

**ROYAL INSTITUTION OF SURVEYORS
MALAYSIA
(REGISTRATION NO. : 1582 (Selangor))**

REPORTS & FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2015

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

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ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

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ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS

3rd Floor, Bangunan Juruukur,
64 - 66, Jalan 52/4,
46200 Petaling Jaya,
Selangor, Malaysia.

AUDITORS

Y K Tan, Lee & Associates
Chartered Accountants
(AF 0781)

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

COUNCIL MEMBERS' REPORT

for the year ended 31st December 2015

The President and Council members have pleasure in submitting their report together with the audited financial statements of the Institution for the financial year ended 31st December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Institution are to conduct seminars, conference, CPD talks, revision class and examination, and organise events such as sports games and family day for members. There have been no significant changes in the principal activities during the financial year.

RESULTS

RM

Surplus Of Income Over Expenditure After Taxation

152,759

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statement of income and expenditure and balance sheet of the Institution were made out, the Council members took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance for doubtful debts has been made.

At the date of this report, the Council members are not aware of any circumstances that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Institution inadequate to any substantial extent.

CURRENT ASSETS

Before the statement of income and expenditure and balance sheet were made out, the Council members took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of operations including their values as shown in the accounting records of the Institution have been written down to an amount which they might be expected so to realise.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

COUNCIL MEMBERS' REPORT

for the year ended 31st December 2015

CURRENT ASSETS (Contd.)

At the date of this report, the Council members are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Institution misleading.

VALUATION METHOD

At the date of this report, the Council members are not aware of any circumstances which have arisen which render the adherence to the existing method of valuation of assets and liabilities of the Institution misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist any charge on the assets of the Institution which has arisen since the end of the financial year which secures the liabilities of any other person, or any contingent liabilities which have arisen since the end of the financial year.

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, in the opinion of the Council members, will or may affect the ability of the Institution to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Council members are not aware of any circumstances not otherwise dealt with in the reports or the financial statements which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Institution for the financial year were not, in the opinion of the Council members, substantially affected by any item, transaction or event of a material and unusual nature.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

In the opinion of the Council members, in the interval between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature that affect substantially the results of the Institution's operations for the financial year in which the report is made.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

COUNCIL MEMBERS' REPORT

for the year ended 31st December 2015

COUNCIL MEMBERS OF THE INSTITUTION

The Council members who served since the date of the last report are as follows :-

Term 2014/2015

President	YBhg. Dato' Sr Hasan Jamil
Vice President	YBhg. Dato' Sr Sri Kandan Kanagainthiram
Honorary Secretary General	Sr Chan Keat Lim
Honorary Treasurer General	Sr Dr. Mohd Yunus Mohd Yusoff

Term 2015/2016

President	YBhg. Dato' Sr Sri Kandan Kanagainthiram
Vice President	YBhg. Dato' Sr Lau Wai Seang
Honorary Secretary General	Sr Ang Fuey Lin
Honorary Treasurer General	Sr Gar Ti Wei

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

COUNCIL MEMBERS' REPORT

for the year ended 31st December 2015

AUDITORS

The auditors, Y K Tan, Lee & Associates, Chartered Accountants, have indicated their willingness to continue in office.

Signed on behalf of the Council,



.....
YBHG. DATO' SR SRI KANDAN KANAGAINTHIRAM
PRESIDENT



.....
SR ANG FUEY LIN
HONORARY SECRETARY GENERAL



.....
SR GAR TI WEI
HONORARY TREASURER GENERAL

Kuala Lumpur

Dated : - 21 APR 2016

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

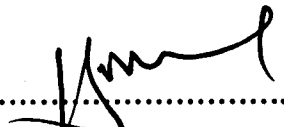
REGISTRATION NO. : 1582 (Selangor)


STATEMENT BY COUNCIL MEMBERS

for the year ended 31st December 2015

We, being the Council members of **ROYAL INSTITUTION OF SURVEYORS MALAYSIA**, do hereby state that, in the opinion of the Council members, the financial statements as set out on pages 9 to 26 are drawn up in accordance with the provisions of the rules and regulations of the Institution and basis of accounting as described in Note 2 of the Notes to the Financial Statements so as to give a true and fair view of the financial position of the Institution as at 31st December 2015 and of the results of the operations and cash flows of the Institution for the year then ended.

