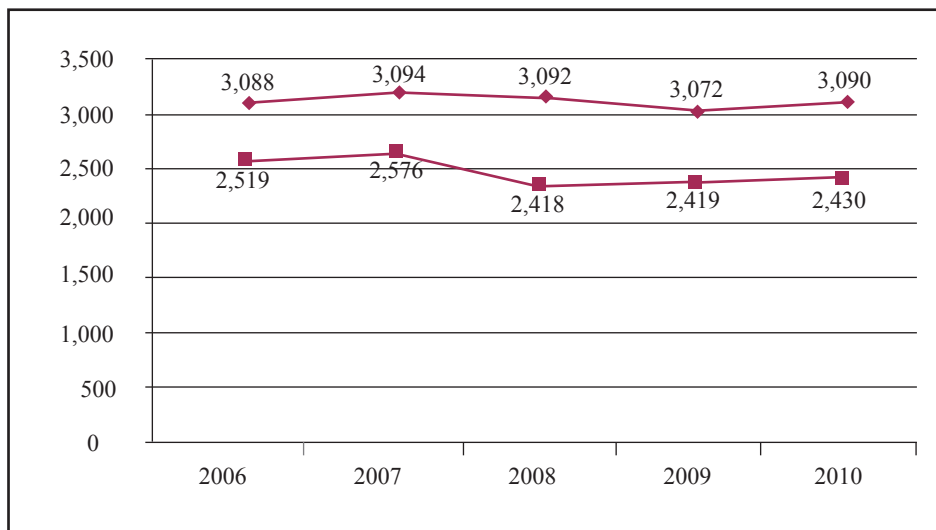
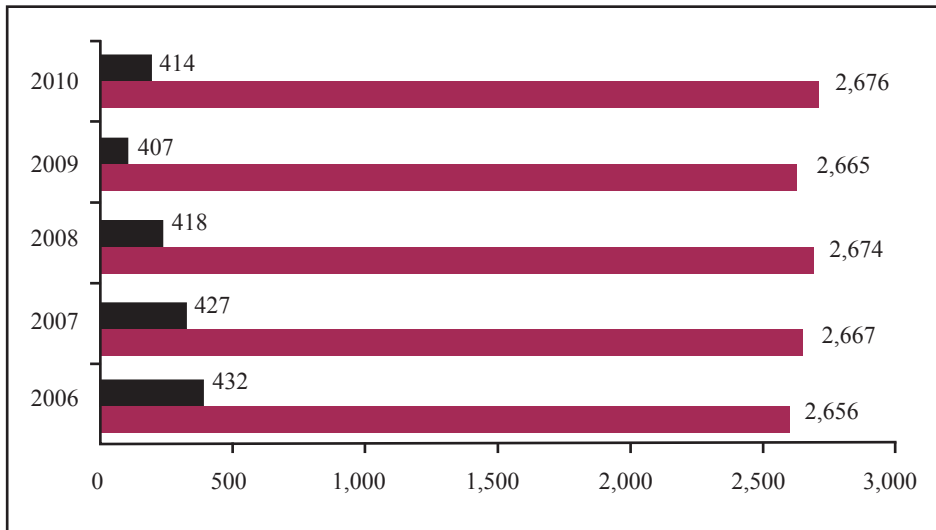
CPA MEMBERSHIP STATISTICS			
	As at December 31		Net
	2010	2009	Increase
In Practice	414	407	7
Not in Practice	2,676	2,665	11
Total	3,090	3,072	18

Provisional Member

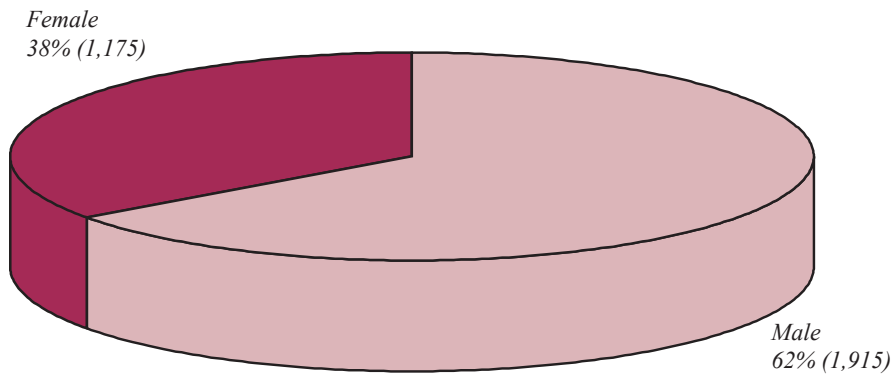
There were no new provisional members admitted during the year. Provisional members are graduate members who have completed the Institute's examinations but have not fulfilled the practical experience requirement for admission as full members.

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.

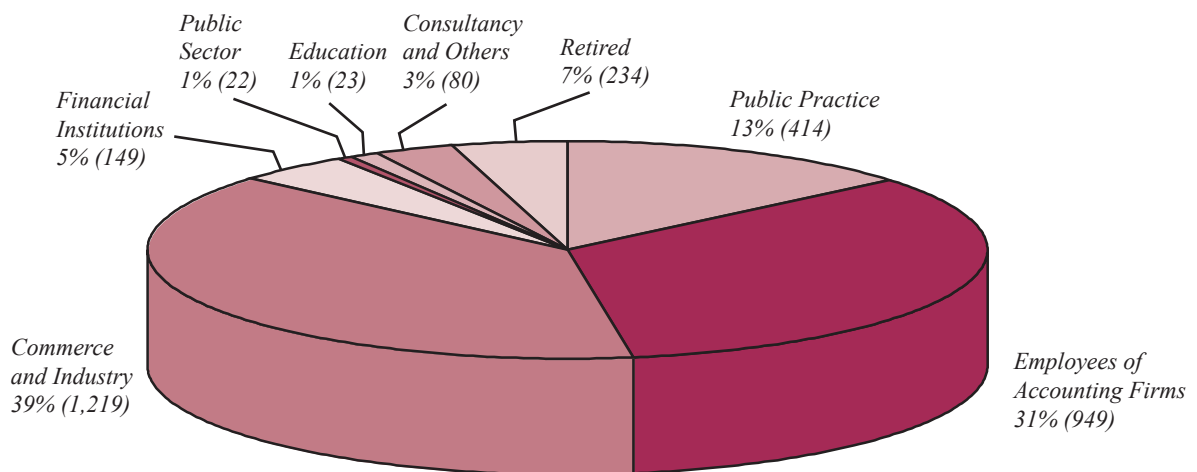
CPA Membership Statistics as at December 31, 2010



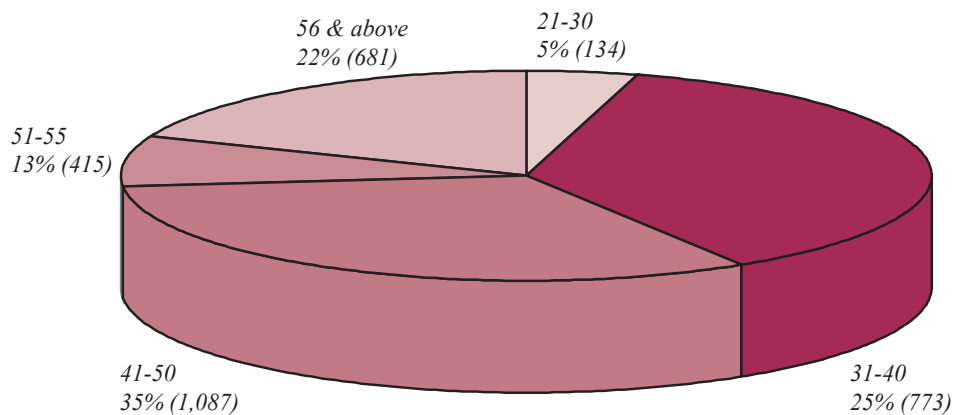
CPA Membership Status



CPA Membership by Field of Employment



CPA Membership by Age



Certified Financial Accountant (CFiA)

During the year, a new member was admitted as Certified Financial Accountant (CFiA) member which brings the total CFiA members to 26 members as at December 31, 2010. CFiA members have the same rights of membership as a Certified Public Accountant (CPA) with the exception of the right to seek election to the MICPA Council, to attend general meetings of the Institute and to carry out any duty reserve to CPA members. CFiA members are entitled to access the full range of services provided by the Institute to members.

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 (CPD) 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.

It was reported last year that the Institute has obtained a grant under the Services Sector Capacity Development Fund from the Malaysian Industrial

Development Authority for the purposes of upgrading the Institute's IT. Upon completion of upgrading the IT, new functionalities and interactive features will be added to improve the method of information delivery and communication between the Institute and members. The IT upgrading project has been delayed because the vendor is in the process of upgrading and enhancing the applications software. The IT upgrading project is expected to complete by the 4th quarter of 2011.



Continuing Professional Development

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

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

In August 2010, the Institute has organised an Audit Forum featuring the theme, *Audit Oversight Board – Implications for Public Interest Entities*. The Forum was organised to address the expectation gap by raising the awareness of the benefits of audit and highlighting the specific drivers of audit quality. The Forum also addresses the impact and expectations of the Audit Oversight Board on preparers of financial statements. At the same event, the President launched the joint publication by ICAA and MICPA

titled *The Benefit of Audit: A Director's Guide on Assessment of Audit Quality*. The purpose of the guide is to enhance communications, interaction and understanding between the audit committee, board members and the external auditor. It also provides assistance to audit committees and other relevant stakeholders to better understand the role and scope of an external audit, to engage more effectively with the external auditors and to consider the drivers of audit quality and the components of each driver.



Public Practice

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

Audit Guide for Practitioners was first published in the end of 2006 and was revised in 2008. The audit guide was intended to provide comprehensive guidance on the performance of audit of financial statements of limited companies in accordance with International Standards on Auditing, which have been adopted for application in Malaysia and to maintain quality control for audit work. The audit guide covers the development of an audit plan, audit programme and audit management. It also contains sample audit working papers, internal control questionnaire and checklists on disclosure requirements. The *Audit Guide for Practitioners* is currently undergoing another revision in order to incorporate the requirements of the 36 newly

updated and clarified International Standards on Auditing and a clarified International Standard on Quality Control issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. The second revision of the *Audit Guide for Practitioners* will be available for sale at the end of July 2011.

A two-day workshop on the usage of the audit guide was organised in August 2010. The objective of the workshop is to equip the participants with the technical knowledge and skills in conducting audits of financial statements in accordance with International Standards on Auditing, which have been adopted for application in Malaysia.

The Committee has organised a roundtable dialogue with members in practice in April 2011. The objective of the dialogue is to identify various issues faced by the members in practice. The Committee is currently in the process of compiling the issues identified in the dialogue.

The Technical Reference Panel, which provides free advisory services to members, received an increased number of enquiries during the year. The subject matters related largely to the application of the new and updated Financial Reporting Standards, tax legislations and company law.

The Committee is in the process of organising a Practitioners Forum, scheduled for September 2011. The event is intended to be held in conjunction with a study tour to Cambodia.

Commerce and Industry

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

Government Relations

One of the crucial activities of the Institute is to forge close working relationships with the Government and the regulatory bodies to maintain an effective consultative relationship. This is particularly important

at this point in time when significant policy measures and changes to the securities law, taxation laws and other business legislations are undergoing reforms and being implemented by the Government to improve the efficiency of the public service delivery system so as to strengthen the nation's economy and capital market.

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

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

The Institute has participated in the Strategic Reform Initiatives Laboratories for the New Economic Model under the Public Finance Laboratory for a period of six weeks. The Institute shared its views and experiences on the International Public Sector Accounting Standards.

Technical Activities

Technical activities are a major component of the Institute's work programme. As we need to uphold public confidence in the work performed by our members, it is crucial that we constantly maintain high professional and technical standards. The Institute assists in this endeavour by providing

guidance to members on the discharge of their reporting responsibilities under the various laws and regulations.

In auditing, the Institute regularly reviews pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These pronouncements include the International Standard 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, through due process, adopted substantially all the standards and other guidance issued by the IAASB to date. Members of the Institute are expected to comply with these standards and guidance.

In financial reporting and accounting, the Institute is involved in the Malaysian Accounting Standards Board's (MASB) standard-setting process. During the consultation process, the Institute presents its views on proposed new standards and discussion documents. The Institute also makes representations to MASB when interpretation issues are encountered. The standards are then issued to members for compliance once issued by MASB.

The Institute maintains a close working relationship with the Malaysian Institute of Accountants (MIA) in the course of carrying out its technical activities. The Institute also participates in MIA's Financial Reporting Standards Implementation Committee (FRSIC). This Committee provides assistance on potential implementation issues, gray areas and matters of common interest relating to the Financial Reporting Standards (FRS) or provisions of companies' legislation in Malaysia, particularly where unsatisfactory or conflicting interpretations have developed or seem likely to develop. Implementation guidance, in the form of a FRSIC consensus, will be issued after due process, and should be regarded as best practice and read in conjunction with the FRS.

Numerous members of the Institute are also engaged in specialist areas of practice, including taxation, insolvency and corporate advisory

services. The Institute closely monitors legislation and regulations for any changes which are expected to affect members' work in these areas, and promptly issue technical updates and guidance to assist these members in the effective performance of their work.

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 specialist working groups and ad hoc taskforce appointed to undertake specific projects.

The Joint Working Group on Securities Guidelines (JWGSG), Due Diligence Working Group (DDWG) and Securities Borrowing and Lending (SBL) were established to allow collaborations between the Institute and MIA in order to adopt a united and consistent approach in making representations to the capital market regulators and in providing technical guidance to members. Ongoing projects include:

- Development of guidance on the preparation of pro forma financial information for purposes of submission of corporate proposals to the Securities Commission (SC).
- Development of guidance on the role of reporting accountants in a DDWG.
- Development of guidance on the accounting treatment for securities borrowing and lending transactions.

The completed guidance will be issued to members in due course.

The Insurance Working Group (IWG), comprising representatives from audit firms, actuaries, Bank Negara Malaysia, MASB, MIA, LIAM and PIAM, was established in December 2008. The IWG was tasked with reviewing and revising the then model insurance financial statements, JPI/GPI 15, to incorporate the new requirements of FRS 4, *Insurance Contracts*. The MICPA Statement, *Model Insurance Berhad - Model Insurance Financial*

Statements, which was subsequently issued in August 2010, contains a set of specimen financial statements prepared in accordance with approved accounting standards issued and pronouncements announced by the MASB up to October 1, 2009, the disclosure requirements under the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia. Bank Negara Malaysia had also made reference to the *Model Insurance Financial Statements* in the revised GPI 15, *Guidelines on Financial Reporting for Insurers*, which was issued on July 22, 2010. The Institute has since organised two seminars on FRS 4, *Insurance Contracts*, which also covered the Model Insurance Financial Statements.

The AATC continued to review and provide feedback on exposure drafts and discussion documents issued by the MASB. During the year, MASB has issued one FRS, three amendments to FRS, three IC Interpretations, an amendment to IC Interpretation, two technical releases and a notice of deferment, as follows:

- (a) Technical Release 3, *Guidance on Disclosures of Transition to IFRSs*, which will be effective for financial statements of financial periods ending on or after December 31, 2010.
- (b) FRS, IC Interpretations, Amendments to FRSs and Technical Releases which will be effective for annual periods beginning on or after January 1, 2011:
 - FRS 124, *Related Party Disclosures*
 - IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
 - IC Interpretation 18, *Transfers of Assets from Customers*
 - Amendments to FRS 1, *Additional Exemptions for First-time Adopters*
 - Amendments to FRS 2, *Group Cash-settled Share-based Payment Transactions*
 - Technical Release i-4, *Shariah Compliant Sale Contracts*

(c) IC Interpretation and Amendments to FRSs which will be effective for annual periods beginning on or after January 1, 2011:

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*
- Amendments to FRSs contained in the document entitled "*Improvements to FRSs (2010)*"

(d) Notice of deferment of IC Interpretation 15, *Agreements for the Construction of Real Estate*, from July 1, 2010 to January 1, 2012.

The MASB has issued exposure draft, MASB ED 74, *Amendments to Financial Reporting Standards arising from Reduced Disclosure Requirements* during the year.

The MASB has also sought comments on the following International Accounting Standards Board (IASB) Draft Pronouncements:

- Draft Pronouncements 2010/4
 - ED/2010/11, *Deferred Tax: Recovery of Underlying Assets* (Proposed Amendments to IAS 12)
 - ED/2010/12, *Severe Hyperinflation* (Proposed Amendment to IFRS 1)
- Draft Pronouncement 2010/5, *IASB Request for Views on Effective Dates and Transition Methods*
- Draft Pronouncement 2010/6, ED/2010/13, *Hedge Accounting*
- Draft Pronouncement 2011/1
 - IASB Supplement to ED/2009/12, *Financial Instruments: Amortised Cost and Impairment*

- ED/2011/01, *Offsetting Financial Assets and Financial Liabilities*

• Draft Pronouncements 2011/2

- Draft Q&A 2011/02, *IFRS for SMEs Section 1, Issue 2: Captive Insurance Subsidiaries*

- Draft Q&A 2011/03, *IFRS for SMEs Section 1, Issue 3: Interpretation of "traded in a public market"*

- Draft Q&A 2011/04, *IFRS for SMEs Section 1, Issue 4: Investment funds with only a few participants*

A number of working groups have been assigned to undertake a review of the exposure drafts and to provide feedback to MASB.

Company and Securities Law

The Companies Commission of Malaysia (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 Institute submitted its view on the draft LLP Bill to SSM and also participated in the Roundtable Discussions on LLP organised by SSM. The LLP Bill is scheduled to be tabled to Parliament by middle of 2011.

Since year 2008, the SSM has issued nine Practice Notes to assist stakeholders in understanding the application of the Companies Act, 1965, as follows:

Practice Note	Title
• 1/2008	Requirements relating to the Lodgement of Annual Return of Companies
• 2/2008	Change of Financial Year
• 3/2009	Confirmation on the Latest Shareholding Structure/Composition of a Company Issued by a Company Secretary
• 4/2009	Notification in relation to the Identification of the Chargees for the Execution of Form 42B for the Discharge of Charge under the Companies Act, 1965
• 5/2009	The Filing of Objections pursuant to a Claim of Amount Due and Owing against a Company Undergoing a Striking-off Process
• 6/2010	Guidelines for the Application to Strike-off a Company which is being Wound-up
• 7/2010	Guidelines for Auditors to Inform Registrar prior to Cessation of Office under Section 172A of the Companies Act, 1965
• 8/2010	Explanation on the Application of Thresholds Provided for under Section 132C(1B) of the Companies Act, 1965
• 9/2010	Application for extension of time: <ul style="list-style-type: none"> (i) to convene the annual general meeting of a company; and (ii) to lay the profit and loss accounts of a company

of 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 under review, the representatives from the Institute had attended two CPCF meetings held on August 9, 2010 and April 28, 2011.

SSM had 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 Technical Committee also discusses and resolves operational and technical issues faced by company secretaries and SSM with the objectives of facilitating and further enhancing the business delivery system.

The Accounting Issues Consultative Committee (AICC) has been set up by SSM to review the requirements in the Companies Act, 1965 (CA) with a view to align the provisions of CA 1965 with the relevant MASB standards. The establishment of AICC would enable a structured and comprehensive deliberation of accounting issues and MASB accounting standards and their correlation with the provisions of CA 1965. The formation of the AICC is timely since SSM is in the midst of amending the provisions of CA 1965 where the recommendations made can be taken up contemporaneously with the amendment exercise currently taking place. The next generation legal framework of the Malaysian Companies Act is targeted to be introduced in 2012. The Institute is a member of the AICC.

The Securities Commission (SC) continues to introduce measures and development initiatives to enhance the framework for the enforcement of securities law to allow for more effective action to

The Corporate Practice Consultative Forum (CPCF) was established by the SSM, with the aim

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 provide 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 2012.

The Audit Oversight Board (AOB) that was established pursuant to the Securities Commission Amendment Act 2010 has taken effect on April 1, 2010. The AOB assists the Securities Commission Malaysia in regulating auditors of public-interest entities (PIE) to promote investor protection and reliability of audited financial statements of PIEs. The Institute has participated in various dialogues organised by the AOB. The Institute has also invited En Nik Mohd Hasyudeen Yusoff, Executive Chairman of the AOB, to share his knowledge and learned opinions on the role played by the AOB in fostering high quality independent auditing to promote confidence in the quality and reliability of audited financial statements of PIEs in Malaysia at the Audit Forum with the theme *Audit Oversight Board – Implications for Public Interest Entities* held on August 3, 2010.

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 (IPC) 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 Malaysian Department of Insolvency (MDI). The Committee serves as a useful forum for the discussion of practical issues arising from insolvency management and administration. During the year, the Committee has held six joint meetings with MIA's Insolvency Practice Sub-Committee.

The main activity of the Committee during the year was to review and comment on the draft Insolvency Bill. The Committee jointly with the MIA's Insolvency Practice Sub-Committee have reviewed and submitted comments on the draft Insolvency Bill to the MDI in January 2011. The Committee has attended four consultation sessions with the MDI on the Insolvency Law Reform. The Insolvency Bill is scheduled to be tabled to the Parliament by December 2011.

The Committee has deferred the development of 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* due to resource constraint.

The IPC, as a special interest group, continues to be a member of INSOL International, an international organisation of insolvency professionals. The INSOL International has issued fifteen 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 the Government on taxation matters. The Committee makes regular representations to the Government and the revenue authorities on behalf of members. The Committee also 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) 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 Tax Operation Department and the Tax Policy Department of the IRB to seek clarification and to arrive at practical solutions to issues that were raised. The IRB has also formed a working group between the professional bodies and IRB to resolve issues that may arise from time to time. During the year, three meetings had been held by the Working Group to resolve issues relating to submission of tax return forms and other operational matters.

The 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 taxpayers and the IRB officers in the application of the law.

The Institute, jointly with MIA and CTIM established the Joint Tax Working Group on Financial Reporting Standards (JTWG-FRS) on February 12, 2009. The Working Group analyses and highlights changes brought about by the Financial Reporting Standards (FRS) which have tax implications and proposes to the relevant tax authorities the appropriate tax treatments in respect of the FRSs, where applicable.

The JTWG-FRS had finalised and issued four Discussion Papers on tax implications related to the implementation of the following FRSs and these Discussion Papers were issued to members for information on March 23, 2011:

- FRS 6 Exploration for and Evaluation of Mineral Resources
- FRS 111 Construction Contracts
- FRS 123 Borrowing Costs
- FRS 138 Intangible Assets

The JTWG-FRS is still in the process of reviewing

the following FRSs to identify the tax implications related to the implementation of these FRSs:

- FRS 119 Employee Benefits
- FRS 136 Impairment of Assets
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 15 Agreements for the Construction of Real Estate

The JTWG-FRS had a few dialogues with the Ministry of Finance (MOF) and IRB to discuss the tax implications arising from the implementation of FRS 139, *Financial Instruments: Recognition and Measurement*, FRS 121, *The Effects of Changes in Foreign Exchange Rates* and IC Interpretation 15, *Agreements for the Construction of Real Estate*. The MOF and IRB are in the midst of drafting guidelines on the above matters.

The Committee also represented the Institute at the half-yearly meetings of the Customs-Private Sector Consultative Panel and Customs Transformation Programme Implementation Coordination Meeting. The Institute was invited by the Royal Malaysian Customs to attend the Briefing on Customs Appeal Tribunal and Open House Customs Key Result Area Project T-15 Customs Transformation Programme.

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 101,171 copies of the *2011 Budget Commentary and Tax Information* were printed. Apart from

the 30,365 copies sent to members of the three Institutes as part of the membership service and to the complimentary recipients, a total sale volume of 66,197 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 90 members drawn from nine large accounting firms.

Communications and Public Relations

The Institute's public relations objectives continued in 2010 to focus on enhancing the MICPA's image as a professional body that is steadfast on technical service excellence and promoting the Revised MICPA Programme.

Budget Day provided the Institute with an opportunity to strengthen its media visibility and to provide target audiences with MICPA's response to the budget and to reflect the high credibility and image of the Institute's technical excellence. Technical resource persons drawn from the accounting firms represented the Institute in interviews and live commentary on the budget hosted by the print and broadcast media in English, Bahasa Malaysia and Mandarin. During the interviews, the speakers highlighted the salient features of the 2011 budget with the theme *Together Striving Towards a High Income Economy*.

The President also launched the MICPA's Facebook and Twitter during the annual dinner, two social networks that have become a great resource for generating brand awareness. It is also a platform to create an interception point for building relationships with the Generation Y, mainly university students, our main stakeholders to create greater awareness on the Institute's activities.

We will continue to take additional steps to engage with our stakeholders. 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 MICPA Programme will be the Institute's most important agenda in the coming months.



MICPA 52nd Annual Dinner

The Institute's 52nd Annual Dinner with the theme *A Celebration of Fellowship* was held on July 16, 2010, which was attended by invited guests, members, organisations and secretariat staff of the Institute. The evening was indeed a perfect opportunity for fellowship and networking.

The dinner was officiated by YBhg Tan Sri Dr Wan Abdul Aziz bin Wan Abdullah in his capacity as the Secretary-General of Treasury, Ministry of Finance Malaysia.

The highlight of the evening was the presentation of *Anugerah Presiden 2010* to YBhg Datuk Dr Abdul Samad Hj Alias, Chairman of Bank Pembangunan (M) Berhad. The award is presented to a member of the Institute who has made exceptional contributions to society, the accountancy profession and the Institute which can be emulated by others.

YBhg Datuk Samad was admitted as a member of MICPA on January 12, 1974 and was elected to the MICPA Council in 1986 and served for a dedicated 21 years until his resignation in 2007 due to heavy work commitments. On June 19, 1999, he was elected the 25th President of the Institute and served from 1999 – 2002. Despite having resigned from Council, he continues to serve as a Trustee on the MACPA Educational Trust Fund (ETF). He is also a Fellow of the Institute of Chartered Accountants in Australia.

Over the years, YBhg Datuk Samad has built an unparalleled distinguished career and is one of the key figures, who had contributed significantly to the development of the accountancy profession in Malaysia. In his acceptance speech, he encouraged all accountants to adhere to high standards of integrity and ethics.



The President also presented the Long Service Award to Puan Zuraidah Anuar, Administrative Assistant in the Technical Department who has been in the employ of the Institute for over ten years for her loyalty and dedication.

MICPA Excellence Awards

The MICPA Excellence Awards forms an integral part of the Institute's programme to promote the prestige of the CPA Malaysia qualification. The aim is to give recognition to young graduates who have achieved outstanding performance in their pursuit of an accountancy qualification and to instill in accountancy students a sense of competitiveness and a desire to excel.

Towards this end, the Institute held its annual presentation of Excellence Awards, Examination Certificates and Prizes, Membership and Practising Certificates at a special ceremony held on October 30, 2010.

This auspicious day was officiated by YBhg Dato' Ab Halim bin Mohyiddin in his capacity as the Past President of the Institute. The event was witnessed by over 200 guests including students, their family members, friends and guests of the Institute.

The Excellence Awards are divided into two categories namely:

Excellence Awards for the Most Outstanding CPA Student was presented to Ms Teh Suet Ghoon, who joined the MICPA training programme under Stream I in 2007 with Ernst & Young Kuala Lumpur. She completed her 3-year training contract in December 2010. She passed each Module of the Advanced Stage Examination of the MICPA examination at the first attempt.

Excellence Awards for Best Accounting Graduates was presented to the top accounting graduates from each of the local universities that offer the Bachelor of Accountancy degree programme. A total of 7 Excellence Awards were presented to top accounting graduates from UM, UKM, USM, IIUM, UiTM, MMU and Monash University, Sunway Campus.

A Certificate of Meritorious Achievement was also presented to all the finalists for the two categories of Excellence Awards.

At the same ceremony, the President of the Institute, YBhg Dato' Seri Ahmad Johan bin Mohammad Raslan presented examination certificates to all successful candidates of the November 2009 and May 2010 MICPA examinations. There were a total of 44 graduates for both the examination sittings.



Also in the roll of honour were 8 gold medalists who had passed the MICPA Advanced Stage Examination with high distinction in individual subject modules under the Existing MICPA Programme and the Revised MICPA Programme. The recipients

received their medals from YBhg Dato' Ab Halim bin Mohyiddin.

The Public Affairs Committee would like to thank all the sponsors of the Gold Medals who have generously supported the Institute's endeavours in encouraging examination excellence over the years.

Professional Career Talks, Participation in Exhibitions & Career Fairs

Promoting the Revised MICPA Programme and in particular the CPA (Malaysia) and CA (Australia) designations continued to be a key focus of our publicity and communications programme.

During the year, the Institute promoted the programme to a wider student audience by conducting scheduled career talks at universities and institutions of higher learning and participating in exhibitions and career fairs across the country. Our key messages at the talks is to highlight that undertaking a professional programme will further validate and endorse an individual's standing in the profession in the later years.

Furthermore, a professional qualification is an educational experience that will help graduates build a solid foundation of technical knowledge, skills, ethical and professional values to complement today's business world. This will imbue graduates with the relevant value-add qualities to stay relevant and adapt to changes which may occur in their professional careers.

Our strong point is that we have the *Right Formula for Career Advancement (1 Examination = 2 Memberships + ∞ Opportunities)*. During the year, the Executive Director and principal officers of the Institute were kept busy making scheduled visits to the public and private universities including UNITEN, UUM, UM, USM, MMU, UiTM, Shah Alam and its selected branches, Swinburne University of Technology, Curtin University of Technology, Taylors University, Monash University, UTAR, UKM, IIUM, Politeknik Sultan Azlan Shah, Politeknik Tuanku Sultanah Bahiyah, Politeknik Ungku Omar and Politeknik Kota Bharu.

Our student ambassadors are also encouraged to join us during the career fairs and exhibitions to assist in generating awareness to potential students and relate their personal experiences as students of MICPA. We see such efforts as critical success factors towards creating a better brand.

Career Talks at Secondary Schools

Accountancy is not a static profession as it is constantly evolving and is also a crisis-proof profession – no other career offers the mobility than an accountancy qualification does. MICPA is dedicated to creating an impact on the accounting profession by producing multi-skilled, competitive, versatile accountants who are able to be partners to the management of their respective organisations.



We believe that the importance of career talks cannot be over-emphasised as it is an important aspect to shape one's future and assist young individuals who are stepping into a new and important phase of their academic life to be informed of the various career choices.

In this regard, the Institute made a conscious effort to make presentations on a *Career in Accountancy* to 8 secondary schools in the Klang Valley during the year. During the talks to Form 4 and 5 principles of accounting students, our aim was to stress the value of undertaking a professional qualification.

Sponsorship of Student Activities

University students are our major source of potential members and MICPA has always been very supportive of student activities undertaken by

the accounting clubs of the various universities as it is an avenue to foster closer collaboration with the students.

During the year, the Institute sponsored a significant number of student activities and seminars at the universities including the UM Elite Project, USM Job Career Fair, MMU Cyberjaya Career Fair, UMAC Website Engineering Project, MMU Melaka - Interschool Accounting Quiz, UNISEL Conference, UiTM APAcS Annual Dinner, UiTM ABACCS Annual Dinner, UiTM AFTAS Annual Dinner, UKM Alumni Dinner, UM Interaction Week, UTAR Perak Campus Accounting Society Annual Magazine, Curtin University of Technology Open Day, UNITEN Audit & Investigation Symposium, UiTM Accounting Students Conference, MMU Cyberjaya Wall Street Event, UPM – Seminar GSM/FEP 2010 and UUM - MICPA Gold Medal for Best Accounting Graduate.

Visits to Members' Firms and Approved Training Organisations

The MICPA provides for two streams of training. The MICPA students may undertake their training in accounting firms or in approved training organisations (ATOs) in commerce, industry or the public sector.

The Institute is aware that a two-way flow of communication is important and emphasis is being made to improve the framework of communication between the Institute, members' firms and ATOs. During the course of the year, the Institute made visits to 8 members' firms and ATOs to promote the Revised MICPA Programme including KPMG and Deloitte on-boarding sessions, PwC's Intern's Reception, Petronas, Malaysia Airlines, SJ Grant Thornton, AFTAAS and Folks DFK/Azman, Wong Salleh & Co.

The visits have proved to be positive and fruitful in view of the number of students that have enrolled under the Revised MICPA Programme.

World Congress of Accountants 2010

The Institute continued to maintain an increased level of cooperation with other professional bodies in areas of mutual interest.

The 18th World Congress of Accountants hosted by the Malaysian Institute of Accountants and the International Federation of Accountants was successfully held from November 8 – 11, 2010 with the theme “*Accountants Sustaining Value Creation*”.

MICPA in collaboration with ICAA participated as an Exhibitor to showcase both bodies and in particular our technical content and expertise which sets CPAs and CAs apart from other accounting professionals.



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.

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.

The Malaysian Accountant

The Institute's bi-monthly journal, *The Malaysian Accountant*, keeps members abreast with professional and business developments in the country as well as the international arena. It also serves as an important means of communicating news on the Institute's activities to members. The journal also carries regular columns, including updates on MASB, IFAC, IASB, reports on corporate and tax law cases and global professional and business news.

The Editorial Board has been making a conscientious effort to improve both the content and layout of the journal to ensure that it achieves its objectives. Members' suggestions and contribution of articles are most welcomed.

National Annual Corporate Report Awards

YBhg Dato' Daud bin Tahir, Deputy Secretary General (Domestic Trade) presented the NACRA Challenge Trophy and Awards to the Winners of the National Annual Corporate Report Awards (NACRA) 2010 at an awards presentation ceremony held on January 27, 2011. A total of 19 awards in 5 categories were presented.

NACRA is jointly organised by Bursa Malaysia Berhad, the Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA).

The awards aim to promote greater corporate accountability and more effective communication by organisations through the publication of timely, informative, factual and reader-friendly annual reports. This is the very cornerstone of NACRA's theme – *Towards Accountability and Excellence*.

Public Bank Berhad's steadfast commitment to distinctive corporate reporting was recognised yet again, when the bank received the Platinum award for Most Outstanding Annual Report of the Year. They also won the Gold award for Best Annual Report in Bahasa Malaysia and the Industry Excellence Awards (Main Market) for the Finance Category.



Telekom Malaysia Berhad also captured top honours and did extremely well when they swept 5 Awards – Gold award for the Most Outstanding Annual Report of the Year, Industry Excellence Awards (Main Market) for the Trading and Services Category, Silver Award for Best Annual Report in Bahasa Malaysia and Gold Award for Best Designed Annual Report respectively under the Presentation Awards Category. They also swept the Platinum award for the Best Corporate Social Responsibility Awards Category.

PLUS Expressways Berhad was also a big winner when they won the Silver award for the Most Outstanding Annual Report of the Year, Platinum award for Best Annual Report in Bahasa Malaysia under the Presentation Awards Category and the Gold award for the Best Corporate Social Responsibility Awards Category.

A Certificate of Merit was also presented to 12 shortlisted companies in recognition of the commendable high standards of annual reporting achieved by these organisations.

A special 12-page supplement on NACRA was published by Business Times on February 20, 2011 which carried advertorials and interviews with some of the winning organisations.

Professional Regulation

Financial Statements Review

Monitoring members compliance with technical and professional standards is an important task of the Institute in order to uphold the standards of the accountancy profession in Malaysia.

The Financial Statements Review Committee undertakes the important task of monitoring members' compliance with technical and professional standards. The effective monitoring is done through an on-going programme of review of published financial statements audited by members. 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 review, the Investigation Committee considered seven cases of complaints, one of which were brought forward from the previous year. The Committee has completed the inquiry into five of the cases and has made an order against the members concerned by consent that the member be fined. The remaining cases were still under consideration at the time of this report.

The Disciplinary Committee heard one case of complaint, which was brought forward from the previous year. The case was still under consideration.

International Relations

The Institute maintains active relationships with the international accounting organisations as well as fellow professional bodies worldwide. In the face of constant changes in the business world and the profession, it is important that we keep abreast of significant international developments in accounting, auditing, education and other professional standards.

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 all 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 visits provide an opportunity for the exchange of information on the latest developments in the profession, sharing of information on the conduct of examination and discussion on mutual recognition of qualification.

The Institute has also received a number of visitors from professional bodies. These include the President of the Institute of Chartered Accountants in Australia and the President of the Association of Chartered Certified Accountants.

Registered Students

During the year, the Institute registered a total of 93 new students comprising predominantly graduates with accounting degrees. 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, the total of students stood at 495 as at December 31, 2010.

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

students. There is no doubt that the Institute needs to implement effective measures to promote the Revised MICPA Programme that was launched in July 2009, to our target market.

In February 2011, the Institute has introduced the Students Sponsorship Programme whereby scholarships from participating firms will be offered to eligible students from accredited public universities in Malaysia to pursue the Taxation module and the Financial Accounting & Reporting module as an external professional course in the final year of their four year Bachelor of Accountancy degree programme. The objective of the Students Sponsorship Programme is to encourage high quality young graduates to pursue the Revised MICPA Programme. The response from the participating firms and universities was very encouraging.

The Institute has also embarked on an active programme to promote the Revised MICPA Programme to public and private universities and institutions of higher learning.

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

Training Schemes

The Institute provides for the two streams of training.

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

Stream II is designed for students who wish to seek a career in commerce, industry or 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.

As at December 31, 2010, a total of 280 students were registered under Stream I, 40 students under Stream II and 175 students under Special Stream II. There are over 480 firms and 77 ATOs under Stream I and Stream II respectively.

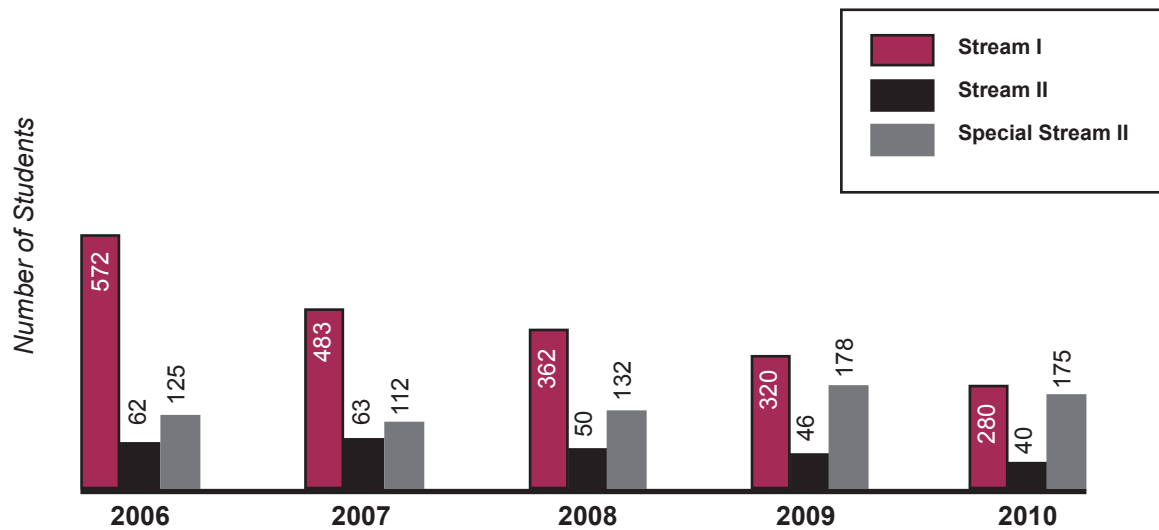
Enrolment for MICPA Examinations		
	No. of Candidates	
	2010	2009
Professional Stage Examination		
Module A	-	2
Module B	-	3
Advanced Stage Examination		
• Existing MICPA Programme		
Module C	32	70
Module D	33	68
Module E	23	35
Module F	37	67
• Revised MICPA Programme		
Taxation	54	-
Financial Accounting & Reporting	26	15
Audit & Assurance	72	-
Management Accounting & Analysis	27	19
Bye-law 34(1)(f) candidates	-	3

Examination

A total of 304 examination entries were received from registered students for the examinations conducted in 2010. There were no entries received for the Professional Stage Examination and the

Students' Statistics

	2010	2009
Number of registered students at January 1	544	544
Registration during the year	93	129
Less:		
Admitted to membership / provisional membership, excluded or terminated	142	129
Number of registered students at December 31	495	544
NET INCREASE / (DECREASE)	(49)	-



Qualification	As at December 31, 2010				Total as at December 31, 2009
	Stream I	Stream II	Special Stream II	Total	
Diploma in Accountancy	0	2	0	2	2
Accounting Degrees (Local)	49	25	175	249	265
Accounting Degrees (Overseas)	71	11	0	82	38
Sub-total	120	38	175	333	305
Completed training contract but not examination	160	2	0	162	239
GRAND TOTAL	280	40	175	495	544

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 number of examination entries has increased marginally by 7.8% compared to 2009, as a result of the launch of the Revised MICPA Programme in July 2009. There were no examination entries received for the Ethics and Business Application module for the examination in 2010 as the first batch of students registered for the Revised MICPA Programme were only qualified to attempt the final module in the first term of 2011 examination.

The students' performance in the Revised MICPA Programme was encouraging and had achieved a pass rate of between 70% and 90% for the four modules.

Education and Training

The Education and Training Committee was preoccupied with two major tasks – evaluation of degree courses conducted by both Malaysian and Australian public and private institutions of higher learning as entry qualifications to the revised MICPA programme and delivering CPD programmes for members.

The Committee continued to undertake the evaluation of degree courses conducted by both Malaysian and Australian public and private institutions of higher learning as entry qualifications to the revised MICPA programme. The outcome of the evaluation will also form the basis for determining the extent of exemption that may be granted from the Professional Stage Examination. The Committee has evaluated a total of 31 universities accountancy programmes as entry qualifications to the Revised MICPA Programme. The Committee views the evaluation as an essential process for ensuring that the Institute has a steady stream of high quality young graduates joining the profession.

During the year, the Committee has embarked on a project of revising the Professional Stage Examination's (PSE) structure and syllabus. The revised PSE shall consist of four modules instead

of six modules. The four modules are Financial Reporting, Business & Company Law, Auditing and Business Strategy & Financial Management. The revised PSE will be launched in the end of 2011.

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

Secretariat

The Institute is supported by a dedicated Management team and staff led by the Executive Director, Mr Foo Yoke Pin, whose strategic leadership has been instrumental to service the needs of members as well as students. Under his stewardship, the Institute has seen healthy growth and profits. His commitment to the growth and success of the Institute is indeed commendable. We will continue to rely on their professionalism, knowledge and experience to fulfill the aspirations of the Institute.

An appropriate and lasting gratitude goes to Encik Mohd Rasol Abu Samah who has served the Institute for 35 years as the dispatch and who has recently retired. Such loyalty is hard to come by and retirement has never been more deserved. We wish him well.

The years ahead are bound to be filled with changes, challenges and new opportunities and I am confident that the Institute will continue to build on its strengths and play a significant role in advancing the interest of the profession and of its members.



Acknowledgement

As President of the Institute, I have been honoured to lead the profession through the advances we have made this year. To my colleagues on the Council, I like to offer my sincere thanks for their invaluable support.

We are a professional body that depends on the contributions and efforts of many people. I and my fellow Council members greatly appreciate the help and advice we receive from the many volunteers in our working committees who give so generously of their time and expertise. I wish to place on record as well the Institute's appreciation to the Government, regulatory bodies and agencies for their guidance and support.

On a sadder note, we wish to take this opportunity to record our condolences to YBhg Datin Nurhayati Abdullah and family on the demise and loss of a great friend and our Immediate Past President,



the late YBhg Dato' Nordin Baharuddin in June 2010. He was exemplary in his service and wise counsel to the Institute and fellow Council during his 3-year term as President, for which we will be ever grateful.

I would like to take the opportunity to thank Encik Ahmad Mustapha Ghazali who resigned from the Council for his service and contribution to the profession and the Institute and wish him success.