Signed on behalf of the Council,


.....
**YBHG. DATO' SR SRI
KANDAN
KANAGAINTHIRAM
PRESIDENT**


.....
**SR ANG FUEY LIN
HONORARY
SECRETARY GENERAL**


.....
**SR GAR TI WEI
HONORARY
TREASURER GENERAL**


Kuala Lumpur

Dated :- **2 1 APR 2016**

STATUTORY DECLARATION

I, **SR GAR TI WEI**, being the Council member responsible for the financial management of **ROYAL INSTITUTION OF SURVEYORS MALAYSIA**, do solemnly and sincerely declare that the financial statements as set out on pages 9 to 26 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)
at KUALA LUMPUR in Wilayah Persekutuan)
on this day of **2 1 APR 2016**)


.....
**SR GAR TI WEI
HONORARY
TREASURER GENERAL**

Before me :-

Commissioner for Oaths.



REGISTRATION NO. : 1582 (Selangor)

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ROYAL INSTITUTION OF SURVEYORS
MALAYSIA**

Report on the Financial Statements

We have audited the financial statements of Royal Institution Of Surveyors Malaysia, which comprise the balance sheet as at 31st December 2015, and the statement of income and expenditure, statement of receipts and payments, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 26.

Council Members' Responsibility for the Financial Statements

The Council members of the Institution are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the provisions of the rules and regulations of the Institution and accounting policies. The Council members are also responsible for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Institution'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 Institution's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council members, 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.

REGISTRATION NO. : 1582 (Selangor)

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ROYAL INSTITUTION OF SURVEYORS
MALAYSIA (CONTD.)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Institution as of 31st December 2015 and of its financial performance and cash flows for the year then ended in accordance with the provision of rules and regulations of the Institution and accounting policies.

Other Matters

This report is made solely to the Council members of the Institution, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



.....
Y K TAN, LEE & ASSOCIATES
NO. AF 0781
CHARTERED ACCOUNTANTS



.....
LEE CHIEN SENG
APPROVAL NO: 2418/11/17 (J)
PARTNER

Kuala Lumpur

Dated :- 21 APR 2016

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)**BALANCE SHEET**

as at 31st December 2015

	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
PROPERTY, PLANT AND EQUIPMENT	3	956,563	822,852
CURRENT ASSETS			
Inventories	4	30,646	53,364
Other Receivables & Deposits		86,743	199,478
Prepayments	5	10,000	5,450
Tax Recoverable		63,826	53,665
Fixed Deposits	6	2,388,587	2,312,332
Cash And Bank Balances		1,048,954	969,558
		<u>3,628,756</u>	<u>3,593,847</u>
CURRENT LIABILITY			
Other Payables & Accruals	7	<u>269,007</u>	<u>243,586</u>
NET CURRENT ASSETS		<u>3,359,749</u>	<u>3,350,261</u>
		<u>4,316,312</u>	<u>4,173,113</u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

BALANCE SHEET

as at 31st December 2015

	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
REPRESENTED BY :-			
General Fund		2,925,371	2,799,357
Scholarship Fund		839,083	810,225
Sinking Fund		114,956	110,708
Library Fund		68,959	69,320
Benevolent Fund		362,764	368,764
TOTAL FUNDS		<u>4,311,133</u>	<u>4,158,374</u>
LONG TERM LIABILITY			
Deferred Tax Liability	9	<u>5,179</u>	<u>14,739</u>
		<u><u>4,316,312</u></u>	<u><u>4,173,113</u></u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

STATEMENT OF INCOME AND EXPENDITURE

for the year ended 31st December 2015

	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
INCOME			
General Fund		2,985,809	2,344,961
Scholarship Fund		35,865	39,545
Sinking Fund		4,248	12,641
Library Fund		6,020	11,458
		<hr/>	<hr/>
		3,031,942	2,408,605
 EXPENDITURE			
General Fund		(2,787,731)	(1,866,003)
Scholarship Fund		(7,007)	(45,370)
Library Fund		(6,381)	(2,622)
Benevolent Fund		(6,000)	(18,400)
		<hr/>	<hr/>
		(2,807,119)	(1,932,395)
 Surplus Of Income Over Expenditure Before Taxation		<hr/>	<hr/>
		224,823	476,210
 Income Tax Expense	10	<hr/>	<hr/>
		(72,064)	(76,402)
 Surplus Of Income Over Expenditure After Taxation		<hr/>	<hr/>
		152,759	399,808