Technical Pronouncements May 2011

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	FRS 1 (issued 2006)	Jul. 1, 2010
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> , and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>		Jan. 1, 2010
<i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i> (Amendment to FRS 1)		Jan. 1, 2011
<i>Additional Exemptions for First-time Adopters</i> (Amendments to FRS 1)		Jan. 1, 2011
Amendments to FRS 1 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 2 Share-based Payment		Jan. 1, 2006
Amendments to FRS 2, <i>Share-based Payment – Vesting Conditions and Cancellations</i>		Jan. 1, 2010
Amendments to FRS 2		Jul. 1, 2010
<i>Group Cash-settled Share-based Payment Transactions</i> (Amendments to FRS 2)	IC Int. 8 & IC Int. 12	Jan. 1, 2011
FRS 3 Business Combinations	FRS 3 (issued 2005)	Jul. 1, 2010
Amendments to FRS 3 [Improvements to FRSs (2010)]		Jan. 1, 2011
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
Amendment to FRS 5 [Improvements to FRSs (2009)]		Jan. 1, 2010
Amendments to FRS 5		Jul. 1, 2010
FRS 6 Exploration for and Evaluation of Mineral Resources		Jan. 1, 2007
FRS 7 Financial Instruments: Disclosures		Jan. 1, 2010
Amendments to FRS 7, <i>Financial Instruments: Disclosures</i>		Jan. 1, 2010
<i>Improving Disclosures about Financial Instruments</i> (Amendments to FRS 7)		Jan. 1, 2011
Amendments to FRS 7 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 8 Operating Segments	FRS 114 ₂₀₀₄	Jul. 1, 2009
Amendment to FRS 8 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 101 Presentation of Financial Statements	FRS 101 (revised 2005)	Jan. 1, 2010
Amendments to FRS 101 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 102 Inventories	FRS 102 ₂₀₀₄	Jan. 1, 2006

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 107	Statement of Cash Flows	FRS 107 ₂₀₀₄	Jul. 1, 2007
	Amendment to FRS 107 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	FRS 108 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 108 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 110	Events after the Reporting Period	FRS 110 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 110 [Improvements to FRSs (2009)]		Jan. 1, 2010
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
	Amendment to FRS 116 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 117	Leases	FRS 117 ₂₀₀₄	Oct. 1, 2006
	Amendment to FRS 117 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 118	Revenue	FRS 118 ₂₀₀₄	Jul. 1, 2007
	Amendment to FRS 118 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 119	Employee Benefits	FRS 119 ₂₀₀₄	Jan. 1, 2003
	Amendment to FRS 119 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	FRS 120 ₂₀₀₄	Jul. 1, 2007
	Amendment to FRS 120 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 121	The Effects of Changes in Foreign Exchange Rates	FRS 121 ₂₀₀₄	Jan. 1, 2006
	Amendment to Financial Reporting Standard FRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation</i>		Jul. 1, 2007
	Amendments to FRS 121 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 123	Borrowing Costs	FRS 123 ₂₀₀₄	Jan. 1, 2010
	Amendment to FRS 123 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 124	Related Party Disclosures	FRS 124 ₂₀₀₄	Oct. 1, 2006
FRS 124	Related Party Disclosures	FRS 124 (revised 2005)	Jan. 1, 2012
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
	Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>		Jan. 1, 2010
	Amendment to FRS 127 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 127	Consolidated and Separate Financial Statements	FRS 127 (revised 2005)	Jul. 1, 2010
FRS 128	Investments in Associates	FRS 128 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 128 [Improvements to FRSs (2009)]		Jan. 1, 2010
	Amendments to FRS 128 [Improvements to FRSs (2010)]		Jan. 1, 2011

		Extant Accounting Standards Superseded	MASB Operational Date
FRS 129	Financial Reporting in Hyperinflationary Economies	FRS 129 ₂₀₀₄	Jan. 1, 2003
	Amendment to FRS 129 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 131	Interests in Joint Ventures	FRS 131 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 131 [Improvements to FRSs (2009)]		Jan. 1, 2010
	Amendments to FRS 131 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 132	Financial Instruments: Presentation	FRS 132 ₂₀₀₄	Jan. 1, 2006
	Amendments to FRS 132, <i>Financial Instruments: Presentation</i>		Jan. 1, 2010
	Amendments to FRS 132, <i>Financial Instruments: Presentation</i>		Jan. 1 2010/ Mar. 1, 2010
	Amendments to FRS 132 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 133	Earnings Per Share	FRS 133 ₂₀₀₄	Jan. 1, 2006
FRS 134	Interim Financial Reporting	FRS 134 ₂₀₀₄	Jul. 1, 2007
	Amendment to FRS 134 [Improvements to FRSs (2009)]		Jan. 1, 2010
	Amendment to FRS 134 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 136	Impairment of Assets	FRS 136 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 136 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	FRS 137 ₂₀₀₄	Jul. 1, 2007
FRS 138	Intangible Assets	FRS 138 ₂₀₀₄	Jan. 1, 2006
	Amendment to FRS 138 [Improvements to FRSs (2009)]		Jan. 1, 2010
	Amendments to FRS 138		Jul. 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement	FRS 139 <small>(issued 2006)</small>	Jan. 1, 2010
	Amendments to FRS 139 [Improvements to FRSs (2010)]		Jan. 1, 2011
FRS 140	Investment Property	IAS 40 & that part of FRS 125 ₂₀₀₄ that deals with investment property	Jan. 1, 2006
	Amendment to FRS 140 [Improvements to FRSs (2009)]		Jan. 1, 2010
FRS 201 ₂₀₀₄	Property Development Activities	MAS 7	Jan. 1, 2004
FRS 204 ₂₀₀₄	Accounting for Aquaculture	MAS 5	Sep. 1, 1998
	Glossary of Terms	—	—

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 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	Jan. 1, 1987
IAS 29	Financial Reporting in Hyperinflationary Economies	Jan. 1, 1990
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 the 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 the 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	withdrawn (Jan. 2010)

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

(d) MASB IC Interpretations

	MASB Operational Date
Preface	–
IC Interpretation 107 Introduction of the Euro	Jan. 1, 2006
IC Interpretation 110 Government Assistance – No Specific Relation to Operating Activities	Jan. 1, 2006
IC Interpretation 112 Consolidation – Special Purpose Entities	Jan. 1, 2006
IC Interpretation 113 Jointly Controlled Entities – Non Monetary Contributions by Venturers	Jan. 1, 2006
IC Interpretation 115 Operating Leases – Incentives	Jan. 1, 2006
IC Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets	Jan. 1, 2006
IC Interpretation 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	Jan. 1, 2006
IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Jan. 1, 2006
IC Interpretation 129 Disclosure – Service Concession Arrangements	Jan. 1, 2006
IC Interpretation 131 Revenue – Barter Transactions Involving Advertising Services	Jan. 1, 2006
IC Interpretation 132 Intangible Assets – Web Site Costs	Jan. 1, 2006
IC Interpretation 201 Preliminary and Pre-operating Expenditure	Jan. 1, 2001
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 4 Determining whether an Arrangement contains a Lease	Jan. 1, 2011
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 FRS 129 ₂₀₀₄ , <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
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	Jan. 1, 2010
Amendments to IC Interpretation 9	Jul. 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 12 Service Concession Arrangements	Jul. 1, 2010
IC Interpretation 13 Customer Loyalty Programmes	Jan. 1, 2010
Amendments to IC Interpretation 13 [Improvements to FRSs (2010)]	Jan. 1, 2011
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Jan. 1, 2010
<i>Prepayments of a Minimum Funding Requirement</i> (Amendments to IC Interpretation 14)	Jul. 1, 2011

		MASB Operational Date
IC Interpretation 15	Agreements for the Construction of Real Estate	Jan. 1, 2012
	Amendment to IC Interpretation 15	Aug. 30, 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	Jul. 1, 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	Jul. 1, 2010
IC Interpretation 18	Transfers of Assets from Customers	Jan. 1, 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	Jul. 1, 2011

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 (revised)	Share Buybacks – Accounting and Disclosure	Jan. 1, 1999
TR 1 (revised) ₂₀₀₄	Share Buybacks – Accounting and Disclosure (For FRS)	Jan. 1, 1999
TR 2	The Year 2000 Issue: Accounting and Disclosure	Jul. 31, 1998
TR 3	Guidance on Disclosures of Transition to IFRSs	Dec. 31, 2010
TR <i>i</i> -1	Accounting for Zakat on Business	Jul. 1, 2006
TR <i>i</i> -2	Ijarah	Jul. 1, 2006
TR <i>i</i> -3	Presentation of Financial Statements of Islamic Financial Institutions	Jan. 1, 2010
TR <i>i</i> -4	Shariah Compliant Sale Contracts	Jan. 1, 2011

(f) MASB Statement of Principles (SOP)

		MASB Issue Date
SOP 1 ₂₀₀₄	Exempt Entities	Jun. 2000
SOP 2	Interim Financial Reporting	[Superseded by FRS 134 ₂₀₀₄]
SOP <i>i</i> -1	Financial Reporting from an Islamic Perspective	Sep. 2009

(g) International Accounting Standards (IAS)

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

(h) Malaysian Accounting Standards (MAS)

MICPA Operational Date	MASB Operational Date
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(i) Issued

MAS 1	Earnings Per Share (issued Jan. 1984)	[Superseded by FRS 133]	
MAS 2	Accounting for Acquisitions and Mergers (issued Jan. 1989)	[Superseded by FRS 3]	
MAS 3	Accounting for General Insurance Business (issued Jan. 1992)	[Superseded by FRS 202 ₂₀₀₄]	
MAS 4	Accounting for Life Insurance Business (issued Jan. 1992)	[Superseded by FRS 203 ₂₀₀₄]	
MAS 5	Accounting for Aquaculture (issued Jan. 1992)	[Superseded by FRS 204 ₂₀₀₄]	
MAS 7	Accounting for Property Development Activities (issued Jan. 1994)	[Superseded by FRS 201]	
MAS 8	Accounting for Pre-Cropping Costs	1997	–

(ii) Exposure Draft

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

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 Guarantees 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)

MICPA Issue Date	IFAC Issue Date
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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	Apr. 2011	Apr. 2010
Glossary of Terms (Feb. 2009)	Apr. 2011	Apr. 2010

(a) Framework

	ISA Superseded	MICPA Operational Date	IFAC Operational Date
International Framework for Assurance Engagements	ISA 120	Jan. 2007	Jan. 2005

(b) International Standards on Quality Control (ISQC)

	ISQC Superseded	MICPA Operational Date	IFAC Operational Date
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

(c) International Standards on Auditing (ISA)

	ISA Superseded	MICPA Operational Date	IFAC Operational Date
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 (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 (Redrafted) Agreeing the Terms of Audit Engagements	ISA 210	Jan. 2010	Dec. 2009
ISA 220 (Redrafted) Quality Control for an Audit of Financial Statements	ISA 220 (Revised)	Jan. 2010	Dec. 2009
ISA 230 (Redrafted) Audit Documentation	ISA 230 (Revised)	Jan. 2010	Dec. 2009
ISA 240 (Redrafted) The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	ISA 240 (Revised)	Jan. 2010	Dec. 2008
ISA 250 (Redrafted) Consideration of Laws and Regulations in an Audit of Financial Statements	ISA 250	Jan. 2010	Dec. 2009
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 (Redrafted) Planning an Audit of Financial Statements	ISA 300 (Revised)	Jan. 2010	Dec. 2008
ISA 310 Knowledge of the Business	ISA 30	withdrawn (Jan. 2006)	withdrawn (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. 2008

		ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 320 (Revised and Redrafted)	Materiality in Planning and Performing an Audit	ISA 320	Jan. 2010	Dec. 2009
ISA 330 (Redrafted)	The Auditor's Responses to Assessed Risks	ISA 330	Jan. 2010	Dec. 2008
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 (Redrafted)	Audit Evidence	ISA 500	Jan. 2010	Dec. 2009
ISA 501 (Redrafted)	Audit Evidence – Specific Considerations for Selected Items	ISA 501	Jan. 2010	Dec. 2009
ISA 505 (Revised and Redrafted)	External Confirmations	ISA 505	Jan. 2010	Dec. 2009
ISA 510 (Redrafted)	Initial Audit Engagements – Opening Balances	ISA 510	Jan. 2010	Dec. 2009
ISA 520 (Redrafted)	Analytical Procedures	ISA 520	Jan. 2010	Dec. 2009
ISA 530 (Redrafted)	Audit Sampling	ISA 530	Jan. 2010	Dec. 2009
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 550 (Revised and Redrafted)	Related Parties	ISA 550	Jan. 2010	Dec. 2009
ISA 560 (Redrafted)	Subsequent Events	ISA 560	Jan. 2010	Dec. 2009
ISA 570 (Redrafted)	Going Concern	ISA 570	Jan. 2010	Dec. 2009
ISA 580 (Revised and Redrafted)	Written Representations	ISA 580	Jan. 2010	Dec. 2009
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 (Redrafted)	Using the Work of Internal Auditors	ISA 610	Jan. 2010	Dec. 2009
ISA 620 (Revised and Redrafted)	Using the Work of an Auditor's Expert	ISA 620	Jan. 2010	Dec. 2009
ISA 700 (Redrafted)	Forming an Opinion and Reporting on Financial Statements	ISA 700 (Revised)	Jan. 2010	Dec. 2009
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

		ISA Superseded	MICPA Operational Date	IFAC Operational Date
ISA 710 (Redrafted)	Comparative Information – Corresponding Figures and Comparative Financial Statements	ISA 710	Jan. 2010	Dec. 2009
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 (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 (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1002	IT Environments – On-Line Computer Systems	withdrawn (Oct. 2007)	withdrawn (Dec. 2004)
IAPS 1003	IT Environments – Database Systems	withdrawn (Oct. 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	withdrawn (Jan. 2010)	withdrawn (Jan. 2010)
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 (Oct. 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	withdrawn (Jan. 2010)	withdrawn (Jan. 2010)

(e) International Standards on Review Engagements (ISRE)

		IAG 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 (ISAE)

		IAG/ISA Superseded	MICPA Operational Date	IFAC Operational Date
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
ISAE 3402	Assurance Reports on Controls at a Service Organisation	–	Jun. 2011	Jun. 2011

(g) International Standards on Related Services (ISRS)

		IAG Superseded	MICPA Operational Date	IFAC Operational 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 Statements (Previously ISA 930)	IAG/RS 4	Jan. 2000	Jul. 1994

(h) Malaysian Auditing Guidelines (MAG)

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

(i) MICPA Auditing Technical Releases (ATR)

		MICPA Issue Date
ATR 1	Audit Report Examples (issued Apr. 1988)	[Superseded by ISA 700]
ATR 2	Standard Letter of Request for Information from Banks/ Finance Companies for Audit Purposes	May 1990
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 (Revised Dec. 2007)	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 (IGN)

	MICPA Issue Date
(i) General	
IGN Preface to Insolvency Guidance Notes	Nov. 2009
IGN G1 Minimum Standards of Practice by Insolvency Practitioners	Nov. 2009
IGN G2 Professional Conduct and Ethics in Insolvency Practice	Nov. 2009
IGN G3 Remuneration of Insolvency Office Holders	Nov. 2009
IGN G4 The Handling of Funds in a Liquidation Administration	Nov. 2009
IGN G5 Preparation of Statement of Receipts and Payments by Insolvency Practitioners	Nov. 2009
(ii) Liquidation	
IGN L1 Members' Voluntary Winding-up	Nov. 2009
IGN L2 Procedure for Creditor's Voluntary Winding-up	Nov. 2009
IGN L3 A Liquidator's Assessment and Review into the Affairs of the Insolvent Company	Nov. 2009
IGN L4 Summoning and Holding Meetings of Creditors under Court Winding-up	Nov. 2009
(iii) Receivership	
IGN R1 Suggested Receivership Checklist (for Receiver Appointed under a Debenture)	Nov. 2009
IGN R2 A Receiver's Responsibility for the Books and Records of the Company	Nov. 2009
IGN R3 A Receiver's Responsibility to Preferential Creditors	Nov. 2009

E Statements on International Management Accounting

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

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

	MICPA Issue Date	IFAC Issue Date
MAP 1 Management Accounting Concepts (Revised 1998)	Aug. 1998***	Mar. 1998
MAP 2 The Capital Expenditure Decision	Dec. 1992	Oct. 1989
MAP 3 Foreign Capital 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)

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

*** Reviewed by MICPA and issued to members on request basis

(ii) Being considered by MICPA for Issuance

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

		MICPA Issue Date
No. 1	Recommendations on the Presentations of Accounts (issued 1972)	[Superseded by IAS 1]
No. 2	Audit Reports and Qualifications (issued 1972)	[Superseded by MAG 1]
No. 3	Accountants' Report for Prospectuses (issued 1976)	[Superseded by ATR 3]
No. 4	Directors' Report (issued Nov. 1985) Model Holdings Berhad - Specimen Financial Statements (Revised)	withdrawn Jun. 2004
No. 5	Statement of Source and Application of Funds (issued 1981)	[Superseded by IAS 7]
No. 6	Model Insurance Financial Statements	Jul. 2010

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 62	Improvements to FRSs	Feb. 2009
ED 69	Financial Instruments	Dec. 2009
ED 72	Financial Reporting Standard for Small and Medium-sized Entities	Mar. 2010
ED 74	Amendments to Financial Reporting Standards arising from Reduced Disclosure Requirements	Dec. 2010

H Status of Other Statements on International Management Accounting

(a) Not Issued by MICPA

	IFAC Issue Date
Study No. 1 Control of Computer Applications	Oct. 1985
Management Accounting Concepts (Revised 1998)	Mar. 1998

I International Public Sector Accounting Standards (IPSAS)

	IFAC Issue Date
International Public Sector Accounting Standards Board – 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

	IFAC Issue Date
IPSAS 1 Presentation of Financial Statements	Dec. 2006
IPSAS 2 Cash Flow Statements	May 2000
IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors	Dec. 2006
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	Dec. 2006
IPSAS 7 Investments in Associates	Dec. 2006
IPSAS 8 Interests in Joint Ventures	Dec. 2006
IPSAS 9 Revenue from Exchange Transactions	Jul. 2001
IPSAS 10 Financial Reporting in Hyperinflationary Economies	Jul. 2001
IPSAS 11 Construction Contracts	Jul. 2001
IPSAS 12 Inventories	Dec. 2006
IPSAS 13 Leases	Dec. 2006
IPSAS 14 Events After the Reporting Date	Dec. 2006
IPSAS 15 Financial Instruments: Disclosure and Presentation	Dec. 2001
IPSAS 16 Investment Property	Dec. 2006
IPSAS 17 Property, Plant and Equipment	Dec. 2006
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

		IFAC Issue Date
IPSAS 27	Agriculture	Dec. 2009
IPSAS 28	Financial Instruments: Presentation	Jan. 2010
IPSAS 29	Financial Instruments: Recognition and Measurement	Jan. 2010
IPSAS 30	Financial Instruments: Disclosures	Jan. 2010
IPSAS 31	Intangible Assets	Jan. 2010
Cash Basis IPSAS	Financial Reporting Under the Cash Basis of Accounting Part 1	Jan. 2008
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 31		Jan. 2010

(b) Guidelines

		IFAC Issue Date
No. 1	Financial Reporting by Government Business Enterprises	Jul. 1989 (withdrawn in 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

		IFAC Issue Date
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	Jan. 1996
Study 8	The Government Financial Reporting Entity	Jul. 1996
Study 9	Definition and Recognition of Revenues	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	Jul. 2001
Study 14	Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities (Third Edition)	Jan. 2011

(d) Other Statements

	IFAC Issue Date
Invitation to Comment: Impairment of Assets	[Superseded by IPSAS 21]

J International Information Technology Guidelines

(a) Guidelines

		IFAC Issue Date
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

	IFAC Issue Date
Outsourcing	Dec. 2001

K International Accounting Education Standards Board (IAESB) Pronouncements

IAESB Framework for International Education Pronouncements

Introduction to International Education Standards

Glossary of Terms

(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 (IEPS) 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

L Code of Ethics

	MICPA Issue Date	IFAC Issue Date
IFAC Code of Ethics for Professional Accountants		Jul. 2009
MICPA Code of Ethics	Oct. 2007	

M 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

(a) International Financial Reporting Standards (IFRS)

	IASB Operational Date
IFRS 1 First-time Adoption of International Financial Reporting Standards	Jan. 1, 2009
IFRS 2 Share-based Payment	Jan. 1, 2005
IFRS 3 Business Combinations	Jul. 1, 2009
IFRS 4 Insurance Contracts	Jan. 1, 2005
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Jan. 1, 2005
IFRS 6 Exploration for and Evaluation of Mineral Resources	Jan. 1, 2006
IFRS 7 Financial Instruments: Disclosures	Jan. 1, 2007
IFRS 8 Operating Segments	Jan. 1, 2009
IFRS 9 Financial Instruments	Jan. 1, 2013
IFRS 10 Consolidated Financial Statements	Jan. 1, 2013
IFRS 11 Joint Arrangements	Jan. 1, 2013
IFRS 12 Disclosure of Interests in Other Entities	Jan. 1, 2013
IFRS 13 Fair Value Measurement	Jan. 1, 2013

(b) International Accounting Standards (IAS)

		IASB Operational Date
IAS 1	Presentation of Financial Statements	Jan. 1, 2009
IAS 2	Inventories	Jan. 1, 2005
IAS 7	Statement of Cash Flows	Jan. 1, 1994
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Jan. 1, 2005
IAS 10	Events After the Reporting Period	Jan. 1, 2005
IAS 11	Construction Contracts	Jan. 1, 1995
IAS 12	Income Taxes	Jan. 1, 1998
IAS 16	Property, Plant and Equipment	Jul. 1, 2005
IAS 17	Leases	Jan. 1, 2005
IAS 18	Revenue	Jan. 1, 1995
IAS 19	Employee Benefits	Jan. 1, 1999
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, 2005
IAS 23	Borrowing Costs	Jan. 1, 2009
IAS 24	Related Party Disclosures	Jan. 1, 2011
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Jan. 1, 1988
IAS 27	Consolidated and Separate Financial Statements	Jan. 1, 2005
IAS 28	Investments in Associates	Jan. 1, 2005
IAS 29	Financial Reporting in Hyperinflationary Economies	Jan. 1, 1990
IAS 31	Interests in Joint Ventures	Jan. 1, 2005
IAS 32	Financial Instruments: Presentation	Jan. 1, 2005
IAS 33	Earnings Per Share	Jan. 1, 2005
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, 2005
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 (IGN) 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 (e.g. 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 (IAS) issued by its predecessor, the International Accounting Standards Committee (IASC).

Report of the Council for the year ended December 31, 2010

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, 2010.

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

	RM
Net operating surplus for the financial year	<u><u>226,501</u></u>

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 27, 2010 are as follows:

Abdul Halim bin Md Lassim
 Dato' Ab Halim bin Mohyiddin
 Dato' Seri Ahmad Johan bin Mohammad Raslan
 Ahmad Mustapha bin Ghazali
(Resigned on 19.06.2010)
 Beh Tok Koay
 Datin Hjhd Fadzilah bte Saad
 Dato' Gan Ah Tee
 Goh Lee Hwa
 Lee Tuck Heng
 Lim Thiam Kee
 Lim Tian Huat
 Loh Lay Choon

Loo Mi Li
 Dato' Hj Maidin Syed Ali
 Mohamed Raslan Abdul Rahman
 Ng Kim Tuck
 Dato' Nordin Baharuddin *(Deceased on 05.06.2010)*
 Poon Yew Hoe
 Pushpanathan a/l S.A. Kanagarayar
 See Huey Beng
 Seow Yoo Lin
 Sukanta K Dutt
 Dato' Syed Faisal Albar bin Syed A R Albar
(Appointed on 16.10.2010)
 Tan Bun Poo
 Tan Chin Hock
 Tan Theng Hooi
 Teo Swee Chua *(Appointed on 14.08.2010)*
 Venkatramanan Viswanathan
 Dr Veerinderjeet Singh
 Dato' Yeo How
 Datuk Robert Yong Kuen Loke
 Yong Yoon Shing *(Elected on 19.06.2010)*

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
 Dato' Gan Ah Tee
 Lim Thiam Kee
 Loo Mi Li
 Dato' Hj Maidin Syed Ali
 Ng Kim Tuck
 Poon Yew Hoe
 Tan Bun Poo

In accordance with bye-law 13, the following Council Members, who were appointed to fill casual vacancies, will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

Tan Theng Hooi
 Teo Swee Chua

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 values 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' Seri Ahmad Johan bin Mohammad Raslan
President

Pushpanathan a/l S.A. Kanagarayar
Vice-President

This report is made pursuant to the Council's resolution passed on May 26, 2011.

Statement of Financial Position as at December 31, 2010

	Note	2010 RM	2009 RM
Assets			
Non-Current Assets			
Plant and equipment	4	53,744	64,598
Development costs of study manuals	5	16,600	24,900
Advances to MACPA Educational Trust Fund	6	-	78,427
		<u>70,344</u>	<u>167,925</u>
Current Assets			
Study manuals, at cost		5,739	5,163
Receivables, prepayments and deposits	7	481,042	498,373
Fixed deposits	8	1,131,517	654,830
Cash and bank balances		108,524	129,835
		<u>1,726,822</u>	<u>1,288,201</u>
Total Assets		<u><u>1,797,166</u></u>	<u><u>1,456,126</u></u>
Fund and Liabilities			
Accumulated Fund			
Balance at January 1		355,417	180,717
Net operating surplus for the financial year		226,501	174,700
		<u>581,918</u>	<u>355,417</u>
Non-Current Liability			
Deferred income	9	225,000	225,000
Current Liabilities			
Fees in advance		95,297	32,082
Payables and accruals	10	894,951	843,627
		<u>990,248</u>	<u>875,709</u>
Total Liabilities		<u>1,215,248</u>	<u>1,100,709</u>
Total Fund and Liabilities		<u><u>1,797,166</u></u>	<u><u>1,456,126</u></u>

The notes on pages 66 to 91 form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended December 31, 2010

	Note	2010 RM	2009 RM
Income			
Members' annual fees		1,548,904	1,493,007
Examination fees		530,500	85,675
Practising certificate fees		229,680	225,060
Students' exemption fees		83,850	99,125
Students' annual fees		121,920	115,363
Members' admission fees		52,000	33,810
Students' registration and transfer fees		44,735	40,980
Provisional members' fees		15,000	19,703
		<u>2,626,589</u>	<u>2,112,723</u>
Income from Other Activities	11	742,259	958,679
Other Income	12	<u>43,257</u>	<u>26,156</u>
Total Income		3,412,105	3,097,558
Operating Expenses	13	(2,697,002)	(2,367,157)
Expenses of Other Activities	11	<u>(488,907)</u>	<u>(555,396)</u>
		226,196	175,005
Taxation	14	<u>305</u>	<u>(305)</u>
Net Operating Surplus / Total Comprehensive Income for the Financial Year		<u><u>226,501</u></u>	<u><u>174,700</u></u>

The notes on pages 66 to 91 form an integral part of these financial statements.

***Statement of Changes in Members' Equity
for the year ended December 31, 2010***

	Accumulated Fund RM
Balance at January 1, 2009	180,717
Net operating surplus / Total comprehensive income for the financial year	<u>174,700</u>
Balance at December 31, 2009	355,417
Net operating surplus / Total comprehensive income for the financial year	<u>226,501</u>
Balance at December 31, 2010	<u><u>581,918</u></u>

The notes on pages 66 to 91 form an integral part of these financial statements.

Statement of Cash Flows for the year ended December 31, 2010

	Note	2010 RM	2009 RM
Cash Flows from Operating Activities			
Cash receipts			
Subscriptions		2,071,938	1,958,166
Examination fees		563,500	67,975
Journal and publications		130,822	109,923
Seminars		395,229	515,090
Study manuals		20,700	46,900
Examination workshops		66,284	231,150
Government grant		-	225,000
Others		186,433	110,908
Cash payments			
Operating expenses		(2,827,893)	(2,627,920)
Tax paid		(89)	(519)
Study manuals		(3,679)	(5,335)
Payments of rental to MACPA Educational Trust Fund		(120,000)	(120,000)
Net cash generated from operating activities		483,245	511,338
Cash Flows from Investing Activities			
Development cost of study manuals		(8,000)	(5,000)
Purchase of plant and equipment	4	(24,624)	(47,815)
Interest received from fixed deposits		4,921	9,219
Payments on behalf of MACPA Educational Trust Fund	17	(166)	(994)
Net cash used in investing activities		(27,869)	(44,590)
Net Increase in Cash and Cash Equivalents		455,376	466,748
Cash and Cash Equivalents at Beginning of Year		784,665	317,917
Cash and Cash Equivalents at End of Year	16	1,240,041	784,665

The notes on pages 66 to 91 form an integral part of these financial statements.

Notes To The Financial Statements at December 31, 2010

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 (2009 : 20).

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 26, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 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 Institute has adopted the new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB"), as set out in Note 2.2 below, which are effective from the beginning of the current financial year.

2.2 New and Revised FRSs, IC Interpretations and Amendments to FRSs Adopted by the Institute

The accounting policies adopted by the Institute are consistent with those applied in the previous financial year other than the adoption of the following new and revised FRSs, IC Interpretations and amendments to FRSs that are relevant to the Institute's operations and effective from the beginning of the current financial year:

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 132	Financial Instruments: Presentation
	- Puttable Financial Instruments and Obligations Arising on Liquidation
	- Component Part Classification for a Compound Financial Instrument

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, IC Interpretations and Amendments to FRSs Adopted by the Institute (cont'd)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRSs classified as "Improvement to FRSs (2009)"

The adoption of the new and revised FRSs and IC Interpretations and amendments to FRSs did not result in any significant effect on the results and financial position of the Institute nor any significant changes in the presentation and disclosure of amounts in the financial statements other than those as described hereunder:

(a) FRS 7, Financial Instruments: Disclosures

Prior to January 1, 2010, the disclosure of information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments was made in accordance with the requirements of FRS 132, *Financial Instruments: Disclosure and Presentation*. FRS 7 supersedes the disclosure requirements of FRS 132 and introduces enhanced disclosures on financial instruments. It requires disclosure of the significance of financial instruments for an entity's financial position and performance and the qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity and cash flow risks and market risk.

The Institute has applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Accordingly, certain comparative information for the new disclosures have not been presented. As the changes affect only the disclosures, there is no impact on the Institute's results or financial position.

(b) FRS 101, Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes to the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

The revised standard requires presentation of all owner changes in equity in the statement of changes in equity and all non-owners changes in equity to be presented separately in one statement of comprehensive income or in two linked statements. The Institute has elected for the single statement presentation.

The revised standard also requires a statement of financial position as at the beginning of the earliest comparative period when there is a change in accounting policy retrospectively or when there is a retrospective restatement or reclassification of items in the financial statements.

In addition, the revised FRS 101 requires new disclosure of information that enables users of the financial statements to evaluate the Institute's objectives, policies and processes for managing capital.

The Institute has adopted the revised FRS 101 retrospectively. The adoption has no impact on the Institute's results or financial position for the current and previous financial years.

(c) FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, IC Interpretations and Amendments to FRSs Adopted by the Institute (cont'd)

(c) FRS 139, Financial Instruments: Recognition and Measurement (cont'd)

and some contracts to buy or sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Institute has adopted FRS 139 prospectively beginning from January 1, 2010 in accordance with transitional provisions of the standard.

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of the Institute's financial instruments as described below:

Impairment of receivables

Prior to January 1, 2010, an allowance for doubtful debts was made when a debt was considered to be doubtful of collection. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. As at January 1, 2010, the Institute has reassessed the allowance for impairment loss as at that date in accordance with FRS 139 and found that there is no difference with the amount recognised previously.

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

FRS 4	Insurance Contracts
FRS 8	Operating Segments
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

2.3 New and Revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations That Are Not Yet Effective and Have Been Early Adopted

The Institute has early adopted the following new and revised FRSs and IC Interpretations and amendments to FRSs and IC Interpretations, where applicable, which have been issued but are not yet effective:

		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	July 1, 2010
FRS 3	Business Combinations (Revised)	July 1, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 New and Revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations That Are Not Yet Effective and Have Been Early Adopted (cont'd)

		Effective for financial period beginning on or after
FRS 124	Related Party Disclosures	January 1, 2012
FRS 127	Consolidated and Separate Financial Statements (Revised)	July 1, 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	
	- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	January 1, 2011
	- Additional Exemptions for First-time Adopters	January 1, 2011
Amendments to FRS 2	Share-based Payment	
	- Scope of FRS 2 and revised FRS 3	July 1, 2010
	- Group Cash-settled Share-based Payment Transactions	January 1, 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	July 1, 2010
	- Plan to sell the controlling interest in a subsidiary	
Amendments to FRS 7	Financial Instruments: Disclosures	January 1, 2011
	- Improving Disclosures about Financial Instruments	
Amendments to FRS 132	Financial Instruments: Presentation	March 1, 2010
	- Classification of Rights Issues	
Amendments to FRS 138	Intangible Assets – Additional consequential amendments arising from revised FRS 3	July 1, 2010
IC Interpretation 4	Determining whether an Arrangement contains a Lease	January 1, 2011
IC Interpretation 12	Service Concession Arrangements	July 1, 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	January 1, 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	July 1, 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	July 1, 2010
IC Interpretation 18	Transfers of Assets from Customers	January 1, 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	July 1, 2010
	- Scope of IC Interpretation 9 and revised FRS 3	
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	July 1, 2011
Amendments to FRSs classified as "Improvement to FRSs (2010)"		

The adoption of the above FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations did not have any significant impact on the financial statements of the Institute.

2.4 Plant and Equipment and Depreciation

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Plant and Equipment and Depreciation (cont'd)

item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

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%

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Plant and equipment are reviewed for impairment in accordance with the Institute's accounting policy for impairment of assets.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.5 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (other than inventories of study manuals and deferred tax assets) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. 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 fair value less costs to sell and its value in use which is measured by reference to discounted future cash flows.

An impairment loss is recognised in profit or loss in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.6 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Study Manuals (cont'd)

Inventories 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.

2.7 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. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

2.8 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.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with policy Note 2.14(c).

2.9 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 provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefit plans under which the Institute pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Institute's contributions to defined contribution plans are recognised as an expense in the period in which they relate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Government Grant

Government grants, including non-monetary grants, shall not be recognised until there is reasonable assurance that all conditions attaching to the grants will be complied with and the grants will be received.

Grants related to assets are set up as deferred income and recognised as income on a systematic basis over the estimated lives of the assets. Grants related to expenses are recognised as income in the period the grants become receivable. Grants related to future costs are deferred and recognised in the profit or loss in the same period as the related costs.

2.11 Foreign Currency Transactions and Balances

In preparing the financial statements of the Institute, transactions in currencies other than the Institute's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are recognised directly to other comprehensive income.

The closing rate of exchange of the foreign currency applicable in the preparation of the financial statements is as follows:

	2010 RM	2009 RM
1 Australian Dollar	3.14	3.08

2.12 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 substantially enacted at the end of the reporting period.

Deferred tax is provided using the liability method on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purpose.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Income Tax (cont'd)

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 reviewed at the end of each reporting period and 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 end of the reporting period are used to determine deferred tax.

2.13 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 statement of financial position 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 reporting period, any surplus or deficit is recognised in the statement of comprehensive income.
- (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 statement of comprehensive income in the financial year it is incurred.

Expenses on other activities relate to identifiable direct expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial Assets

The Institute recognises all financial assets in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are classified into the following specified categories depending on the nature and purpose of the financial assets and are determined at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when the financial assets are either held for trading or designated as such upon initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

After initial recognition, financial assets at fair value through profit or loss are measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The net gains or losses do not include any exchange differences, dividend or interest earned on the financial assets. Exchange differences, dividend and interest earned on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other income or other expenses.

Derivative that is linked to and must be settled by delivery of unquoted equity instruments whose fair value cannot be reliably measured is measured at cost.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Institute has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate method. A gain or loss is recognised in profit or loss when the held-to-maturity investment is derecognised or impaired, and through the amortisation process.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, loans and other receivables are classified as loans and receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial Assets (cont'd)

(c) Loans and receivables (cont'd)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or at fair value through profit or loss. Available-for-sale financial assets include quoted and unquoted equity and debt instruments that are not held-for-trading.

Subsequent to initial recognition, quoted equity and debt instruments are measured at fair value and investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. A gain or loss from changes in fair value is recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Dividends on an equity instrument are recognised in profit or loss when the Institute's right to receive payment is established.

Regular way purchase or sale of financial assets

Regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. Trade date accounting refers to:

- the recognition of an asset to be received and the liability to pay for it on the trade date which is the date the Institute commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Impairment of financial assets

The Institute assesses at the end of each reporting period whether there is any objective evidence that a financial asset, other than financial assets at fair value through profit or loss, is impaired. Financial assets are considered to be impaired when objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For a quoted equity instrument, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

An amount of impairment loss in respect of financial assets measured at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate i.e. the effective rate computed at initial recognition. The carrying amount of the asset is reduced through an allowance account. The amount of loss is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial Assets (cont'd)

Impairment of financial assets (cont'd)

If, in a subsequent period, the amount of the impairment loss on financial assets measured at amortised cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account to the extent that the carrying amount of the financial asset does not exceed its amortised cost had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

When an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity and recognised in profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified is the difference between the acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. Increase in fair value, if any, subsequent to the impairment loss, is recognised in other comprehensive income.

If the fair value of a debt instrument classified as available-for-sale, increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed with the amount of the reversal is recognised in profit or loss.

An amount of impairment loss in respect of financial assets carried at cost is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Derecognition of a financial asset

The Institute derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset without retaining control or substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.15 Financial Liabilities

The Institute recognises all financial liabilities in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial liabilities are initially measured at fair value plus, in the case of other financial liabilities, directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial Liabilities (cont'd)

(a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated as fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at fair value through profit or loss are recognised separately in profit or loss as part of other income or other expenses.

Derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured is measured at cost.

(b) Other financial liabilities

All financial liabilities, other than those categorised as fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method. Other financial liabilities of the Institute include fees in advance and payables.

A gain or loss on other financial liabilities is recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

Derecognition of a financial liability

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 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

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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 judgements and estimates are based on the Council's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Institute's accounting policies

In the process of applying the Institute's accounting policies, which are described in Note 2, the Council are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(b) Key sources of estimation uncertainty

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

(iii) Impairment losses of trade receivables

The Institute makes an allowance for impairment losses 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 impairment loss are disclosed in Note 7.

4. PLANT AND EQUIPMENT

2010	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	83,873	84,096	3,020	165,677	336,666
Additions	8,115	5,110	-	11,399	24,624
Write-offs	(15,449)	-	-	-	(15,449)
At end of year	76,539	89,206	3,020	177,076	345,841
Accumulated depreciation					
At beginning of year	79,812	58,704	2,113	131,439	272,068
Charge for the year	4,152	8,106	302	22,290	34,850
Write-offs	(14,821)	-	-	-	(14,821)
At end of year	69,143	66,810	2,415	153,729	292,097
Net book value as at December 31, 2010	7,396	22,396	605	23,347	53,744

2009	Office equipment RM	Furniture and fittings RM	Security system RM	Computers RM	Total RM
Costs					
At beginning of year	150,625	115,956	5,415	203,608	475,604
Additions	980	920	-	45,915	47,815
Write-offs	(67,732)	(32,780)	(2,395)	(83,846)	(186,753)
At end of year	83,873	84,096	3,020	165,677	336,666
Accumulated depreciation					
At beginning of year	139,650	84,286	3,904	192,561	420,401
Charge for the year	7,894	7,198	604	22,724	38,420
Write-offs	(67,732)	(32,780)	(2,395)	(83,846)	(186,753)
At end of year	79,812	58,704	2,113	131,439	272,068
Net book value as at December 31, 2009	4,061	25,392	907	34,238	64,598

5. DEVELOPMENT COSTS OF STUDY MANUALS

	2010 RM	2009 RM
Development costs	731,524	723,524
Accumulated amortisation	<u>(714,924)</u>	<u>(698,624)</u>
	<u>16,600</u>	<u>24,900</u>

	2010 RM	2009 RM
Movement in accumulated amortisation:		
Balance at January 1	698,624	684,324
Charged to Statement of Comprehensive Income	<u>16,300</u>	<u>14,300</u>
Balance at December 31	<u>714,924</u>	<u>698,624</u>

The development costs incurred during the year include an amount of RM3,000 (2009: RM3,000) paid to a Council Member for updating of the MICPA study manual.

6. ADVANCES TO MACPA EDUCATIONAL TRUST FUND

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

7. RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2010 RM	2009 RM
Receivable from Budget Commentary 2011/2010	97,000	99,057
Receivable from NACRA competition	30,779	11,443
Subscriptions receivable	374,278	349,839
Other receivables	<u>39,037</u>	<u>41,566</u>
	541,094	501,905
Tax recoverable	472	167
Other prepayments	9,235	7,001
Deposits	<u>7,050</u>	<u>7,050</u>
	557,851	516,123
Less : Allowance for impairment loss	<u>(76,809)</u>	<u>(17,750)</u>
	<u>481,042</u>	<u>498,373</u>

Subscriptions receivable from existing members are due on the first day of January and must be paid by June 30 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.

The Institute has recognised an impairment loss of receivables based on the individual

7. RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONT'D)

assessment of the debts by management who considers that their default in payment is highly possible. The Institute does not hold any collateral or credit enhancements over these balances. The amounts of individual impairment recognised by the Institute are as follow:

(a) Analysis of receivables

	2010	2009
	RM	RM
Individually impaired		
Receivables carrying amount before impairment	541,094	501,905
Less: Allowance for impairment loss	<u>(76,809)</u>	<u>(17,750)</u>
	<u>464,285</u>	<u>484,155</u>

(b) The movements of allowance for impairment loss during the financial year are as follows:

	2010	2009
	RM	RM
Balance at January 1	17,750	-
Impairment loss recognised during the year	<u>59,059</u>	<u>17,750</u>
Balance at December 31	<u>76,809</u>	<u>17,750</u>

(c) The ageing analyses of the Institute's receivables are as follows:

	2010	2009
	RM	RM
Neither past due nor impaired	148,459	165,253
0 to 30 days past due	10,098	50,869
31 to 60 days past due	40,539	6,375
61 to 90 days past due	850	3,634
91 to 120 days past due	37,433	47,583
More than 120 days past due	<u>303,715</u>	<u>228,191</u>
	541,094	501,905
Allowance for impairment loss	<u>(76,809)</u>	<u>(17,750)</u>
	<u>464,285</u>	<u>484,155</u>

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. No significant change in the credit quality of these receivables has occurred which are still considered recoverable. The Institute does not hold any collateral over these balances.

Receivables that are past due but not impaired

Receivables that are past due but not impaired relate to members and a number of significant creditworthy debtors. No significant change in the credit quality of these receivables has occurred which are still considered fully recoverable. The Institute does not hold any collateral over these balances.

8. FIXED DEPOSITS

	2010 RM	2009 RM
Fixed deposits with a licensed bank	<u>1,131,517</u>	<u>654,830</u>

The weighted average interest rate during the financial year for the fixed deposits with a licensed bank is 2.5% (2009: 2.15%) per annum.

The fixed deposits have an average maturity of 60 days (2009: 30 days).

9. DEFERRED INCOME

	2010 RM	2009 RM
Balance at January 1	225,000	-
Received during the financial year	<u>-</u>	<u>225,000</u>
Balance at December 31	<u>225,000</u>	<u>225,000</u>

On September 11, 2009, the Malaysian Industrial Development Authority approved a grant of RM450,000 to the Institute under the Services Sector Capacity Development Fund (SSCDF) for the upgrading and modernisation of the Institute's information technology systems ("the project") and the Institute has received RM225,000 on October 27, 2009.

The software development cost is estimated at RM465,000.

The Institute has yet to start the project and no contracts have been executed as at the reporting date.

The amount received of RM225,000 is taken up as deferred income and will be recognised in the Statement of Comprehensive Income in accordance with the Institute's accounting policy for Government Grants as detailed in Note 2.10.

10. PAYABLES AND ACCRUALS

	2010 RM	2009 RM
Advances for study manuals	115,455	115,455
Due to students societies	205,935	195,586
Other payables	269,060	258,244
Accruals	<u>304,501</u>	<u>274,342</u>
	<u>894,951</u>	<u>843,627</u>

The currency exposure profile of payables and accruals is as follows:

	2010 RM	2009 RM
Ringgit Malaysia	868,716	816,819
Australian Dollar	<u>26,235</u>	<u>26,808</u>
	<u>894,951</u>	<u>843,627</u>

11. OTHER ACTIVITIES

2010	Income RM	Expenses RM	Surplus/ (Deficit) RM
Examination workshops	72,334	51,128	21,206
Continuing professional development	356,103	211,494	144,609
Annual dinner	72,500	83,800	(11,300)
MICPA excellence awards	11,885	25,763	(13,878)
Journal and publications	34,085	14,398	19,687
Informal gatherings	-	9,208	(9,208)
MICPA study manuals	35,100	27,509	7,591
Commemorative lecture & luncheon	33,760	39,123	(5,363)
Accountancy week	25,160	26,484	(1,324)
	<u>640,927</u>	<u>488,907</u>	<u>152,020</u>
Joint activities with other bodies:			
NACRA competition	2,332	-	2,332
Budget Commentary 2011	99,000	-	99,000
	<u>101,332</u>	<u>-</u>	<u>101,332</u>
	<u>742,259</u>	<u>488,907</u>	<u>253,352</u>
2009	Income RM	Expenses RM	Surplus/ (Deficit) RM
Examination workshops	236,165	173,220	62,945
Continuing professional development	343,430	186,762	156,668
Annual dinner	53,400	80,282	(26,882)
MICPA excellence awards	6,305	29,018	(22,713)
Journal and publications	8,751	7,892	859
Informal gatherings	3,000	1,804	1,196
MICPA study manuals	55,800	20,205	35,595
Young CPA symposium	26,225	12,996	13,229
Commemorative lecture & luncheon	29,440	43,217	(13,777)
	<u>762,516</u>	<u>555,396</u>	<u>207,120</u>
Joint activities with other bodies:			
Business forum	82,867	-	82,867
NACRA competition	9,496	-	9,496
Budget Commentary 2010	103,800	-	103,800
	<u>196,163</u>	<u>-</u>	<u>196,163</u>
	<u>958,679</u>	<u>555,396</u>	<u>403,283</u>

Expenses on the above activities relate to identifiable direct expenses only and do not include overhead expenses. The expenses for MICPA study manuals include the amortisation of the development costs amounting to RM16,300 for the current financial year. In respect of previous financial year ended December 31, 2009, the amortisation of the development costs included in the expenses for journal and publications and MICPA study manuals are RM3,000 and RM11,300 respectively.