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
RECEIPTS		
Affiliation Income	4,645	-
Annual Dinner	231,005	194,860
Annual Subscription	678,693	702,656
Bank Special Interest (One Off)	743	-
Building Surveyors Registration	2,700	2,930
Car Stickers	230	338
Divisional AGM & Annual Dinner	20,030	20,000
Donation Received For Charities	26,500	3,410
Entrance Fees For Membership	21,695	25,282
Examination Fees	117,960	83,055
Fees Received On Behalf (QSIC)	13,818	-
FIG Congress Contribution	-	100,000
Grant To Division From General Fund	32,000	-
Interest Received From Fixed Deposits	74,098	61,612
International Surveyors Congress	626,214	194,978
Library Fund Contribution	3,118	4,410
LS Firms Contribution	-	30,376
NREC Registration	119,850	13,384
QSIC Surplus	24,951	33,876
Recovery Of Study Loan	21,046	53,039
Rental Income	131,500	211,189
Rental Of RISM Conference Room	6,846	1,050
RISM Badge	380	-
RISM Bowling Tournament	1,200	9,760
RISM Calendar / Diary	214,838	122,233
RISM Events	-	53,341
RISM Excellence Award	25,000	10,000
RISM PRRES Conference	-	98,760
Balance C/Fwd	2,399,060	2,030,539

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
RECEIPTS (Contd.)		
Balance B/Fwd	2,399,060	2,030,539
RISM Young Achiever's Award	26,894	45,150
Sale Of Building Surveyors Book	770	42
Sale Of Other Publications	49,892	131,340
Sale Of RISM T-Shirt / Jacket	2,023	2,025
Scholarship Fund Contribution	19,410	23,398
Seminar And CPD - Business Unit	86,173	4,800
Seminar And CPD - Division BS	5,200	19,690
Seminar And CPD - Division GLS	344,316	32,900
Seminar And CPD - Division PMVS	44,645	47,329
Seminar And CPD - Division QS	201,015	95,831
Special Levy - Commemorative Books	-	6,076
	<u>3,179,398</u>	<u>2,439,120</u>
LESS: PAYMENTS		
Accounting Fees	20,500	3,000
Advertisement	551	498
Affiliation Fees	42,008	24,681
AGM - RISM	94,674	-
Allowance	-	250
Annual Dinner	264,418	274,629
Audit Fees	12,000	10,000
Bank Charges	15,768	3,812
Bad Debt Written Off	1,524	-
Benevolent Expenses	6,000	18,400
	<u>457,443</u>	<u>335,270</u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
PAYMENTS (Contd.)		
Balance B/Fwd	457,443	335,270
Charity Event	22,000	30,260
Cleaning Services	15,163	12,815
Computer Maintenance	30,570	31,988
Conference Proceedings Expenses	-	335
Courier Charges	1,811	2,464
Deposit Paid - RISM Event 2016	10,000	-
Deposit Paid - Purchase Of Property, Plant And Equipment	-	45,940
Divisional AGM & Annual Dinners	38,534	51,579
Divisional Meeting Expenses	76,275	31,451
Electricity & Water	32,241	38,354
EPF Contribution	57,816	39,250
Examination Expenses	52,408	8,865
Fire Fighting Equipment	524	600
Games Expenses - Divisions	1,600	2,720
General Council Expenses	47,494	1,319
Gift & Donation	7,634	5,495
GLS Hari Raya Gathering	4,000	4,183
Grant To Branches	96,778	1,302
Grant To Division	32,000	-
GST Expenses	19,138	-
Income Tax Paid	91,785	179,393
Insurance	5,781	5,870
International Surveyors Congress	290,293	199,530
Library Books	6,372	2,589
Medical Expenses	2,116	1,653
Balance C/Fwd	1,399,776	1,033,225