12. OTHER INCOME

	2010	2009
	RM	RM
Interest on fixed deposits	31,245	14,320
Affinity rebate - Direct Access	11,938	11,811
Others	74	25
	<u>43,257</u>	<u>26,156</u>

13. OPERATING EXPENSES

	2010	2009
	RM	RM
Advertisement expenses	10,895	2,683
AGM and Council meeting expenses	6,071	6,486
Auditors' remuneration	10,000	7,500
Bank charges	23,204	20,197
Depreciation of plant and equipment	34,850	38,420
Direct examination expenses	180,135	73,978
Electricity and water	29,911	31,067
General expenses	11,073	8,837
Impairment loss of receivables	59,059	17,750
Insurance	7,268	7,200
Journal and technical pronouncements	164,059	186,286
Legal and professional fees	48,425	54,898
Maintenance	11,864	24,722
Medical expenses	5,597	4,899
Office equipment written off	628	-
Office rental	120,000	120,000
Periodicals and library stock	8,759	10,493
Postage and telephone	110,077	109,711
Printing and stationery	76,507	72,406
Professional development expenses	69,873	136,476
Promotional expenses for new MICPA programme	94,021	31,303
Publication of students' course materials	4,650	4,400
Staff costs		
- Employees Provident Fund and SOCSO	180,648	155,751
- Salaries and bonus	1,182,465	1,100,401
Staff recreation fund	2,326	7,031
Subscriptions to international accountancy bodies	33,907	32,130
Travelling expenses	39,218	15,957
Technical fees	96,190	-
Uncollectible receivables written off	75,322	86,175
	<u>2,697,002</u>	<u>2,367,157</u>

14. TAXATION

- (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.

	2010 RM	2009 RM
Current tax expense	-	305
Overprovision in respect of prior year	(305)	-
	<u>(305)</u>	<u>305</u>

No taxation is provided for the current financial year as the interest income has been fully set off by the current year's tax loss.

Taxation has been provided for the interest income in the financial year ended December 31, 2009.

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

	2010 %	2009 %
Applicable tax rate	20.84	19.76
Tax effects in respect of:		
Utilisation of unabsorbed tax losses	(2.88)	(25.49)
Non taxable income	(54.81)	-
Non allowable expenses	4.60	7.35
Rate adjustment on taxable income	-	(1.45)
Deferred tax income not recognised	32.25	-
Effective tax rate	<u>-</u>	<u>0.17</u>

- (c) Subject to the agreement with the Inland Revenue Board, the Institute has unabsorbed tax losses amounting to RM1,096,561 (2009: RM762,765) which are available for set-off against future taxable surplus.

15. DEFERRED TAXATION

Deferred tax, determined after appropriate offsetting is as follows:

	2010 RM	2009 RM
Deferred tax liabilities	3,500	9,730
Deferred tax assets	(3,500)	(9,730)
Net deferred tax	<u>-</u>	<u>-</u>

15. DEFERRED TAXATION (CONT'D)

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

	As at 1 January RM	Recognised in profit or loss RM	As at December 31 RM
2010			
Deferred tax liabilities:			
Excess of development cost of study manuals incurred over development cost amortised	4,920	(1,420)	3,500
Excess of capital allowances over depreciation	4,810	(4,810)	-
	<u>9,730</u>	<u>(6,230)</u>	<u>3,500</u>
Deferred tax assets:			
Excess of depreciation over capital allowances	-	(1,300)	(1,300)
Unabsorbed tax losses	(9,730)	7,530	(2,200)
	<u>(9,730)</u>	<u>6,230</u>	<u>(3,500)</u>
2009			
Deferred tax liabilities:			
Excess of development cost of study manuals incurred over development cost amortised	1,860	3,060	4,920
Excess of capital allowances over depreciation	-	4,810	4,810
	<u>1,860</u>	<u>7,870</u>	<u>9,730</u>
Deferred tax assets:			
Excess of depreciation over capital allowances	(235)	235	-
Unabsorbed tax losses	(1,625)	(8,105)	(9,730)
	<u>(1,860)</u>	<u>(7,870)</u>	<u>(9,730)</u>

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

	2010 RM	2009 RM
Unabsorbed tax losses	<u>1,086,004</u>	<u>713,484</u>

The unabsorbed tax losses are in respect of non-tax exempt activities and for which future taxable profit is not probable.

16. 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 statement of financial position amounts:

	2010 RM	2009 RM
Fixed deposits	1,131,517	654,830
Cash and bank balances	108,524	129,835
	<u>1,240,041</u>	<u>784,665</u>

17. 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

	2010 RM	2009 RM
Payments on behalf of MACPA Educational Trust Fund	166	994
Administrative expenses charged to MACPA Educational Trust Fund	47,517	44,153
Rental charged by MACPA Educational Trust Fund	120,000	120,000
	<u>167,683</u>	<u>165,147</u>

The outstanding balance for advances to MACPA Educational Trust Fund as at December 31, 2009 is RM78,427 (2010 : Nil). The terms of the advances are disclosed in Note 6 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) Fees paid by Council Members

	2010 RM	2009 RM
Members' annual fees	17,130	16,650
Practising certificate fees	11,550	12,100
	<u>28,680</u>	<u>28,750</u>

(c) 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 financial year are as follows:

17. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation (cont'd)

	2010 RM	2009 RM
Short-term employees benefits	288,200	252,000
Post-employment benefits - contribution to Employees Provident Fund	52,050	31,860
	<u>340,250</u>	<u>283,860</u>

The development costs of study manuals paid to a Council Member is disclosed in Note 5 to the financial statements.

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

	2010 RM	2009 RM
Included in payables and accruals	53,000	36,000

18. CAPITAL COMMITMENT

	2010 RM	2009 RM
Approved by Council but not contracted for:		
Upgrading and modernisation of the Institute's information technology systems	465,000	465,000

19. FINANCIAL INSTRUMENTS

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, deposits and cash and bank balances.

Financial liabilities of the Institute include payables and accruals.

(a) Categories of Financial Instruments

The following are details of the financial assets and financial liabilities of the Institute analysed by categories:

	2010 RM	2009 RM
Financial Assets		
Loans and receivables:		
Receivables and deposits	471,335	491,205
Fixed deposit with a licensed bank	1,131,517	654,830
Cash and bank balances	108,524	129,835
	<u>1,711,376</u>	<u>1,275,870</u>

19. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of Financial Instruments (cont'd)

Financial Liabilities

	2010	2009
	RM	RM
Financial liabilities measured at amortised costs:		
Payables	590,450	569,285
Accruals	304,501	274,342
	<u>894,951</u>	<u>843,627</u>
Total financial liabilities measured at amortised costs	<u>894,951</u>	<u>843,627</u>

(b) Financial Risk Management

The Institute's overall financial risk management objective is to seek to address and control the risks to which the Institute is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate.

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

(i) Credit Risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Institute. The Institute's main exposure to credit risk is in respect of its receivables and deposits, bank deposits and cash and bank balances. The counter parties are members, 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 reporting date, the Institute has subscriptions receivable of RM374,278 (2009: RM349,839) which have been outstanding for more than 30 days and bank balance and fixed deposits of RM1,240,041 (2009: RM784,665) 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 amount of the financial assets in the reporting date.

(ii) Liquidity and Cash Flow Risks

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

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

Maturity Analysis

The maturity profile of the Institute's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows:

19. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(ii) Liquidity and Cash Flow Risks (cont'd)

	Less than 1 year 2010 RM
Advances for study manuals	115,455
Due to students societies	205,935
Other payables	269,060
Accruals	304,501
	<u>894,951</u>

(iii) Interest Rate Risk

The Institute ensures that it 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. As this fixed deposit is subject to fixed rate and not accounted for at fair value through profit or loss, a change in the market interest rates would not affect the financial result for the year and the fund of the Institute.

(iv) Currency Risk

The currency risk relates to transactions denominated in foreign currencies.

The Institute is exposed to currency risk mainly due to payments made in foreign currency that are denominated in currency other than Ringgit Malaysia. The currency giving rise to this risk is Australian Dollar.

The Institute minimises the exposure to foreign exchange risk by monitoring the movement in the exchange rates with a view to ensuring that the most competitive rates are secured, where appropriate.

The Institute does not hedge nor speculate in foreign currency derivatives.

Currency risk sensitivity analysis

The Institute is not exposed to any material foreign currency risk as the majority of the transaction monetary assets and monetary liabilities are denominated in the Institute's functional currency.

(c) Fair Value

The carrying amount of the financial assets and financial liabilities of the Institute at the end of the financial year approximated their fair values due to their short term to maturity.

20. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

- to safeguard the Institute's ability to continue as a going concern to enable its statutory obligations under the Companies Act, 1965 is fulfilled;
- to develop and maintain the qualification programme and continuing professional development programme for students and members; and
- to provide capital for the purpose of strengthening the Institute's operational efficiency.

The Institute regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs.

For the purpose of capital disclosure, the Council regards the accumulated fund as capital of the Institute.

Statement By Council Members

(Pursuant to Section 169(15) of the Companies Act, 1965)

We, **Dato' Seri Ahmad Johan bin Mohammad Raslan** and **Pushpanathan a/l S.A. Kanagarayar**, 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, 2010 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, 2010.

On behalf of the Council Members,

Dato' Seri Ahmad Johan bin Mohammad Raslan
President

Pushpanathan a/l S.A. Kanagarayar
Vice-President

Kuala Lumpur
May 26, 2011

Statutory Declaration

(Pursuant to Section 169(16) of the Companies Act, 1965)

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)
26th day of May 2011)

Before me:

Yap Lee Chin
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report to the Members

The Malaysian Institute of Certified Public Accountants **(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 statement of financial position as at December 31, 2010 of the Institute, and the statement of comprehensive income, statement of changes in member's equity and statement of cash flows of the Institute for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 62 to 91.

Council's Responsibility for the Financial Statements

The Council of the Institute is responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Institute's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, 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 at December 31, 2010 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

996/03/12(J/PH)

Chartered Accountant

Ng Eng Kiat

1064/03/13(J/PH)

Chartered Accountant

Kuala Lumpur

May 26, 2011

PENYATA KEWANGAN 2010

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Laporan Majlis bagi tahun berakhir 31 Disember 2010

Majlis dengan sukacitanya membentangkan laporan mereka dan penyata kewangan Institut Akauntan Awam Bertauliah Malaysia (Institut) yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2010.

KEGIATAN UTAMA

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

KEPUTUSAN KEWANGAN

	RM
Lebihan kendalian bersih bagi tahun kewangan	<u><u>226,501</u></u>

DIVIDEN

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

REZAB DAN PERUNTUKAN

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

MAJLIS

Ahli-ahli Majlis yang berkhidmat sejak tarikh laporan terakhir pada 27 Mei 2010 ialah:

Abdul Halim bin Md Lassim
Dato' Ab Halim bin Mohyiddin
Dato' Seri Ahmad Johan bin Mohammad Raslan
Ahmad Mustapha bin Ghazali
(Meletak jawatan pada 19.06.2010)
Beh Tok Koay
Datin Hj Fadzilah bte Saad
Dato' Gan Ah Tee
Goh Lee Hwa
Lee Tuck Heng
Lim Thiam Kee
Lim Tian Huat
Loh Lay Choon
Loo Mi Li
Dato' Hj Maidin Syed Ali

Mohamed Raslan Abdul Rahman
Ng Kim Tuck
Dato' Nordin Baharuddin *(Meninggal pada 05.06.2010)*
Poon Yew Hoe
Pushpanathan a/l S.A. Kanagarayar
See Huey Beng
Seow Yoo Lin
Sukanta K Dutt
Dato' Syed Faisal Albar bin Syed A R Albar
(Dilantik pada 16.10.2010)
Tan Bun Poo
Tan Chin Hock
Tan Theng Hooi
Teo Swee Chua *(Dilantik pada 14.08.2010)*
Venkatramanan Viswanathan
Dr Veerinderjeet Singh
Dato' Yeo How
Datuk Robert Yong Kuen Loke
Yong Yoon Shing *(Dilantik pada 19.06.2010)*

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

Abdul Halim bin Md Lassim
Dato' Gan Ah Tee
Lim Thiam Kee
Loo Mi Li
Dato' Hj Maidin Syed Ali
Ng Kim Tuck
Poon Yew Hoe
Tan Bun Poo

Menurut undang-undang kecil 13, ahli-ahli Majlis berikut yang dilantik untuk memenuhi kekosongan sambilan akan bersara pada Mesyuarat Agung Tahunan dan, disebabkan layak, menawarkan diri mereka untuk dilantik semula:

Tan Theng Hooi
Teo Swee Chua

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 MICPA 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.

Pada akhir tahun kewangan, mahupun pada bila-bila masa sepanjang tahun tersebut, Institut tidak menjadi pihak kepada sebarang persetujuan yang matlamatnya adalah 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 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 urusan perniagaan 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) tiada 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 tanggungannya apabila tiba masanya;
 - (ii) keputusan kendalian Institut sepanjang tahun kewangan tidak dipengaruhi dengan ketara 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

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

Bagi pihak Majlis,

Dato' Seri Ahmad Johan bin Mohammad Raslan
Presiden

Pushpanathan a/l S.A. Kanagarayar
Naib Presiden

Laporan ini dibuat menurut resolusi Majlis yang telah diluluskan pada 26 Mei 2011.

Penyata Kedudukan Kewangan pada 31 Disember 2010

	Nota	2010 RM	2009 RM
Aset			
Aset Bukan Semasa			
Loji dan peralatan	4	53,744	64,598
Kos pembangunan buku panduan belajar	5	16,600	24,900
Pendahuluan kepada Tabung Amanah Pendidikan MACPA	6	-	78,427
		<u>70,344</u>	<u>167,925</u>
Aset Semasa			
Buku panduan belajar, pada kos		5,739	5,163
Penghutang, prabayaran dan deposit	7	481,042	498,373
Simpanan tetap	8	1,131,517	654,830
Wang tunai dan baki di bank		108,524	129,835
		<u>1,726,822</u>	<u>1,288,201</u>
Jumlah Aset		<u><u>1,797,166</u></u>	<u><u>1,456,126</u></u>
Dana dan Liabiliti			
Dana Terkumpul			
Baki pada 1 Januari		355,417	180,717
Lebihan kendalian bersih bagi tahun kewangan		226,501	174,700
Baki pada 31 Disember		<u>581,918</u>	<u>355,417</u>
Liabiliti Bukan Semasa			
Pendapatan tertunda	9	225,000	225,000
Liabiliti Semasa			
Yuran pendahuluan		95,297	32,082
Pemiutang dan akruan	10	894,951	843,627
		<u>990,248</u>	<u>875,709</u>
Jumlah Liabiliti		<u>1,215,248</u>	<u>1,100,709</u>
Jumlah Dana dan Liabiliti		<u><u>1,797,166</u></u>	<u><u>1,456,126</u></u>

Nota-nota pada muka surat 103 hingga 131 merupakan sebahagian penting penyata kewangan ini.

Penyata Pendapatan Komprehensif bagi tahun kewangan berakhir 31 Disember 2010

	Nota	2010 RM	20009 RM
Pendapatan			
Yuran tahunan ahli		1,548,904	1,493,007
Yuran peperiksaan		530,500	85,675
Yuran sijil pengamalan		229,680	225,060
Yuran pengecualian pelajar		83,850	99,125
Yuran tahunan pelajar		121,920	115,363
Yuran kemasukan ahli		52,000	33,810
Yuran pendaftaran dan pemindahan pelajar		44,735	40,980
Yuran ahli sementara		15,000	19,703
		<u>2,626,589</u>	<u>2,112,723</u>
Pendapatan daripada Aktiviti-Aktiviti Lain	11	742,259	958,679
Pendapatan Lain	12	<u>43,257</u>	<u>26,156</u>
Jumlah Pendapatan		3,412,105	3,097,558
Belanja Kendalian	13	(2,697,002)	(2,367,157)
Belanja Aktiviti-Aktiviti Lain	11	<u>(488,907)</u>	<u>(555,396)</u>
		226,196	175,005
Cukai	14	<u>305</u>	<u>(305)</u>
Lebihan Kendalian Bersih / Jumlah Pendapatan Komprehensif bagi Tahun Kewangan		<u><u>226,501</u></u>	<u><u>174,700</u></u>

Nota-nota pada muka surat 103 hingga 131 merupakan sebahagian penting penyata kewangan ini.

***Penyata Perubahan Ekuiti Ahli-Ahli
bagi tahun kewangan berakhir 31 Disember 2010***

	Dana Terkumpul RM
Baki pada 1 Januari 2009	180,717
Lebihan kendalian bersih / Jumlah pendapatan komprehensif bagi tahun kewangan	<u>174,700</u>
Baki pada 31 Disember 2009	355,417
Lebihan kendalian bersih / Jumlah pendapatan komprehensif bagi tahun kewangan	<u>226,501</u>
Baki pada 31 Disember 2010	<u><u>581,918</u></u>

Nota-nota pada muka surat 103 hingga 131 merupakan sebahagian penting penyata kewangan ini.

Penyata Aliran Tunai bagi tahun kewangan berakhir 31 Disember 2010

	Nota	2010 RM	2009 RM
Aliran Tunai daripada Aktiviti Kendalian			
Penerimaan tunai			
Yuran		2,071,938	1,958,166
Yuran peperiksaan		563,500	67,975
Jurnal dan penerbitan		130,822	109,923
Seminar		395,229	515,090
Buku panduan belajar		20,700	46,900
Bengkel peperiksaan		66,284	231,150
Bantuan Kerajaan		-	225,000
Lain-lain		186,433	110,908
Bayaran tunai			
Belanja kendalian		(2,827,893)	(2,627,920)
Cukai dibayar		(89)	(519)
Buku panduan belajar		(3,679)	(5,335)
Bayaran sewa pejabat kepada Tabung Amanah Pendidikan MACPA		(120,000)	(120,000)
Tunai bersih terjana daripada aktiviti kendalian		483,245	511,338
Aliran Tunai daripada Aktiviti Pelaburan			
Kos pembangunan buku panduan belajar		(8,000)	(5,000)
Pembelian loji dan peralatan	4	(24,624)	(47,815)
Faedah diterima daripada simpanan tetap		4,921	9,219
Bayaran bagi pihak Tabung Amanah Pendidikan MACPA	17	(166)	(994)
Tunai bersih digunakan untuk aktiviti pelaburan		(27,869)	(44,590)
Tambahan Bersih dalam Tunai dan Kesetaraan Tunai		455,376	466,748
Tunai dan Kesetaraan Tunai pada Awal Tahun Kewangan		784,665	317,917
Tunai dan Kesetaraan Tunai pada Akhir Tahun Kewangan	16	1,240,041	784,665

Nota-nota pada muka surat 103 hingga 131 merupakan sebahagian penting penyata kewangan ini.

Nota Kepada Penyata Kewangan 31 Disember 2010

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 (2009: 20).

Penyata kewangan dibentangkan dalam Ringgit Malaysia (RM), iaitu matawang fungsian Institut.

Penyata kewangan telah diluluskan dan dibenarkan untuk diterbitkan menurut satu resolusi Majlis pada 26 Mei 2011.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING

2.1 Asas Penyediaan

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

Institut telah menerima pakai Piawaian Pelaporan Kewangan (FRS) baru dan disemak semula, Tafsiran Jawatankuasa Interpretasi (IC) dan pindaan kepada FRS yang telah diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia (MASB) seperti yang dibentangkan dalam Nota 2.2 di bawah, yang berkuatkuasa dari awal tahun kewangan semasa.

2.2 FRS Baru dan Disemak Semula, Tafsiran IC dan Pindaan kepada FRS yang Diterima Pakai oleh Institut

Polisi perakaunan yang diterima pakai oleh Institut adalah sejajar dengan polisi yang telah diterima pakai dalam tahun kewangan sebelumnya selain daripada penerimaan pakai FRS baru dan disemak semula, Tafsiran IC dan Pindaan kepada FRS berikut yang relevan kepada kendalian Institut dan berkuatkuasa dari permulaan tahun kewangan semasa:

FRS 7	Instrumen Kewangan: Pendedahan
FRS 101	Pembentangan Penyata Kewangan (Disemak semula)
FRS 123	Kos Pinjaman (Disemak semula)
FRS 139	Instrumen Kewangan: Pengiktirafan dan Penilaian
Tafsiran IC 9	Penilaian Semula Derivatif Tersirat
Pindaan kepada FRS 1	Penerimaan Pakai Kali Pertama Piawaian Pelaporan Kewangan
Pindaan kepada FRS 7	Instrumen Kewangan: Pendedahan

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 FRS yang Baru dan Disemak Semula, Tafsiran IC dan Pindaan kepada FRS yang Diterima Pakai oleh Institut (sambungan)

Pindaan kepada FRS 132	Instrumen Kewangan: Pembentangan <ul style="list-style-type: none">- Instrumen Kewangan Boleh Letak dan Obligasi Berikutan Pembubaran- Klasifikasi Komponen untuk Instrumen Kewangan Kompond
Pindaan kepada FRS 139	Instrumen Kewangan: Pengiktirafan dan Penilaian
Pindaan kepada FRS diklasifikasi sebagai "Penambahbaikan kepada FRS (2009)"	

Penerimaan pakai FRS baru dan disemak semula dan Tafsiran IC dan pindaan kepada FRS tidak memberi sebarang kesan ketara ke atas keputusan dan kedudukan kewangan Institut maupun sebarang perubahan ketara dalam pembentangan dan pendedahan amaun dalam penyata kewangan selain daripada yang dinyatakan seperti di bawah:

(a) FRS 7, Instrumen Kewangan: Pendedahan

Sebelum 1 Januari 2010, pendedahan maklumat mengenai fakta yang mempengaruhi amaun, pemasaan dan kepastian aliran tunai masa depan suatu entiti mengenai instrumen kewangan dilakukan menurut keperluan FRS 132, *Instrumen Kewangan: Pendedahan dan Pembentangan*. FRS 7 menggantikan keperluan pendedahan FRS 132 dan memperkenalkan pendedahan yang lebih ke atas instrumen kewangan. Ia memerlukan pendedahan kepentingan instrumen kewangan untuk prestasi dan kedudukan kewangan suatu entiti dan maklumat kualitatif dan kuantitatif mengenai pendedahan kepada risiko yang timbul daripada instrumen kewangan, termasuk pendedahan minimum tertentu mengenai risiko kredit, risiko kecairan dan aliran tunai dan risiko pasaran.