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

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STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
PAYMENTS (Contd.)		
Balance B/Fwd	1,399,776	1,033,225
Newspaper & Periodicals	624	345
NREC Expenses	24,920	44,578
Participation In Annual Dinners (Associated Bodies)	7,300	13,180
Printing & Stationery	146,543	155,826
Professional Fee	19,209	400
Publication Expenses	26,466	53,884
Purchase Of Property, Plant And Equipment	102,279	5,768
Purchase Of T-Shirt & Jacket	12,747	3,800
Quit Rent & Assessment	15,062	1,095
Refreshment	11,523	15,145
Rental / Deposit Refunded	3,142	-
Repair & Maintenance	25,989	22,247
RISM Bowling Tournament	-	6,185
RISM Calendar / Diary	73,597	44,705
RISM Excellence Award	17,934	9,000
RISM Family Day	13,750	28,765
RISM PRRES Conference	6,783	3,350
RISM Young Achievers Award	35,387	5,380
Balance C/Fwd	1,943,031	1,446,878

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

STATEMENT OF RECEIPTS AND PAYMENTS

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
PAYMENTS (Contd.)		
Balance B/Fwd	1,943,031	1,446,878
Safe Deposit Box	244	230
Scholarships	7,000	45,370
Security Services	33,625	36,624
Seminar And CPD - Business Unit	16,963	2,950
Seminar And CPD - Division BS	5,603	6,680
Seminar And CPD - Division GLS	243,389	17,000
Seminar And CPD - Division PMVS	16,150	17,126
Seminar And CPD - Division QS	88,530	48,508
SOCSO Contribution	5,081	4,450
Souvenir	4,907	5,263
Sponsorship	17,300	16,000
Staff Insurance	12,760	11,482
Staff Salaries, Overtime & Bonus	524,054	391,705
Staff Training	1,233	-
Subsidies For Overseas Conference & Workshop	11,073	38,467
Tax Agent Fees	3,400	3,280
Telephone & Postages	25,060	26,360
Travelling Expenses	62,745	39,108
Upkeep Of Office Equipment	1,599	3,026
	<u>3,023,747</u>	<u>2,160,507</u>
Surplus Of Receipts Over Payments	155,651	278,613
Cash And Cash Equivalents B/Fwd	<u>3,281,890</u>	<u>3,003,277</u>
Cash And Cash Equivalents C/Fwd	<u><u>3,437,541</u></u>	<u><u>3,281,890</u></u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

CASH FLOW STATEMENT

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit Before Taxation	224,823	476,210
Adjustments for :-		
Bad Debt Written Off	1,524	-
Depreciation Of Property, Plant And Equipment	60,258	136,207
Property, Plant And Equipment Written Off	-	105
Deferred Income - MIDA Grant	-	(56,200)
Fixed Deposit Interest Income	(74,098)	(61,612)
Operating Profit Before Working Capital Changes	212,507	494,710
Changes In Inventories	22,718	(19,476)
Changes In Receivables	108,185	31,365
Changes In Payables	23,897	(107,937)
Cash Generated From Operations	367,307	398,662
Tax Paid	(91,785)	(179,393)
Net Cash Provided By Operating Activities	275,522	219,269
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase Of Property, Plant And Equipment	(193,969)	(2,268)
Fixed Deposit Interest Received	74,098	61,612
Net Cash (Used In) / Provided By Investing Activities	(119,871)	59,344
Net Increase In Cash And Cash Equivalents	155,651	278,613
Cash And Cash Equivalents At Beginning Of The Year	3,281,890	3,003,277
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>3,437,541</u>	<u>3,281,890</u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

CASH FLOW STATEMENT

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
<u>ANALYSIS OF CASH AND CASH EQUIVALENTS</u>		
Cash And Bank Balances	1,048,954	969,558
Fixed Deposits	2,388,587	2,312,332
	<u>3,437,541</u>	<u>3,281,890</u>

The accompanying notes form an integral part of these financial statements.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

NOTES TO THE FINANCIAL STATEMENTS

31st December 2015

1. PRINCIPAL ACTIVITIES

The principal activities of the Institution are to conduct seminars, conference and CPD talks, revision class and examination, and organise events such as sports games and family day for members. There have been no significant changes in the principal activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis Of Preparation Of The Financial Statements

The financial statements of the Institution are prepared under the historical cost convention unless otherwise indicated in the accounting policies set out below and comply with the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

2.2 Revenue Recognition

All income are recognised on accrual basis except for membership subscription, tenancy rental and interest on time deposits are recognised for on receipt basis.