Institut telah menerima pakai FRS 7 secara prospektif menurut peruntukan peralihan piawaian. Akibatnya, sesetengah maklumat perbandingan untuk pendedahan baru tersebut tidak dibentangkan. Memandangkan perubahan tersebut hanya mempengaruhi pendedahan, ia tidak memberi kesan ke atas keputusan atau kedudukan kewangan Institut.

(b) FRS 101, Pembentangan Penyata Kewangan (Disemak semula)

FRS 101 disemak semula memperkenalkan perubahan kepada keperluan keseluruhan bagi pembentangan penyata kewangan, garis panduan bagi strukturnya dan keperluan minimum bagi kandungannya.

Piawaian disemak semula memerlukan pembentangan kesemua perubahan ekuiti pemilik dalam penyata perubahan ekuiti dan kesemua perubahan ekuiti bukan pemilik dibentangkan secara berasingan dalam satu penyata pendapatan komprehensif atau dalam dua penyata yang berkaitan. Institut telah memilih untuk membuat pembentangan dalam satu penyata.

Piawaian disemak semula juga memerlukan suatu penyata kedudukan kewangan pada permulaan tempoh perbandingan yang terawal apabila terdapat perubahan dalam polisi perakaunan secara retrospektif atau apabila terdapatnya penyataan semula secara retrospektif atau klasifikasi semula butiran dalam penyata kewangan.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.2 FRS Baru dan Disemak Semula, Tafsiran IC dan Pindaan kepada FRS yang Diterima Pakai oleh Institut (sambungan)

(b) FRS 101, Pembentangan Penyata Kewangan (Disemak semula) (sambungan)

Selain itu, FRS 101 disemak semula memerlukan pendedahan maklumat baru yang membolehkan pengguna penyata kewangan untuk menilai objektif, polisi dan proses pengurusan modal Institut.

Institut telah menerima pakai FRS 101 disemak semula secara retrospektif. Penerimaan pakai tersebut tidak mempunyai kesan ke atas keputusan atau kedudukan kewangan Institut untuk tahun-tahun kewangan semasa dan sebelumnya.

(c) FRS 139, Instrumen Kewangan: Pengiktirafan dan Penilaian

FRS 139 menetapkan prinsip-prinsip untuk mengiktiraf dan menilai aset kewangan, liabiliti kewangan dan sesetengah kontrak untuk membeli atau menjual butiran bukan kewangan. Perakaunan lindung nilai hanya dibenarkan di bawah keadaan ketat. Institut telah menerima pakai FRS 139 secara prospektif bermula dari 1 Januari 2010 menurut peruntukan piawaian peralihan.

Penerimaan pakai FRS 139 telah mengakibatkan perubahan kepada polisi perakaunan yang berkaitan dengan pengiktirafan dan penilaian instrumen kewangan Institut seperti yang dinyatakan di bawah:

Rosot Nilai Penghutang

Sebelum 1 Januari 2010, peruntukan hutang ragu dilakukan apabila suatu hutang dianggap ragu dalam pungutan. Sebaik sahaja penerimaan pakai FRS 139, kerugian rosot nilai akan diiktirafkan apabila terdapatnya bukti objektif di mana suatu kerugian rosot nilai telah berlaku. Jumlah kerugian dinilai sebagai perbezaan di antara nilai buku penghutang dan nilai kini aliran tunai masa depan dijangka yang didiskaunkan pada kadar faedah efektif asal penghutang. Pada 1 Januari 2010, Institut telah menilai semula peruntukan kerugian rosot nilai pada tarikh tersebut menurut FRS 139 dan didapati bahawa ianya tidak berbeza dengan nilai diiktirafkan sebelumnya.

Lain-lain FRS baru dan disemak semula dan Tafsiran IC yang diterbitkan oleh MASB berkuatkuasa dari permulaan tahun kewangan semasa tetapi tidak relevan kepada kendalian Institut adalah seperti berikut:

FRS 4	Kontrak Insurans
FRS 8	Segmen Kendalian
Tafsiran IC 10	Pelaporan Kewangan Interim dan Rosot Nilai
Tafsiran IC 11	FRS 2 – Urusniaga Syer Kumpulan dan Perbendaharaan
Tafsiran IC 13	Program Kesetiaan Pengguna
Tafsiran IC 14	FRS 119 – Had atas Aset Manfaat Tetap, Keperluan Pendanaan Minimum dan Interaksinya
Pindaan kepada FRS 2	Bayaran berasaskan Syer – Syarat-syarat dan Pembatalan Letak Hak
Pindaan kepada FRS 127	Penyata Kewangan Disatukan dan Berasingan: Kos Pelaburan dalam sebuah Subsidiari, Entiti Kawalan Bersama atau Syarikat Bersekutu

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.3 FRS Baru dan Disemak Semula, Tafsiran IC dan Pindaan kepada FRS dan Tafsiran IC Yang Belum Dikuatkuasakan dan Telah Diterima Pakai Awal

Institut menerima pakai awal FRS baru dan disemak semula dan Tafsiran IC dan Pindaan kepada FRS dan Tafsiran IC berikut, di mana relevan, yang telah diterbitkan tetapi belum efektif:

		Berkuatkuasa untuk tempoh kewangan bermula pada atau selepas
FRS 1	Penerimaan Pakai Kali Pertama Piawaian Pelaporan Kewangan (Disemak semula)	1 Julai 2010
FRS 3	Kombinasi Perniagaan (Disemak semula)	1 Julai 2010
FRS 124	Pendedahan Pihak Berkaitan	1 Januari 2012
FRS 127	Penyata Kewangan Disatukan dan Berasingan (Disemak semula)	1 Julai 2010
Pindaan kepada FRS 1	Penerimaan Pakai Kali Pertama Piawaian Pelaporan Kewangan <ul style="list-style-type: none"> - Pengecualian Terhadap daripada Perbandingan FRS 7 Pendedahan untuk Penerima Pakai Kali Pertama - Pengecualian Tambahan untuk Penerima Pakai Kali Pertama 	1 Januari 2011
Pindaan kepada FRS 2	Bayaran berasaskan Syer <ul style="list-style-type: none"> - Skop FRS 2 dan FRS 3 yang disemak semula - Urusniaga Bayaran berasaskan Syer Dijelaskan secara Tunai bagi Kumpulan 	1 Januari 2011
Pindaan kepada FRS 5	Aset Bukan Semasa Dipegang untuk Jualan dan Penamatan Kendalian <ul style="list-style-type: none"> - Rancangan untuk menjual kepentingan terkawal dalam sebuah subsidiary 	1 Julai 2010
Pindaan kepada FRS 7	Instrumen Kewangan : Pendedahan <ul style="list-style-type: none"> - Memperbaiki Pendedahan mengenai Instrumen Kewangan 	1 Januari 2011
Pindaan kepada FRS 132	Instrumen Kewangan : Pembentangan <ul style="list-style-type: none"> - Klasifikasi Hak Bersyarat 	1 Mac 2010
Pindaan kepada FRS 138	Aset Tak Ketara – Pindaan tambahan akibat FRS 3 yang disemak semula	1 Julai 2010
Tafsiran IC 4	Menentukan sama ada suatu Pengaturan mengandungi Pajakan	1 Januari 2011
Tafsiran IC 12	Pengaturan Konsesi Perkhidmatan	1 Julai 2010
Tafsiran IC 15	Perjanjian untuk Pembinaan Hartanah	1 Januari 2012
Tafsiran IC 16	Lindung Nilai Pelaburan Bersih dalam Kendalian Luar Negeri	1 Julai 2010
Tafsiran IC 17	Pengagihan Aset Bukan Tunai kepada Pemilik	1 Julai 2010
Tafsiran IC 18	Pemindahan Aset daripada Penggunaan	1 Januari 2011

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.3 FRS Baru dan Disemak Semula, Tafsiran IC dan Pindaan kepada FRS dan Tafsiran IC Yang Belum Dikuatkuasakan dan Telah Diterima Pakai Awal (sambungan)

Tafsiran IC 19	Pelupusan Liabiliti Kewangan dengan Instrumen Ekuiti	1 Julai 2011
Pindaan kepada Tafsiran IC 9	Penilaian Semula Derivatif Tersirat - Skop Tafsiran IC 9 dan FRS 3 yang disemak semula	1 Julai 2010
Pindaan kepada Tafsiran IC 14	Keperluan Prabayaran Dana Minimum	1 Julai 2011
Pindaan kepada FRS diklasifikasi sebagai "Penambahbaikan kepada FRS (2010)"		

Penerimaan pakai FRS, Tafsiran IC dan pindaan-pindaan kepada FRS dan Tafsiran IC di atas tidak memberi kesan ketara ke atas penyata kewangan Institut.

2.4 Loji dan Peralatan dan Susut Nilai

Butiran loji dan peralatan dicatat pada kos, tolak susut nilai terkumpul dan kerugian rosot nilai terkumpul. Kos termasuk perbelanjaan yang boleh diagihkan terus kepada perolehan aset tersebut.

Kos mengganti sebahagian daripada butiran loji dan peralatan diiktirafkan dalam nilai buku butiran tersebut atau diiktiraf sebagai aset berasingan, seperti yang sewajarnya, hanya apabila terdapatnya kemungkinan bahawa manfaat-manfaat ekonomi masa depan berkaitan dengan butiran tersebut akan mengalir masuk ke Institut dan kos butiran tersebut dapat dinilai dengan pasti. Nilai buku bagi bahagian diganti akan dilucutkan pengiktirafannya. Kesemua pembaikan dan penyelenggaraan akan dicaj kepada untung atau rugi dalam tempoh kewangan di mana ianya berlaku.

Susut nilai dikira berdasarkan kaedah garis lurus untuk menghapuskita kos loji dan peralatan kepada nilai sisanya ke atas anggaran hayat kegunaan yang dijangkakan. Kadar tahunan asas yang digunakan adalah seperti berikut:

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

Nilai sisa dan hayat berguna aset disemak semula pada setiap akhir tahun kewangan dan diselaraskan secara prospektif, sekiranya sesuai, di mana jangkaan berlainan daripada anggaran sebelumnya. Loji dan peralatan disemak semula untuk rosot nilai berasaskan kepada dasar perakaunan Institut untuk rosot nilai aset.

Suatu butiran loji dan peralatan dilucutkan pengiktirafannya sebaik sahaja pelupusan atau apabila tiada manfaat ekonomi pada masa depan dijangka daripada penggunaan atau pelupusannya. Perbezaan di antara hasil pelupusan bersih, jika ada, dan nilai buku bersih adalah diiktirafkan dalam untung atau rugi.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.5 Rosot Nilai Aset Bukan Kewangan

Nilai buku aset bukan kewangan (selain daripada inventori buku panduan belajar dan aset cukai tertunda) disemak semula untuk rosot nilai pada akhir setiap tempoh pelaporan untuk menentukan sama ada terdapat sebarang petunjuk rosot nilai. Sekiranya wujudnya petunjuk sebegini, nilai perolehan semula aset adalah dijangka untuk menentukan nilai kerugian rosot nilai. Kerugian rosot nilai diperuntukkan apabila nilai buku satu aset melebihi nilai perolehan semulanya. Nilai perolehan semula adalah nilai yang lebih tinggi di antara nilai saksama satu aset ditolak kos jualan dan nilai penggunaannya yang dinilai dengan merujuk kepada aliran tunai masa depan yang didiskaunkan.

Kerugian rosot nilai adalah diiktirafkan dalam untung atau rugi dalam tempoh di mana ianya wujud.

Kerugian rosot nilai untuk suatu aset adalah dinyatakan semula sekiranya, dan hanya sekiranya, terdapat perubahan dalam anggaran yang digunakan untuk menentukan nilai perolehan semula satu aset sejak kerugian rosot nilai yang terakhir diiktirafkan. Nilai buku satu aset akan ditingkatkan kepada nilai perolehan yang disemak semula, jika nilai tersebut tidak melebihi nilai buku yang telah ditentukan (tolak pelunasan atau susut nilai) jika tidak terdapat kerugian rosot nilai diiktirafkan untuk aset dalam tahun-tahun sebelumnya. Suatu pernyataan semula kerugian rosot nilai untuk suatu aset diiktiraf dalam untung atau rugi.

2.6 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 akan dibelanjakan dalam tahun di mana bayaran dilakukan.

Stok buku panduan belajar dicatat pada nilai terendah antara kos 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 yang dianggarkan dalam urusan perniagaan biasa tolak kesemua kos anggaran untuk menjual.

2.7 Peruntukan

Peruntukan diiktiraf apabila Institut mempunyai satu obligasi semasa yang sah di sisi undang-undang dan konstruktif yang disebabkan oleh peristiwa lepas dan terdapat kemungkinan satu aliran keluar sumber melibatkan manfaat ekonomi diperlukan untuk menyelesaikan obligasi tersebut dan anggaran yang boleh dipercayai dapat dibuat bagi amaun obligasi tersebut. Di mana kesan nilai masa untuk wang adalah penting, jumlah peruntukan diukur pada nilai kini perbelanjaan yang dijangka akan diperlukan untuk menjelaskan obligasi tersebut dengan menggunakan kadar pra-cukai yang menggambarkan penilaian pasaran semasa nilai masa untuk wang dan risiko tertentu terhadap liabiliti tersebut. Di mana diskaun digunakan, peningkatan dalam jumlah sesuatu peruntukan disebabkan masa diiktirafkan sebagai kos kewangan.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.8 Tunai dan Kesetaraan Tunai

Tunai dan kesetaraan tunai merangkumi 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 dengan menggunakan kaedah langsung.

Tunai dan kesetaraan tunai dikategori dan dinilai sebagai pinjaman dan penghutang menurut polisi Nota 2.14(c).

2.9 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 memperuntukkan manfaat selepas pengajian melalui caruman kepada pelan caruman tetap yang dikendalikan oleh pihak berkuasa yang relevan pada kadar yang ditetapkan.

Pelan caruman tetap adalah pelan manfaat selepas pengajian di mana Institut membayar caruman tetap kepada suatu entiti berasingan (suatu dana) dan tidak mempunyai obligasi yang sah di sisi undang-undang atau konstruktif untuk membayar caruman selanjutnya sekiranya dana tersebut tidak memegang aset yang mencukupi untuk membayar semua manfaat kakitangan berkaitan dengan perkhidmatan kakitangan dalam tempoh semasa dan sebelumnya.

Caruman Institut kepada pelan caruman tetap diiktiraf sebagai belanja dalam tahun ianya berlaku.

2.10 Bantuan Kerajaan

Bantuan kerajaan, termasuk bantuan bukan kewangan, tidak akan diiktiraf sehingga terdapat kepastian yang munasabah di mana semua syarat-syarat terikat kepada bantuan tersebut akan dapat dipatuhi dan bantuan akan diterima.

Bantuan berkaitan dengan aset diwujudkan sebagai pendapatan tertunda dan diiktiraf sebagai pendapatan secara sistematik ke atas hayat dijangka aset tersebut. Bantuan berkaitan dengan belanja diiktiraf sebagai pendapatan dalam tempoh bantuan tersebut menjadi penghutang. Bantuan berkaitan dengan kos masa depan ditundakan dan diiktiraf dalam untung atau rugi dalam tempoh yang sama sebagai kos berkaitan.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.11 Urusniaga Matawang Asing dan Baki

Dalam menyediakan penyata kewangan Institut, urusniaga dalam matawang selain daripada matawang fungsian Institut (matawang asing) dicatatkan dalam matawang fungsian dengan menggunakan kadar pertukaran lazim pada tarikh urusniaga. Pada akhir setiap tempoh pelaporan, aset dan liabiliti kewangan dalam matawang asing diterjemahkan pada kadar pertukaran lazim pada akhir tempoh pelaporan. Item bukan kewangan yang dinilai mengikut kos sejarah dalam matawang asing diterjemahkan dengan menggunakan kadar pertukaran pada tarikh urusniaga. Butiran bukan kewangan yang dinilai pada nilai saksama dalam matawang asing diterjemahkan dengan menggunakan kadar pertukaran pada tarikh apabila nilai saksama ditentukan.

Perbezaan pertukaran yang wujud dari penyelesaian urusniaga dalam matawang asing dan dari terjemahan aset dan liabiliti kewangan dalam matawang asing diiktiraf dalam keuntungan atau kerugian.

Perbezaan pertukaran yang wujud dari terjemahan butiran bukan kewangan yang dinilai pada nilai saksama adalah termasuk dalam untung atau rugi untuk tempoh tersebut kecuali perbezaan yang wujud dari terjemahan butiran bukan kewangan di mana perolehan atau kerugian diiktiraf secara langsung dalam pendapatan komprehensif yang lain. Perbezaan pertukaran yang wujud dari butiran bukan kewangan sebegini adalah diiktiraf secara langsung dalam pendapatan komprehensif yang lain.

Kadar penutup pertukaran matawang asing diguna pakai dalam penyediaan penyata kewangan adalah seperti berikut:

	2010	2009
	RM	RM
1 Dolar Australia	<u>3.14</u>	<u>3.08</u>

2.12 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 tersebut dengan menggunakan kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada akhir tempoh pelaporan.

Cukai tertunda diperuntukkan mengikut kaedah liabiliti ke atas perbezaan sementara pada akhir tempoh pelaporan antara nilai buku aset dan liabiliti dalam penyata kewangan dengan jumlah yang digunakan bagi aset dan liabiliti tersebut untuk tujuan percukaian.

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 akan berlaku di mana aset tersebut boleh digunakan.

Nilai buku aset cukai tertunda disemak semula pada akhir setiap tempoh pelaporan dan akan dikurangkan setakat di mana kemungkinan faedah cukai yang berkaitan tidak akan direalisasikan. Kadar cukai yang dikuatkuasakan atau hampir dikuatkuasakan pada akhir tempoh pelaporan adalah digunakan untuk menentukan cukai tertunda.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.13 Pengiktirafan Pendapatan dan Belanja

Yuran Ahli dan Pelajar

- (i) Yuran tahunan Institut ialah 1 Januari hingga 31 Disember. Yuran tahunan ahli dan pelajar adalah 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 penyata kedudukan kewangan 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 efektif.

Aktiviti-aktiviti Lain

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

Dasar pengiktirafan pendapatan dan belanja bagi aktiviti-aktiviti sebegini oleh Institut adalah seperti berikut:

- (i) Setakat aktiviti disempurnakan pada atau sebelum tempoh pelaporan, sebarang lebihan atau defisit diiktiraf dalam penyata pendapatan komprehensif.
- (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 komprehensif dalam tahun kewangan ianya berlaku.

Belanja aktiviti lain adalah berkaitan dengan belanja langsung yang boleh dikenalpasti.

2.14 Aset Kewangan

Institut mengiktiraf semua aset kewangan dalam penyata kedudukan kewangannya apabila, dan hanya apabila, Institut menjadi satu pihak berkontrak kepada peruntukan instrumen tersebut.

Klasifikasi dan Penilaian

Aset kewangan dinilai pada mulanya berdasarkan kepada nilai saksama ditambah, dalam kes di mana aset kewangan bukan pada nilai saksama melalui untung atau rugi, kos urusniaga yang berpunca secara langsungnya.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.14 Aset Kewangan (sambungan)

Aset kewangan adalah diklasifikasikan mengikut kategori tertentu berikut bergantung pada sifat semulajadi dan tujuan aset kewangan dan ditentukan pada masa pengiktirafan permulaan.

(a) Aset kewangan pada nilai saksama melalui untung atau rugi

Aset kewangan diklasifikasikan pada nilai saksama melalui untung atau rugi apabila aset kewangan tersebut sama ada dipegang untuk dagangan atau ditetapkan sebegini selepas pengiktirafan permulaan.

Suatu aset kewangan diklasifikasikan sebagai dipegang untuk dagangan sekiranya:

- ianya diperolehi terutamanya untuk tujuan menjual dalam jangka masa yang terdekat; atau
- semasa pengiktirafan permulaan, ia merupakan sebahagian daripada portfolio instrumen kewangan dikenalpasti di mana Institut mengurus bersama dan mempunyai suatu corak sebenar terkini bagi mengaut untung jangka pendek; atau
- ia adalah suatu derivatif yang bukan suatu instrumen lindung nilai yang ditetapkan dan efektif.

Selepas pengiktirafan permulaan, aset kewangan pada nilai saksama melalui untung atau rugi dinilai pada nilai saksama dengan sebarang perolehan atau kerugian yang wujud daripada perubahan dalam nilai saksama diiktiraf dalam untung atau rugi. Perolehan atau kerugian bersih tersebut tidak termasuk sebarang perbezaan pertukaran, dividen atau faedah diperolehi daripada aset kewangan. Perbezaan pertukaran, dividend dan faedah diperolehi daripada aset kewangan pada nilai saksama melalui untung atau rugi diiktiraf secara berasingan dalam untung atau rugi sebagai sebahagian daripada pendapatan lain atau belanja lain.

Derivatif yang berkaitan dengan dan patut dijelaskan dengan menggunakan instrumen ekuiti tidak disebut harga di mana nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos.

(b) Pelaburan dipegang sehingga matang

Pelaburan dipegang sehingga matang adalah aset kewangan bukan derivatif dengan pembayaran ditetapkan atau boleh ditentukan dan kematangan tetap di mana Institut mempunyai hasrat positif dan keupayaan untuk memegang sehingga matang.