2.3 Property, Plant And Equipment And Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any and depreciated over their expected useful lives on straight line basis at the following annual rates :-

Leasehold Properties	2%
Office Equipment & Electrical Installations	10% - 20%
Furniture and Fittings	10%
Renovation	4%
Regalia	Replacement Basis
Other Assets	10%

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all obsolete, damaged or slow-moving inventories. Cost is determined on first-in first-out basis.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

ROYAL INSTITUTION OF SURVEYORS MALAYSIA

(Registered In Malaysia)

REGISTRATION NO. : 1582 (Selangor)

NOTES TO THE FINANCIAL STATEMENTS

31st December 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.5 Government Grants

Grants related to assets are recognised in the balance sheet as deferred income and credited to Income Statement over the useful life of the assets. Grants related to income are recognised in the Income Statement immediately upon receipt.

2.6 Financial Instruments

Financial instruments carried on the balance sheet include fixed deposits, cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holder of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amount and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

a) Cash And Cash Equivalents

Cash and cash equivalents represent cash in hand, cash at banks and fixed deposits with bank.

b) Other Receivables

Other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

c) Other Payables

Other payables are stated at cost which the fair value of the consideration to be paid in the future for goods and services received.

2.7 Deferred Tax Liability

Deferred tax liability is provided for using the balance sheet liability method in respect of all material temporary differences except for where it is reasonable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits from deductible temporary differences are only recognised where there is a reasonable expectation of realisation in the near future.

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.8 Impairment Of Assets

The carrying amounts of assets, other than inventories are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised as an expense in the income statement immediately, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease. Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation or depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

2.9 Provision

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

2.10 Employee Benefits

(i) Short Term Employee Benefits

Salaries, bonuses, paid leave and sick leave and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the institution.

(ii) Defined Contribution Plan

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

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3. PROPERTY, PLANT AND EQUIPMENT

	Long Term Leasehold Lands & Buildings	Office Equipment & Electrical Installation	Furniture & Fittings	Renovation	Regalia	Other Assets	Total
	RM	RM	RM	RM	RM	RM	RM
COST							
At 1st January 2015	1,358,590	588,764	67,459	338,988	10,450	8,820	2,373,071
Additions	192,940	249	-	-	-	780	193,969
At 31st December 2015	1,551,530	589,013	67,459	338,988	10,450	9,600	2,567,040
ACCUMULATED DEPRECIATION							
At 1st January 2015	830,964	518,336	50,000	149,155	-	1,764	1,550,219
Charge for the year	31,034	10,641	4,064	13,559	-	960	60,258
At 31st December 2015	861,998	528,977	54,064	162,714	-	2,724	1,610,477
NET BOOK VALUE							
At 31st December 2015	689,532	60,036	13,395	176,274	10,450	6,876	956,563
At 31st December 2014	527,626	70,428	17,459	189,833	10,450	7,056	822,852
Depreciation - 2014	27,174	89,519	5,072	13,560	-	882	136,207

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31st December 2015

3. PROPERTY, PLANT AND EQUIPMENT (Contd.)

The long term leasehold properties are stated at cost and are amortised over the remaining lease periods which will expire as following :-

	<u>Duration Of Lease</u>	<u>Remaining Lease Period</u>	
	Years	<u>2015</u> Years	<u>2014</u> Years
- No. 64 & 66, Jalan 52/4, Petaling Jaya, Selangor	99	48	49
- Lot No. 29, Block D, Lintas Square, Kota Kinabalu	1,000	899	900
- Lot No. 108-2, HS (D) 251616 P.T.B 20419 Bandar Johor Baru	99	80	81

4. INVENTORIES

The inventories are stated as cost, valued and certified correct by a council member.

5. PREPAYMENTS

	<u>2015</u> RM	<u>2014</u> RM
Upfront Fees Paid To UM As Organiser For IBCC 2016	10,000	-
FIABCI Membership Fee 2015	-	5,450
	<u>10,000</u>	<u>5,450</u>

6. FIXED DEPOSITS

Fixed deposits are placed with licensed banks and pledged as security for bank overdraft facility granted to the Institution.

7. OTHER PAYABLES & ACCRUALS

	<u>2015</u> RM	<u>2014</u> RM
Accrual	13,000	12,548
Membership Subscription Fees Received In Advance	197,361	74,300
Other Payables	58,646	156,738
	<u>269,007</u>	<u>243,586</u>

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8. MIDA GRANT	<u>2015</u> RM	<u>2014</u> RM
At Beginning Of The Year	-	56,200
Credited To General Fund	-	(56,200)
At End Of The Year	-	-

The grant received was for the procurement of survey equipment and ICT software and is systematically recognised as deferred income over the useful life of the equipment. The asset had been recognised under property, plant and equipment as office equipment.

9. DEFERRED TAX LIABILITY	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
As at 1st January 2015 / 2014		14,739	24,689
Transferred To Income Statement	10	(9,560)	(9,950)
As at 31st December 2015 / 2014		5,179	14,739

The deferred tax liability is mainly in respect of temporary differences between book depreciation and corresponding capital allowances. Potential deferred tax liabilities for other temporary differences are not accounted for as the amounts involved are immaterial.

10. INCOME TAX EXPENSE	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
Provision For The Year		80,840	86,352
Underprovision In Prior Year		784	-
Transferred From Deferred Tax Liability	9	(9,560)	(9,950)
		72,064	76,402

The disproportionate tax charge in relation to the results for the year is due to certain expenses being disallowed for tax purposes.

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10. INCOME TAX EXPENSE (Contd.)

The income tax expense is reconciled to the accounting profit at the applicable tax rate as follows :-

	<u>2015</u>	<u>2014</u>
	RM	RM
Profit Before Taxation	<u>224,823</u>	<u>476,210</u>
Tax At Malaysian Income Tax Of 26% (2014: 26%)	58,454	123,815
Tax Incentive From Differential Tax Rate Of 21.14%	(12,150)	(12,150)
Tax Effects Of :-		
Non-Taxable Income	(144,464)	(236,268)
Non-Deductible Expenses	180,750	221,846
Utilisation Of Capital Allowances	(1,750)	(1,448)
Utilisation Of Unabsorbed Tax Loss	<u>-</u>	<u>(9,443)</u>
Provision For The Year	80,840	86,352
Underprovision In Prior Year	784	-
Transferred From Deferred Tax Liability	<u>(9,560)</u>	<u>(9,950)</u>
Income Tax Expense For The Year	<u>72,064</u>	<u>76,402</u>

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and liabilities of the Institution as at 31st December 2015 as in the Council members' opinion approximate their fair values as shown on the balance sheet.

12. FINANCIAL RISK MANAGEMENT

The Institution's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Institution's operation whilst managing its risks. The main areas of financial risks faced by the Institution and the policy in respect of the major areas of treasury activity are set out as follows :-

a) Interest Rate Risk

The Institution is exposed to interest rate risk through the impact of rate changes on fixed deposits, which affect the interest incomes.

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31st December 2015

12. FINANCIAL RISK MANAGEMENT (Contd.)

b) Credit Risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet. However, policies had been established by the Institution to minimise such risks.

c) Liquidity And Cash Flow Risks

The Institution monitors and maintains a level of bank balances deemed adequate by the council members to finance the operation and mitigate the effects of fluctuation in cash flow.

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APPENDIX A

GENERAL FUND INCOME STATEMENT

for the year ended 31st December 2015

	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
Income (Appendix B)		2,985,809	2,344,961
Expenditure (Appendix C)		<u>(2,787,731)</u>	<u>(1,866,003)</u>
Surplus Of Income Over Expenditure For The Year Before Taxation		198,078	478,958
Income Tax Expense	10	<u>(72,064)</u>	<u>(76,402)</u>
Surplus Of Income Over Expenditure For The Year After Taxation		126,014	402,556
Transfer From MIDA Grant (Appendix H)		<u>-</u>	<u>117,164</u>
Surplus Of Income Over Expenditure For The Year Net Of Mida Grant / Benevolent Fund		126,014	519,720
General Fund B/Fwd		<u>2,799,357</u>	<u>2,279,637</u>
General Fund C/Fwd		<u>2,925,371</u>	<u>2,799,357</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX B****GENERAL FUND - SCHEDULE OF INCOME**