Berikutan pengiktirafan permulaan, pelaburan dipegang sehingga matang dinilai pada kos dilunaskan dengan menggunakan kaedah kadar faedah efektif. Suatu perolehan atau kerugian diiktiraf dalam untung atau rugi apabila pelaburan dipegang sehingga matang dilucut pengiktirafan atau rosot nilai, dan melalui proses pelunasan.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.14 Aset Kewangan (sambungan)

(c) Pinjaman dan penghutang

Pinjaman dan penghutang adalah aset kewangan bukan derivatif dengan pembayaran ditetapkan atau boleh ditentukan yang mana tidak disebut harga dalam suatu pasaran yang aktif. Penghutang perniagaan, pinjaman dan penghutang lain diklasifikasikan sebagai pinjaman dan penghutang.

Berikutan pengiktirafan permulaan, pinjaman dan penghutang dinilai pada kos dilunaskan dengan menggunakan kaedah faedah efektif. Perolehan dan kerugian diiktiraf dalam untung atau rugi apabila pinjaman dan penghutang dilucut pengiktirafan atau rosot nilai, dan melalui proses pelunasan.

(d) Aset kewangan sedia untuk dijual

Aset kewangan sedia untuk dijual adalah aset kewangan bukan derivatif yang ditetapkan sebagai sedia untuk dijual atau tidak diklasifikasikan sebagai pinjaman dan penghutang, pelaburan dipegang sehingga matang atau pada nilai saksama melalui untung atau rugi. Aset kewangan sedia untuk dijual termasuk ekuiti disebut harga dan ekuiti tidak disebut harga dan instrumen hutang yang tidak dipegang untuk dagangan.

Berikutan pengiktirafan permulaan, ekuiti disebut harga dan instrumen hutang adalah dinilai pada nilai saksama dan pelaburan dalam instrumen ekuiti yang tidak mempunyai harga pasaran disebut harga dalam suatu pasaran aktif dan di mana nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos. Suatu perolehan atau kerugian daripada perubahan nilai saksama diiktiraf dalam pendapatan komprehensif lain, melainkan kerugian rosot nilai, perolehan atau kerugian pertukaran asing bagi instrumen kewangan dan faedah dikira dengan menggunakan kaedah faedah efektif diiktiraf dalam untung atau rugi. Perolehan atau kerugian terkumpul diiktiraf sebelumnya dalam pendapatan komprehensif lain diklasifikasi semula daripada ekuiti kepada untung atau rugi sebagai pelarasan pengklasifikasi semula apabila aset kewangan tersebut dilucut pengiktirafannya. Dividen bagi suatu instrumen ekuiti diiktiraf dalam untung atau rugi apabila hak Institut untuk menerima bayaran adalah mantap.

Kaedah biasa untuk membeli atau menjual aset kewangan

Kaedah biasa untuk membeli atau menjual aset kewangan adalah diiktiraf dan dilucut pengiktirafan dengan menggunakan perakaunan tarikh dagangan. Perakaunan tarikh dagangan merujuk kepada:

- pengiktirafan suatu aset diterima dan liabiliti perlu dibayarnya pada tarikh dagangan yang merupakan tarikh di mana Institut menyatakan kesanggupannya untuk membeli atau menjual suatu aset; dan
- melucutkan pengiktirafan suatu aset yang telah dijual, pengiktirafan sebarang perolehan atau kerugian ke atas penghapuskiraan dan pengiktirafan penghutang daripada pembeli untuk bayaran pada tarikh dagangan.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.14 Aset Kewangan (sambungan)

Rosot nilai aset kewangan

Institut menilai pada setiap akhir tempoh pelaporan sama ada terdapat sebarang bukti objektif yang mana suatu aset kewangan, selain daripada aset kewangan pada nilai saksama melalui untung atau rugi, adalah rosot nilai. Aset kewangan dianggap rosot nilai apabila bukti objektif menyatakan bahawa suatu peristiwa kerugian telah berlaku selepas pengiktirafan permulaan aset dan di mana peristiwa kerugian tersebut mempunyai kesan negatif ke atas aliran tunai masa depan dijangka aset tersebut yang boleh dijangka dengan kepastian. Kerugian dijangka yang disebabkan oleh suatu peristiwa masa depan, tidak dikira betapa berkemungkinannya, tidak diiktirafkan. Untuk suatu instrumen ekuiti disebut harga, pengurangan yang ketara atau berpanjangan dalam nilai saksama pelaburan yang kurang daripada kosnya dianggap sebagai bukti objektif rosot nilai.

Suatu jumlah kerugian rosot nilai mengenai aset kewangan dinilai pada kos dilunaskan adalah dinilai sebagai perbezaan antara nilai buku aset dan nilai kini aliran tunai masa depan dijangka didiskaunkan pada kadar faedah efektif asal aset kewangan iaitu kadar efektif dikira pada pengiktirafan permulaan. Nilai buku aset dikurangkan melalui suatu akaun peruntukan. Jumlah kerugian diiktiraf dalam untung atau rugi.

Sekiranya, dalam suatu tempoh berikutnya, jumlah kerugian rosot nilai bagi aset kewangan dinilai pada kos dilunaskan berkurangan dan kekurangan tersebut boleh dikaitkan secara objektif kepada suatu peristiwa yang berlaku selepas rosot nilai diiktiraf, kerugian rosot nilai diiktiraf sebelumnya dinyatakan semula dengan menyelaraskan peruntukan akaun kepada setakat nilai buku aset kewangan tidak melebihi kos dilunaskannya jika rosot nilai belum diiktiraf pada tarikh rosot nilai dinyatakan semula. Nilai dinyatakan semula diiktiraf dalam untung atau rugi.

Apabila suatu aset kewangan sedia untuk dijual adalah rosot nilai, kerugian terkumpul yang telah diiktiraf dalam pendapatan komprehensif lain diklasifikasikan semula daripada ekuiti dan diiktiraf dalam untung atau rugi sebagai pelarasan klasifikasi semula walaupun aset kewangan belum dilucut pengiktirafannya. Jumlah kerugian terkumpul yang diklasifikasikan semula adalah perbezaan antara kos perolehan (tolak sebarang bayaran semula wang pokok dan pelunasan) dan nilai saksama semasa, tolak sebarang kerugian rosot nilai ke atas aset kewangan yang diiktiraf sebelumnya dalam untung atau rugi.

Kerugian rosot nilai diiktiraf dalam untung atau rugi untuk suatu pelaburan dalam instrumen ekuiti yang diklasifikasikan sebagai sedia untuk dijual adalah tidak dinyatakan semula melalui untung atau rugi. Peningkatan dalam nilai saksama, sekiranya ada, berikutan kerugian rosot nilai, diiktiraf dalam pendapatan komprehensif yang lain.

Sekiranya nilai saksama suatu instrumen hutang diklasifikasikan sebagai sedia untuk dijual, peningkatan dalam tempoh berikutnya dan peningkatan tersebut boleh berhubung secara objektif kepada suatu peristiwa yang berlaku selepas kerugian rosot nilai diiktiraf dalam untung atau rugi, kerugian rosot nilai dinyatakan semula dengan nilai penyataan semula diiktiraf dalam untung atau rugi.

Suatu jumlah kerugian rosot nilai berkaitan dengan aset kewangan dibawa pada kos dinilai sebagai perbezaan antara nilai buku aset kewangan dan nilai semasa aliran tunai masa depan dijangka yang didiskaunkan pada kadar pulangan pasaran semasa untuk aset kewangan yang sama. Kerugian rosot nilai sebegini tidak dinyatakan semula dalam tempoh-tempoh berikutnya.

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.14 Aset Kewangan (sambungan)

Melucutkan pengiktirafan suatu aset kewangan

Institut melucut pengiktirafan suatu aset kewangan apabila, dan hanya apabila, hak kontraktual kepada aliran tunai daripada aset kewangan tamat atau ia memindah aset kewangan tersebut tanpa mengekal kawalan atau hampir-hampir semua risiko dan ganjaran pemilik aset kewangan kepada pihak lain.

Dengan melucutkan pengiktirafan aset kewangan secara keseluruhannya, perbezaan antara nilai buku dan jumlah pertimbangan diterima dan sebarang perolehan atau kerugian terkumpul yang telah diiktiraf dalam pendapatan komprehensif yang lain adalah diiktiraf dalam untung atau rugi.

2.15 Liabiliti Kewangan

Institut mengiktiraf semua liabiliti kewangan dalam penyata kedudukan kewangannya apabila, dan hanya apabila, Institut menjadi satu pihak berkontrak kepada peruntukan instrumen tersebut.

Klasifikasi dan Penilaian

Liabiliti kewangan dinilai pada mulanya berdasarkan kepada nilai saksama ditambah, dalam kes liabiliti kewangan lain, kos urusan yang berpunca secara langsungnya.

Liabiliti kewangan adalah diklasifikasikan sebagai sama ada liabiliti kewangan pada nilai saksama melalui untung atau rugi atau liabiliti kewangan lain.

(a) Liabiliti kewangan pada nilai saksama melalui untung atau rugi

Liabiliti kewangan adalah diklasifikasikan pada nilai saksama melalui untung atau rugi apabila liabiliti kewangan adalah sama ada dipegang untuk dagangan atau ditetapkan pada nilai saksama melalui untung atau rugi selepas pengiktirafan permulaan.

Suatu liabiliti kewangan diklasifikasikan sebagai dipegang untuk dagangan sekiranya:

- ia telah diperolehi terutamanya untuk tujuan membeli semula dalam jangka masa terdekat; atau
- semasa pengiktirafan permulaan, ia merupakan sebahagian daripada portfolio instrumen kewangan dikenalpasti di mana Institut mengurus bersama dan mempunyai suatu corak sebenar terkini bagi mengaut untung jangka pendek; atau
- ia adalah suatu derivatif yang bukan suatu kontrak jaminan kewangan atau suatu instrumen lindungan nilai yang ditetapkan dan efektif.

Selepas pengiktirafan permulaan, liabiliti kewangan pada nilai saksama melalui untung atau rugi adalah dinilai pada nilai saksama dengan sebarang perolehan atau kerugian yang wujud daripada perubahan dalam nilai saksama diiktiraf dalam untung atau rugi. Perolehan atau kerugian bersih diiktiraf dalam untung atau rugi tidak termasuk sebarang perbezaan pertukaran atau faedah dibayar pada liabiliti kewangan. Perbezaan pertukaran dan belanja faedah ke atas liabiliti kewangan nilai saksama melalui untung atau rugi diiktiraf secara berasingan dalam untung atau rugi sebagai sebahagian pendapatan lain atau belanja lain. pada

2. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (SAMBUNGAN)

2.15 Liabiliti Kewangan (sambungan)

(a) Liabiliti kewangan pada nilai saksama melalui untung atau rugi (sambungan)

Liabiliti derivatif yang berkaitan dengan dan mesti dijelaskan dengan menggunakan instrumen ekuiti tidak disebut harga yang nilai saksamanya tidak dapat dinilai dengan kepastian adalah dinilai pada kos.

(b) Liabiliti kewangan lain

Semua liabiliti kewangan, selain daripada yang diklasifikasikan sebagai nilai saksama melalui untung atau rugi, adalah kemudiannya dinilai pada kos dilunaskan dengan menggunakan kaedah faedah efektif. Liabiliti kewangan lain Institut termasuk yuran pendahuluan dan pemiutang.

Suatu perolehan atau kerugian ke atas liabiliti kewangan lain diiktiraf dalam untung atau rugi apabila liabiliti kewangan dilucut pengiktirafan dan melalui proses pelunasan.

Liabiliti kewangan dilucut pengiktirafan

Suatu liabiliti kewangan dilucut pengiktirafan apabila, dan hanya apabila, obligasi tertentu dalam kontrak telah lupus. Apabila liabiliti kewangan yang sedia ada ditukar dengan peminjam yang sama dengan syarat yang amat berbeza atau syarat liabiliti sedia ada yang sebahagian besarnya diubah suai, maka ianya diambilkira sebagai suatu pelupusan liabiliti kewangan asal dan liabiliti kewangan baru diiktirafkan. Perbezaan antara nilai buku liabiliti kewangan yang dilupuskan atau dipindah kepada pihak lain dan ganjaran yang dibayar, termasuk aset bukan tunai yang dipindah atau liabiliti yang diandaikan, adalah diiktiraf dalam untung atau rugi.

3. PERTIMBANGAN PERAKAUNAN PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ANGGARAN

Penyediaan penyata kewangan mengikut Piawaian Pelaporan Kewangan memerlukan Majlis untuk mengamal pertimbangan mereka dalam proses penggunaan pakai polisi perakaunan Institut dan mungkin mempunyai kesan ketara ke atas jumlah yang diiktirafkan dalam penyata kewangan. Ia juga memerlukan penggunaan anggaran-anggaran perakaunan dan andaian-andaian yang mempengaruhi jumlah aset dan liabiliti yang dilaporkan dan pendedahan aset dan liabiliti luar jangka pada tarikh penyata kewangan dan keputusan yang dilaporkan bagi tempoh pelaporan dan berkemungkinan mempunyai risiko ketara yang menyebabkan suatu pelarasan yang penting kepada nilai buku aset dan liabiliti dalam tahun kewangan depan. Walaupun pertimbangan dan anggaran tersebut berasaskan kepada pengetahuan Majlis yang luas mengenai peristiwa dan tindakan semasanya, keputusan sebenar mungkin berbeza.

Anggaran-anggaran dan andaian-andaian asas adalah disemak semula secara berterusan. Semakan semula kepada anggaran perakaunan adalah diiktiraf dalam tempoh di mana anggaran tersebut disemak semula jika semakan semula hanya mempengaruhi tempoh tersebut, atau dalam tempoh semakan semula dan tempoh masa depan jika semakan semula tersebut mempengaruhi kedua-dua tempoh semasa dan masa depan.

3. PERTIMBANGAN PERAKAUNAN PENTING DAN SUMBER UTAMA KETIDAKPASTIAN ANGGARAN (SAMBUNGAN)

(a) Pertimbangan penting dalam mengguna pakai polisi perakaunan Institut

Dalam proses mengguna pakai polisi perakaunan Institut, yang dinyatakan dalam Nota 2, Majlis berpendapat bahawa sebarang contoh penggunaan pertimbangan adalah tidak dijangka mempunyai kesan ketara ke atas jumlah yang diiktirafkan dalam penyata kewangan, melainkan anggaran yang melibatkan penganggaran yang ditangani di bawah.

(b) Sumber Utama Ketidakpastian Anggaran

Andaian utama mengenai masa depan dan sumber utama ketidakpastian anggaran lain pada tarikh pelaporan, yang mempunyai suatu risiko ketara yang menyebabkan suatu pelarasan yang penting kepada nilai buku aset dan liabiliti dalam tahun kewangan depan, adalah dibincangkan di bawah.

(i) Cukai pendapatan dan cukai tertunda

Pertimbangan diperlukan untuk menentukan peruntukan modal dan potongan belanja tertentu apabila menganggarkan peruntukan cukai pendapatan. Terdapat urusan di mana penetapan cukai muktamad adalah tidak pasti dalam keadaan biasa dagangan. Institut mengiktiraf liabiliti berasaskan kepada 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 kepada cukai pendapatan dan cukai tertunda dalam tempoh di mana keputusan diketahui.

(ii) Susut nilai loji dan peralatan

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

(iii) Kerugian rosot nilai penghutang dagangan

Institut membuat suatu peruntukan untuk kerugian rosot nilai berdasarkan kepada penilaian pemulihan daripada penghutang. Peruntukan diguna pakai ke atas penghutang di mana terdapat peristiwa atau perubahan dalam keadaan yang menyatakan bahawa nilai buku mungkin tidak dapat dipulihkan semula. Dalam penilaian tahap hutang yang tidak dapat dipulihkan semula, Majlis telah memberi pertimbangan yang sewajarnya kepada semua maklumat penting berkenaan kesanggupan penghutang untuk menjelaskan hutang. Sekiranya jangkaan adalah berbeza daripada anggaran asal, perbezaan tersebut akan memberi kesan kepada nilai buku penghutang. Nilai buku penghutang dan peruntukan terkumpul untuk kerugian rosot nilai adalah didedahkan dalam Nota 7.

4. LOJI DAN PERALATAN

2010	Peralatan pejabat RM	Perabot dan lengkapan RM	Sistem kawalan RM	Komputer RM	Jumlah RM
Kos					
Pada awal tahun	83,873	84,096	3,020	165,677	336,666
Tambahan	8,115	5,110	-	11,399	24,624
Dihapuskira	(15,449)	-	-	-	(15,449)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Pada akhir tahun	76,539	89,206	3,020	177,076	345,841
Susut nilai terkumpul					
Pada awal tahun	79,812	58,704	2,113	131,439	272,068
Susut nilai bagi tahun kewangan	4,152	8,106	302	22,290	34,850
Dihapuskira	(14,821)	-	-	-	(14,821)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Pada akhir tahun	69,143	66,810	2,415	153,729	292,097
Nilai buku bersih pada 31 Disember 2010					
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	7,396	22,396	605	23,347	53,744
2009					
Kos					
Pada awal tahun	150,625	115,956	5,415	203,608	475,604
Tambahan	980	920	-	45,915	47,815
Dihapuskira	(67,732)	(32,780)	(2,395)	(83,846)	(186,753)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Pada akhir tahun	83,873	84,096	3,020	165,677	336,666
Susut nilai terkumpul					
Pada awal tahun	139,650	84,286	3,904	192,561	420,401
Susut nilai bagi tahun kewangan	7,894	7,198	604	22,724	38,420
Dihapuskira	(67,732)	(32,780)	(2,395)	(83,846)	(186,753)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Pada akhir tahun	79,812	58,704	2,113	131,439	272,068
Nilai buku bersih 31 December 2009					
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	4,061	25,392	907	34,238	64,598

5. KOS PEMBANGUNAN BUKU PANDUAN BELAJAR

	2010	2009
	RM	RM
Kos pembangunan	731,524	723,524
Pelunasan terkumpul	<u>(714,924)</u>	<u>(698,624)</u>
	<u>16,600</u>	<u>24,900</u>
	2010	2009
	RM	RM
Perubahan dalam pelunasan terkumpul:		
Baki pada 1 Januari	698,624	684,324
Caj kepada Penyata Pendapatan Komprehensif	<u>16,300</u>	<u>14,300</u>
Baki pada 31 Disember	<u>714,924</u>	<u>698,624</u>

Kos pembangunan berlaku dalam tahun semasa termasuk jumlah sebanyak RM3,000 (2009: RM3,000) yang dibayar kepada seorang ahli Majlis untuk mengemaskini buku panduan belajar MICPA.

6. 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.

7. PENGHUTANG, PRABAYARAN DAN DEPOSIT

	2010	2009
	RM	RM
Hutang dari Ulasan Belanjawan 2011/2010	97,000	99,057
Hutang dari pertandingan NACRA	30,779	11,443
Yuran belum diterima	374,278	349,839
Pelbagai penghutang	<u>39,037</u>	<u>41,566</u>
	541,094	501,905
Cukai yang dapat diperolehi semula	472	167
Prabayaran lain	9,235	7,001
Deposit	<u>7,050</u>	<u>7,050</u>
	557,851	516,123
Tolak: Peruntukan untuk kerugian rosot nilai	<u>(76,809)</u>	<u>(17,750)</u>
	<u>481,042</u>	<u>498,373</u>

Yuran belum terima dari ahli-ahli semasa adalah 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.

7. PENGHUTANG, PRABAYARAN DAN DEPOSIT (SAMBUNGAN)

Institut telah mengiktiraf suatu kerugian rosot nilai penghutang berdasarkan penilaian hutang individu oleh pengurusan yang menganggap bahawa besar kemungkinan mereka akan gagal dalam pembayaran. Institut tidak memegang sebarang cagaran atau penambahan kredit ke atas baki-baki tersebut. Amaun rosot nilai individu diiktiraf oleh Institut adalah seperti berikut:

(a) Analisa penghutang

	2010	2009
	RM	RM
Rosot nilai secara individu		
Nilai buku penghutang sebelum rosot nilai	541,094	501,905
Tolak: Peruntukan untuk kerugian rosot nilai	(76,809)	(17,750)
	<u>464,285</u>	<u>484,155</u>

(b) Perubahan peruntukan untuk kerugian rosot nilai sepanjang tahun kewangan adalah seperti berikut:

	2010	2009
	RM	RM
Baki pada 1 Januari	17,750	-
Kerugian rosot nilai diiktiraf dalam tahun	59,059	17,750
	<u>76,809</u>	<u>17,750</u>
Baki pada 31 Disember	<u>76,809</u>	<u>17,750</u>

(c) Analisa jangka masa penghutang Institut adalah seperti berikut:

	2010	2009
	RM	RM
Belum lepas tempoh matang atau rosot nilai	148,459	165,253
0 hingga 30 hari lepas tempoh matang	10,098	50,869
31 hingga 60 hari lepas tempoh matang	40,539	6,375
61 hingga 90 hari lepas tempoh matang	850	3,634
91 hingga 120 hari lepas tempoh matang	37,433	47,583
Melebihi 120 hari tempoh matang	303,715	228,191
	<u>541,094</u>	<u>501,905</u>
Peruntukan untuk kerugian rosot nilai	(76,809)	(17,750)
	<u>464,285</u>	<u>484,155</u>

Penghutang yang belum lepas tempoh bayaran atau dirosot nilai

Penghutang yang belum lepas tempoh bayaran atau dirosot nilai adalah merupakan penghutang yang dipercayai kreditnya di mana rekod bayaran dengan Institut adalah baik. Tidak terdapat perubahan yang ketara telah berlaku dalam kualiti kredit penghutang tersebut yang masih dianggap dapat diperolehi semula. Institut tidak memegang sebarang cagaran ke atas baki-baki tersebut.

7. PENGHUTANG, PRABAYARAN DAN DEPOSIT (SAMBUNGAN)

(c) **Analisa jangka masa hutang belum terima Institut adalah seperti berikut: (sambungan)**

Penghutang yang lepasi tempoh bayaran tetapi tidak dirosot nilai

Penghutang yang lepasi tempoh bayaran tetapi tidak dirosot nilai adalah berkaitan dengan ahli-ahli dan sesetengah penghutang yang dipercayai kreditnya. Tidak terdapat perubahan ketara talah berlaku dalam kualiti kredit mereka. Institut percaya bahawa amaun tersebut masih dianggap dapat diperolehi semula dengan sepenuhnya. Institut tidak memegang sebarang cagaran ke atas baki-baki tersebut.

8. SIMPANAN TETAP

	2010	2009
	RM	RM
Simpanan tetap dengan sebuah bank berlesen	1,131,517	654,830

Kadar faedah purata berwajaran pada tahun kewangan untuk simpanan tetap dengan sebuah bank berlesen adalah 2.5% (2009: 2.15%) setahun.

Tempoh matang purata simpanan tetap tersebut adalah 60 hari (2009: 30 hari).

9. PENDAPATAN TERTUNDA

	2010	2009
	RM	RM
Baki pada 1 Januari	225,000	-
Diterima dalam tahun kewangan	-	225,000
Baki pada 31 Disember	225,000	225,000

Pada 11 September 2009, Lembaga Kemajuan Perindustrian Malaysia (MIDA) meluluskan suatu bantuan yang bernilai sebanyak RM450,000 kepada Institut di bawah Dana Kemajuan Keupayaan Sektor Perkhidmatan (SSCDF) untuk peningkatan dan memodenisasikan sistem teknologi maklumat Institut (projek tersebut) dan Institut telah menerima sebanyak RM225,000 pada 27 Oktober 2009.

Kos pembangunan perisian dijangka berjumlah RM465,000.

Projek tersebut belum bermula dan tiada kontrak telah ditandatangani pada tarikh pelaporan.

Jumlah yang telah diterima sebanyak RM225,000 diambilkira sebagai pendapatan tertunda dan akan diiktiraf dalam Penyata Pendapatan Komprehensif mengikut dasar perakaunan Institut untuk Bantuan Kerajaan seperti dinyatakan dalam Nota 2.10.

10. PEMIUTANG DAN AKRUAN

	2010	2009
	RM	RM
Pendahuluan untuk buku panduan belajar	115,455	115,455
Hutang kepada persatuan pelajar	205,935	195,586
Pemiutang lain	269,060	258,244
Akruan	304,501	274,342
	<u>894,951</u>	<u>843,627</u>

Profil pendedahan matawang bagi pemiutang dan akruan adalah seperti berikut:

	2010	2009
	RM	RM
Ringgit Malaysia	868,716	816,819
Dolar Australia	26,235	26,808
	<u>894,951</u>	<u>843,627</u>

11. AKTIVITI LAIN

2010	Pendapatan	Belanja	Lebihan/ (Defisit)
	RM	RM	RM
Bengkel peperiksaan	72,334	51,128	21,206
Pembangunan profesional berterusan	356,103	211,494	144,609
Majlis jamuan tahunan	72,500	83,800	(11,300)
Anugerah kecemerlangan MICPA	11,885	25,763	(13,878)
Jurnal dan penerbitan	34,085	14,398	19,687
Perhimpunan tidak formal ahli-ahli	-	9,208	(9,208)
Buku panduan belajar MICPA	35,100	27,509	7,591
Syarahan kenangan dan jamuan	33,760	39,123	(5,363)
Minggu perakaunan	25,160	26,484	(1,324)
	<u>640,927</u>	<u>488,907</u>	<u>152,020</u>
Aktiviti yang dikelola bersama pertubuhan lain:			
Pertandingan NACRA	2,332	-	2,332
Ulasan Belanjawan 2011	99,000	-	99,000
	<u>101,332</u>	<u>-</u>	<u>101,332</u>
	<u>742,259</u>	<u>488,907</u>	<u>253,352</u>

11. AKTIVITI LAIN (SAMBUNGAN)

2009	Pendapatan RM	Belanja RM	Lebihan/ (Defisit) RM
Bengkel peperiksaan	236,165	173,220	62,945
Pembangunan profesional berterusan	343,430	186,762	156,668
Majlis jamuan tahunan	53,400	80,282	(26,882)
Anugerah kecemerlangan MICPA	6,305	29,018	(22,713)
Jurnal dan penerbitan	8,751	7,892	859
Perhimpunan tidak formal ahli-ahli	3,000	1,804	1,196
Buku panduan belajar MICPA	55,800	20,205	35,595
Simposium CPA Muda	26,225	12,996	13,229
Syarahan kenangan dan jamuan	29,440	43,217	(13,777)
	<hr/>	<hr/>	<hr/>
	762,516	555,396	207,120
	<hr/>	<hr/>	<hr/>
Aktiviti yang dikelolakan bersama pertubuhan lain:			
Forum perniagaan	82,867	-	82,867
Pertandingan NACRA	9,496	-	9,496
Ulasan Belanjawan 2010	103,800	-	103,800
	<hr/>	<hr/>	<hr/>
	196,163	-	196,163
	<hr/>	<hr/>	<hr/>
	958,679	555,396	403,283

Belanja bagi aktiviti-aktiviti di atas merupakan belanja langsung yang dapat dikenalpasti sahaja dan tidak termasuk belanja overhead. Belanja untuk buku panduan belajar MICPA termasuk pelunasan kos pembangunan berjumlah RM16,300 untuk tahun kewangan semasa. Bagi tahun kewangan yang berakhir pada 31 Disember 2009, pelunasan kos pembangunan termasuk dalam belanja untuk jurnal dan penerbitan dan buku panduan belajar MICPA adalah RM3,000 dan RM11,300.

12. PENDAPATAN LAIN

	2010 RM	2009 RM
Faedah simpanan tetap	31,245	14,320
Rebet "tarikan" - Direct Access	11,938	11,811
Lain-lain	74	25
	<hr/>	<hr/>
	43,257	26,156

13. BELANJA KENDALIAN

	2010 RM	2009 RM
Belanja pengiklanan	10,895	2,683
Belanja mesyuarat agung tahunan dan mesyuarat Majlis	6,071	6,486
Ganjaran juruaudit	10,000	7,500

13. BELANJA KENDALIAN (SAMBUNGAN)

	2010	2009
	RM	RM
Bayaran bank	23,204	20,197
Susut nilai loji dan peralatan	34,850	38,420
Belanja langsung peperiksaan	180,135	73,978
Elektrik dan air	29,911	31,067
Belanja am	11,073	8,837
Kerugian rosot nilai penghutang	59,059	17,750
Insurans	7,268	7,200
Jurnal dan pernyataan teknikal	164,059	186,286
Bayaran perundangan dan profesional	48,425	54,898
Penyelenggaraan	11,864	24,722
Belanja perubatan	5,597	4,899
Penghapuskiraan peralatan pejabat	628	-
Sewa pejabat	120,000	120,000
Majalah dan stok perpustakaan	8,759	10,493
Pos dan telefon	110,077	109,711
Percetakan dan alatulis	76,507	72,406
Belanja pembangunan profesional	69,873	136,476
Belanja promosi untuk program baru MICPA	94,021	31,303
Penerbitan bahan kursus pelajar	4,650	4,400
Kos-kos pekerja		
- Kumpulan Wang Simpanan Pekerja dan SOCSO	180,648	155,751
- Gaji dan bonus	1,182,465	1,100,401
Dana rekreasi pekerja	2,326	7,031
Yuran kepada badan perakaunan antarabangsa	33,907	32,130
Belanja perjalanan	39,218	15,957
Bayaran teknikal	96,190	-
Penghapuskiraan penghutang yang tidak dapat diperolehi semula	75,322	86,175
	<u>2,697,002</u>	<u>2,367,157</u>

14. 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.

	2010	2009
	RM	RM
Belanja cukai semasa	-	305
Terlebih peruntukan bagi tahun sebelumnya	(305)	-
	<u>(305)</u>	<u>305</u>

Tidak terdapat peruntukan cukai bagi tahun kewangan semasa kerana pendapatan faedah telah diimbangi dengan sepenuhnya oleh kerugian cukai tahun semasa.

Cukai telah diperuntukkan bagi pendapatan faedah dalam tahun kewangan yang berakhir pada 31 Disember 2009.

14. CUKAI (SAMBUNGAN)

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

	2010	2009
	%	%
Kadar cukai dikenakan	20.84	19.76
Kesan cukai berkaitan dengan:		
Penggunaan kerugian cukai belum diserap	(2.88)	(25.49)
Pendapatan tidak dikenakan cukai	(54.81)	-
Belanja tidak dibenar potongan	4.60	7.35
Pelarasan kadar cukai pendapatan	-	(1.45)
Pendapatan cukai tertunda tidak diiktirafkan	32.25	-
	<hr/>	<hr/>
Kadar cukai efektif	-	0.17
	<hr/> <hr/>	<hr/> <hr/>

- (c) Tertakluk kepada persetujuan dengan Lembaga Hasil Dalam Negeri, Institut mempunyai kerugian cukai belum diserap sebanyak RM1,096,561 (2009: RM762,765) boleh digunakan untuk mengimbangi lebihan kena dibayar cukai pada masa hadapan.

15. CUKAI TERTUNDA

Cukai tertunda ditentukan selepas tolakan sewajarnya adalah seperti berikut:

	2010	2009
	RM	RM
Liabiliti cukai tertunda	3,500	9,730
Aset cukai tertunda	(3,500)	(9,730)
	<hr/>	<hr/>
Cukai tertunda bersih	-	-
	<hr/> <hr/>	<hr/> <hr/>

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

2010	Pada	Diiktiraf	Pada
	1 Januari	dalam Untung	31 Disember
	RM	atau Rugi	RM
	RM	RM	RM
Liabiliti cukai tertunda:			
Lebihan kos pembangunan buku panduan belajar ke atas kos pembangunan dilunaskan	4,920	(1,420)	3,500
Lebihan peruntukan modal ke atas susut nilai	4,810	(4,810)	-
	<hr/>	<hr/>	<hr/>
	9,730	(6,230)	3,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15. CUKAI TERTUNDA (SAMBUNGAN)

	Pada 1 Januari RM	Diiktiraf dalam Untung atau Rugi RM	Pada 31 Disember RM
2010			
Aset cukai tertunda:			
Lebihan susut nilai ke atas peruntukan modal	-	(1,300)	(1,300)
Kerugian cukai belum diserap	(9,730)	7,530	(2,200)
	<u>(9,730)</u>	<u>6,230</u>	<u>(3,500)</u>
2009			
Liabiliti cukai tertunda:			
Lebihan kos pembangunan buku panduan belajar ke atas kos pembangunan dilunaskan	1,860	3,060	4,920
Lebihan peruntukan modal ke atas susut nilai	-	4,810	4,810
	<u>1,860</u>	<u>7,870</u>	<u>9,730</u>
Aset cukai tertunda:			
Lebihan susut nilai ke atas peruntukan modal	(235)	235	-
Kerugian cukai belum diserap	(1,625)	(8,105)	(9,730)
	<u>(1,860)</u>	<u>(7,870)</u>	<u>(9,730)</u>

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

	2010 RM	2009 RM
Kerugian cukai belum diserap	<u>1,086,004</u>	<u>713,484</u>

Kerugian cukai belum diserap adalah berkaitan dengan aktiviti-aktiviti yang tidak dikecualikan cukai dan di mana keuntungan boleh dikenakan cukai masa hadapan adalah tidak berkemungkinan.

16. 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 di penyata kedudukan kewangan seperti berikut:

16. TUNAI DAN KESETARAAN TUNAI (SAMBUNGAN)

	2010	2009
	RM	RM
Simpanan tetap	1,131,517	654,830
Tunai dan baki di bank	108,524	129,835
	<u>1,240,041</u>	<u>784,665</u>

17. URUSNIAGA PIHAK BERKAITAN

Urusniaga yang diuruskan dengan pihak berkaitan pada tahun kewangan adalah seperti berikut:

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

	2010	2009
	RM	RM
Bayaran bagi pihak Tabung Amanah Pendidikan MACPA	166	994
Belanja pentadbiran dicaj kepada Tabung Amanah Pendidikan MACPA	47,517	44,153
Caj sewa oleh Tabung Amanah Pendidikan MACPA	<u>120,000</u>	<u>120,000</u>

Baki belum jelas untuk pendahuluan kepada Tabung Amanah Pendidikan MACPA pada 31 Disember 2009 adalah sebanyak RM78,427 (2010 : Tiada). Syarat-syarat pendahuluan adalah dinyatakan dalam Nota 6 kepada penyata kewangan.

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

(b) Yuran dibayar oleh Ahli-ahli Majlis

	2010	2009
	RM	RM
Yuran tahunan ahli	17,130	16,650
Yuran sijil pengamalan	<u>11,550</u>	<u>12,100</u>
	<u>28,680</u>	<u>28,750</u>

(c) 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:

17. URUSNIAGA PIHAK BERKAITAN (SAMBUNGAN)

(c) Pampasan kakitangan pengurusan utama (sambungan)

	2010	2009
	RM	RM
Faedah pekerja jangka pendek	288,200	252,000
Faedah selepas pengajian		
- sumbangan kepada Kumpulan Wang Simpanan Pekerja	<u>52,050</u>	<u>31,860</u>
	<u>340,250</u>	<u>283,860</u>

Kos pembangunan buku panduan belajar dibayar kepada seorang ahli Majlis dinyatakan dalam Nota 5 kepada penyata kewangan.

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

	2010	2009
	RM	RM
Termasuk dalam pemiutang dan akruan	<u>53,000</u>	<u>36,000</u>

18. KOMITMEN MODAL

	2010	2009
	RM	RM
Diluluskan oleh Majlis tetapi belum dikontrakkan:		
Peningkatan dan modenisasi sistem teknologi maklumat Institut	<u>465,000</u>	<u>465,000</u>

19. INSTRUMEN KEWANGAN

Suatu instrumen kewangan adalah sebarang kontrak yang menimbulkan kedua-dua aset kewangan bagi satu pihak perniagaan dan liabiliti kewangan atau instrumen ekuiti bagi satu pihak perniagaan yang lain.

Aset kewangan Institut merangkumi penghutang, deposit dan tunai dan baki di bank.

Liabiliti kewangan Institut merangkumi pemiutang dan akruan.

(a) Kategori Instrumen Kewangan

Berikut adalah butir-butir aset kewangan dan liabiliti kewangan Institut yang dianalisa mengikut kategori:

19. INSTRUMEN KEWANGAN (SAMBUNGAN)

(a) Kategori Instrumen Kewangan (sambungan)

	2010 RM	2009 RM
Aset Kewangan		
Pinjaman dan penghutang:		
Penghutang dan deposit	471,335	491,205
Simpanan tetap dengan sebuah bank berlesen	1,131,517	654,830
Wang tunai dan baki di bank	108,524	129,835
	<u>1,711,376</u>	<u>1,275,870</u>
Liabiliti Kewangan		
Liabiliti kewangan dinilai pada kos dilunaskan:		
Pemiutang	590,450	569,285
Akruan	304,501	274,342
	<u>894,951</u>	<u>843,627</u>

(b) Pengurusan Risiko Kewangan

Objektif Institut dalam pengurusan risiko kewangan secara keseluruhan adalah untuk menangani dan mengawal risiko yang dihadapi oleh Institut dan untuk meminimumkan atau mengelak daripada berlakunya kerugian yang mungkin disebabkan oleh pendedahannya kepada risiko sebegini dan untuk menambahkan pulangan sekiranya sesuai.

Risiko-risiko utama yang wujud daripada aktiviti Institut adalah risiko kredit, risiko mudah cair, risiko kadar faedah dan risiko matawang. Majlis menyemak semula dan bersetuju dengan dasar untuk menguruskan setiap risiko tersebut dan adalah diringkaskan seperti di bawah:

(i) Risiko Kredit

Risiko kredit adalah risiko kerugian kewangan yang disebabkan kegagalan pihak yang berkontrak dengan Institut untuk melaksanakan obligasinya. Pendedahan utama kepada risiko kredit Institut adalah berkaitan dengan penghutang dan deposit, deposit bank dan wang tunai dan baki di bank. Pihak-pihak berurusan adalah ahli-ahli, institusi perbankan berlesen dan organisasi profesional. Adalah menjadi dasar Institusi untuk memantau kedudukan kewangan pihak-pihak berurusan secara berterusan untuk memastikan bahawa pendedahan Institusi terhadap risiko kredit adalah minimum.

Pada tarikh pelaporan, Institut mempunyai yuran yang belum diterima sebanyak RM374,278 (2009: RM349,839) yang telah berhutang melebihi 30 hari dan baki di bank dan simpanan tetap sebanyak RM1,240,041 (2009 : RM784,665) dengan beberapa institusi perbankan berlesen yang utama di Malaysia.

Selain daripada yang tersebut, Institut tidak mempunyai tumpuan risiko kredit yang ketara. Pendedahan maksimum kepada risiko kredit diwakili oleh nilai buku aset kewangan pada tarikh pelaporan.

19. INSTRUMEN KEWANGAN (SAMBUNGAN)

(b) Pengurusan Risiko Kewangan (sambungan)

(ii) Risiko Kecairan dan Aliran Tunai

Risiko kecairan atau pembiayaan adalah risiko di mana tidak dapat memenuhi komitmen yang berkaitan dengan instrumen kewangan sementara risiko aliran tunai adalah risiko ketidakpastian amaun aliran tunai masa depan yang berkaitan dengan instrumen kewangan.

Institut mengamalkan pengurusan risiko kecairan hemat untuk meminimumkan ketidakpadanan antara aset dan liabiliti kewangan dan mengekalkan dana yang mencukupi untuk keperluan pembiayaan modal kerja luar jangka.

Analisa Kematangan

Profil kematangan liabiliti kewangan Institut pada hujung tempoh pelaporan berasaskan kepada bayaran kontraktual yang belum didiskaunkan adalah seperti berikut:

	Kurang daripada 1 tahun 2010 RM
Pendahuluan untuk buku panduan belajar	115,455
Hutang kepada persatuan pelajar	205,935
Pemiutang lain	269,060
Akruan	<u>304,501</u>
	<u><u>894,951</u></u>

(iii) Risiko Kadar Faedah

Institut memastikan bahawa simpanan tetap disimpan pada satu kadar faedah yang kompetatif di bawah terma dan syarat yang paling menguntungkan.

Institut juga didedahkan kepada risiko kadar faedah terhadap simpanan tetapnya dengan sebuah bank berlesen. Memandangkan simpanan tetap tersebut tertakluk kepada kadar tetap dan tidak mengambil kira pada nilai saksama melalui untung atau rugi. Sebarang perubahan dalam kadar faedah pasaran tidak akan mempengaruhi keputusan kewangan untuk tahun semasa dan dana Institut.

(iv) Risiko Matawang

Risiko matawang adalah berkaitan dengan urusanniaga yang didenominasikan dalam matawang asing.

Institut terdedah kepada risiko matawang terutamanya disebabkan oleh bayaran yang dilakukan dalam matawang asing yang didenominasikan dalam matawang selain daripada Ringgit Malaysia. Matawang yang menimbulkan risiko tersebut ialah Dolar Australia.

19. INSTRUMEN KEWANGAN (SAMBUNGAN)

(b) Pengurusan Risiko Kewangan (sambungan)

(iv) Risiko Matawang (sambungan)

Institut meminimumkan pendedahan kepada risiko pertukaran asing dengan mengawasi pergerakan kadar pertukaran supaya memastikan kadar yang paling kompetitif dapat diperolehi, sekiranya sesuai.

Institut tidak mempunyai lindung nilai atau membuat spekulasi dalam derivatif matawang asing.

Analisa sensitiviti risiko matawang

Institut tidak terdedah kepada sebarang risiko matawang asing yang penting kerana kebanyakan urusan aset kewangan dan liabiliti kewangan didenominasikan dalam matawang fungsian Institut.

(c) Nilai Saksama

Nilai buku aset kewangan dan liabiliti kewangan Institut pada akhir tahun kewangan menghampiri nilai saksamanya disebabkan jangka pendek kematangannya.

20. PENGURUSAN MODAL

Objektif Institut dalam mengurus modal adalah:

- untuk melindungi keupayaan Institut diteruskan secara berterusan supaya membolehkan obligasi berkanunnya di bawah Akta Syarikat 1965, dapat dipenuhi;
- untuk membangun dan mengekal program kelayakan dan program pembangunan profesional berterusan untuk pelajar-pelajar dan ahli-ahli; dan
- untuk memperuntukkan modal bagi tujuan memperkukuhkan keberkesanan kendalian Institut.

Institut sering menyemak semula dan mengurus modalnya untuk memastikan berkecukupan untuk keperluan kendalian dan modal. Kesemua lebihan dipindah kepada dana terkumpul untuk keperluan kendalian masa depan.

Untuk tujuan pendedahan modal, Majlis menganggap dana terkumpul sebagai modal Institut.

Penyata oleh Ahli-ahli Majlis

(Menurut Seksyen 169(15) Akta Syarikat, 1965)

Kami, **Dato' Seri Ahmad Johan bin Mohammad Raslan** dan **Pushpanathan a/l S.A. Kanagarayar**, 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 2010 dan keputusannya bagi tahun kewangan berakhir pada tarikh tersebut; dan
- (ii) aliran tunai Institut bagi tahun kewangan berakhir pada 31 Disember 2010.

Bagi pihak Ahli-ahli Majlis,

Dato' Seri Ahmad Johan bin Mohammad Raslan

Presiden

Pushpanathan a/l S.A. Kanagarayar

Naib Presiden

Kuala Lumpur

26 Mei 2011

Akuan Berkanun

(Menurut Seksyen 169(16) Akta Syarikat, 1965)

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 26 Mei 2011)

Di hadapan saya:

Yap Lee Chin
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 penyata kedudukan kewangan Institut pada 31 Disember 2010, dan penyata pendapatan komprehensif, penyata perubahan ekuiti ahli-ahli 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 99 hingga 131.

Tanggungjawab Majlis ke atas Penyata Kewangan

Majlis Institut bertanggungjawab dalam penyediaan penyata kewangan yang memberi gambaran yang benar dan saksama menurut Piawaian Pelaporan Kewangan dan Akta Syarikat, 1965 di Malaysia, dan kawalan dalaman sebegini yang ditentukan oleh Majlis adalah perlu untuk membolehkan penyediaan penyata kewangan yang bebas daripada salahnyata yang ketara, sama ada disebabkan oleh penipuan atau kesilapan.

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 memperolehi 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 kepada 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 penyata kewangan yang memberi gambaran yang benar dan 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 Majlis, serta penilaian pembentangan penyata kewangan secara keseluruhan.

Kami percaya bahawa bukti audit yang kami perolehi 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 2010 dan prestasi kewangan dan aliran tunai untuk tahun kewangan berakhir pada tarikh tersebut.

Laporan mengenai Perundangan Lain dan Keperluan Badan Pengawasan

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, 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

996/03/12(J/PH)

Akauntan Bertauliah

Ng Eng Kiat

1064/03/13(J/PH)

Akauntan Bertauliah

Kuala Lumpur

26 Mei 2011

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 FR Dillenia, Ground Floor, Sime Darby Convention Centre, Jalan Bukit Kiara, Kuala Lumpur on June 18, 2011 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.



The Malaysian Institute of Certified Public Accountants

Institut Akauntan Awam Bertauliah Malaysia (3246-U)

No.15, Jalan Medan Tuanku, 50300 Kuala Lumpur

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