for the year ended 31st December 2015

	<u>NOTE</u>	<u>2015</u> RM	<u>2014</u> RM
Affiliation Income		4,645	-
Annual Dinner		231,005	194,860
Annual Subscription		555,632	852,523
Bank Special Interest (One Off)		743	-
Building Surveyors Registration		2,700	2,930
Car Stickers		230	338
Divisional AGM & Annual Dinner		20,030	20,000
Donation Received For Charities		26,500	3,410
Entrance Fees For Membership		21,695	25,282
Examination Fees		117,960	83,055
FIG Congress Contribution		-	100,000
Grant To Division From General Fund		32,000	-
Interest Received From Fixed Deposits		61,113	57,378
International Surveyors Congress		626,214	194,978
LS Firms Contribution		-	30,376
MIDA Grant	8	-	56,200
NREC Registration		119,850	13,384
QSIC Surplus		24,951	33,876
Rental Of RISM Conference Room		6,846	1,050
RISM Badge		380	-
RISM Bowling Tournament		1,200	9,760
RISM Calendar / Diary		214,838	122,233
RISM Events		-	53,341
RISM Excellence Award		25,000	10,000
RISM PRRES Conference		94,890	-
RISM Young Achiever's Award		26,894	45,150
Sale Of Building Surveyors Book		770	42
Sale Of Other Publications		54,490	131,340
Sale Of RISM T-Shirt & Jacket		2,023	2,025
Balance C/Fwd		2,272,599	2,043,531

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APPENDIX B

GENERAL FUND - SCHEDULE OF INCOME

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
Balance B/Fwd	2,272,599	2,043,531
Seminar And CPD - Business Unit	86,173	4,800
Seminar And CPD - Division BS	5,200	19,690
Seminar And CPD - Division GLS	344,316	32,900
Seminar And CPD - Division PMVS	44,645	47,329
Seminar And CPD - Division QS	201,015	95,831
Share of Net Tenancy Rental Income (Appendix I)	31,861	94,804
Special Levy - Commemorative Books	-	6,076
	<u>2,985,809</u>	<u>2,344,961</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX C****GENERAL FUND - SCHEDULE OF EXPENDITURE**

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
Accounting Fees	20,500	3,000
Advertisement	551	498
Affiliation Fees	47,458	24,931
AGM - RISM	94,674	-
Allowance	-	250
Annual Dinner	264,418	274,629
Audit Fees	13,000	12,000
Bad Debt Written Off	1,524	-
Bank Charges	15,752	3,779
Charity Event	22,000	30,260
Computer Maintenance	30,570	31,988
Conference Proceedings Expenses	-	335
Courier Charges	1,811	2,464
Depreciation Of Property, Plant And Equipment	60,258	136,207
Divisional AGM & Annual Dinners	38,534	51,579
Divisional Meeting Expenses	76,275	31,451
Electricity & Water	25,728	32,088
EPF Contribution	57,816	39,250
Examination Expenses	52,408	8,465
Games Expenses - Divisions	1,600	2,720
General Council Expenses	47,494	1,319
Gift & Donation	7,634	5,495
GLS Hari Raya Gathering	4,000	4,183
Grant To Branches	96,778	1,302
Grant To Division	32,000	-
GST Expenses	26,966	-
International Surveyors Congress	290,293	209,530
Medical Expenses	2,116	1,653
Newspaper & Periodicals	624	345
NREC Expenses	24,920	3,800
Participation In Annual Dinners (Associated Bodies)	7,300	13,180
Printing & Stationery	146,543	155,826
Balance C/Fwd	1,511,545	1,082,527

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX C****GENERAL FUND - SCHEDULE OF EXPENDITURE**

for the year ended 31st December 2015

	<u>2015</u>	<u>2014</u>
	RM	RM
Balance B/Fwd	1,511,545	1,082,527
Professional Fees	19,209	400
Property, Plant And Equipment Written Off	-	105
Publication Expenses	52,263	34,408
Purchase Of Code Of Practice	118	-
Purchase Of T-Shirt & Jacket	9,550	3,800
Refreshment	11,523	15,145
RISM Bowling Tournament	-	6,185
RISM Calendar / Diary	73,597	44,705
RISM Excellence Award	17,934	9,000
RISM Family Day	13,750	28,765
RISM PRRES Conference	3,312	3,350
RISM Young Achievers Award	35,387	5,380
Safe Deposit Box	244	230
Seminar And CPD - Business Unit	16,963	2,950
Seminar And CPD - Division BS	5,603	6,680
Seminar And CPD - Division GLS	243,389	17,000
Seminar And CPD - Division PMVS	16,150	17,126
Seminar And CPD - Division QS	88,530	48,508
SOCSO Contribution	5,081	4,450
Souvenir	4,907	5,263
Sponsorships	17,300	16,000
Staff Insurance	12,760	11,482
Staff Salaries, Overtime & Bonus	524,054	391,705
Staff Training	1,233	-
Subsidies For Overseas Conference & Workshop	11,073	38,467
Tax Agent Fees	3,400	3,280
Telephone & Postages	24,512	26,958
Travelling Expenses	62,745	39,108
Upkeep Of Office Equipment	1,599	3,026
	<u>2,787,731</u>	<u>1,866,003</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX D****SCHOLARSHIP FUND INCOME STATEMENT**

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
INCOME		
Contribution Received	19,410	23,398
Interest Received From Fixed Deposits	12,207	3,506
Share Of Net Tenancy Rental Income (Appendix I)	4,248	12,641
	<u>35,865</u>	<u>39,545</u>
LESS : EXPENDITURE		
Bank Charges	7	-
Scholarships	7,000	45,370
	<u>7,007</u>	<u>45,370</u>
Surplus / (Deficit) Of Income Over Expenditure	28,858	(5,825)
Scholarship Fund B/Fwd	<u>810,225</u>	<u>816,050</u>
Scholarship Fund C/Fwd	<u>839,083</u>	<u>810,225</u>

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APPENDIX E

SINKING FUND INCOME STATEMENT

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
INCOME		
Share Of Net Tenancy Rental Income (Appendix I)	4,248	12,641
LESS : EXPENDITURE	<u>-</u>	<u>-</u>
Surplus Of Income Over Expenditure	4,248	12,641
Sinking Fund B/Fwd	<u>110,708</u>	<u>98,067</u>
Sinking Fund C/Fwd	<u>114,956</u>	<u>110,708</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX F****LIBRARY FUND INCOME STATEMENT**

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
INCOME		
Contribution Received	3,118	4,410
Interest Received From Fixed Deposits	778	728
Share Of Net Tenancy Rental Income (Appendix I)	2,124	6,320
	<u>6,020</u>	<u>11,458</u>
LESS : EXPENDITURE		
Bank Charges	9	33
Library Books	6,372	2,589
	<u>6,381</u>	<u>2,622</u>
(Deficit) / Surplus Of Income Over Expenditure	(361)	8,836
Library Fund B/Fwd	<u>69,320</u>	<u>60,484</u>
Library Fund C/Fwd	<u>68,959</u>	<u>69,320</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX G****BENEVOLENT FUND INCOME STATEMENT**

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
INCOME	-	-
LESS : EXPENDITURE		
Benevolent Expenses	6,000	18,400
Deficit Of Income Over Expenditure	(6,000)	(18,400)
Benevolent Fund B/Fwd	368,764	387,164
Benevolent Fund C/Fwd	362,764	368,764

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX H****MIDA GRANT INCOME STATEMENT**for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
MIDA Grant B/Fwd	-	117,164
Transfer To General Fund (Appendix A)	-	<u>(117,164)</u>
MIDA Grant C/Fwd	<u>-</u>	<u>-</u>

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REGISTRATION NO. : 1582 (Selangor)**APPENDIX I****TENANCY RENTAL INCOME STATEMENT**

for the year ended 31st December 2015

	<u>2015</u> RM	<u>2014</u> RM
INCOME		
Deposit Forfeited	13,638	-
Rental Income	131,500	225,889
	<u>145,138</u>	<u>225,889</u>
LESS : EXPENDITURE		
Cleaning Services	15,163	12,815
Electricity	2,040	-
Fire Fighting Equipment	524	600
Insurance	5,781	5,870
Quit Rent & Assessment	15,062	15,061
Repair & Maintenance	25,989	22,247
Security Services	33,625	36,624
Water	4,473	6,266
	<u>102,657</u>	<u>99,483</u>
Surplus Of Income Over Expenditure	<u>42,481</u>	<u>126,406</u>

Apportioned As Follows :-

	<u>Rate Of</u> <u>Apportionment</u>			
	<u>2015</u> %	<u>2014</u> %		
General Fund (Appendix B)	75	75	31,861	94,804
Scholarship Fund (Appendix D)	10	10	4,248	12,641
Sinking Fund (Appendix E)	10	10	4,248	12,641
Library Fund (Appendix F)	5	5	2,124	6,320
			<u>42,481</u>	<u>126,406</u>

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