

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

FINANCIAL STATEMENTS for the financial year ended 31 December 2015

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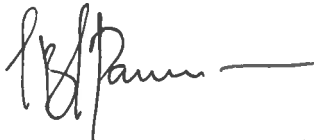
VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

STATEMENT BY MANAGEMENT COMMITTEE

We, the undersigned, state that the financial statements set out on pages 4 to 21 are properly drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Victoria Institution Old Boys' Association as of 31 December 2015 and of its financial performance and cash flows for the financial year ended on that date.



Kwek Keng Chye
President



Balraj Singh Pannu A/L Gajjan Singh
Honorary Treasurer

Kuala Lumpur

Date 09 MAY 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

Report on the Financial Statements

We have audited the financial statements of Victoria Institution Old Boys' Association, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 21.

Management Committee's Responsibility for the Financial Statements

The management committee of the Association is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The management committee is also responsible for such internal control as the management committee 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 controls relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management committee, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
VICTORIA INSTITUTION OLD BOYS' ASSOCIATION (CONT'D)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as of 31 December 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

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

Crowe Horwath

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

09 MAY 2016

Kuala Lumpur

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	NOTE	2015 RM	2014 RM
ASSETS			
NON-CURRENT ASSET			
Property and equipment	4	68,759	73,003
CURRENT ASSETS			
Other receivables and deposits		2,240	2,240
Tax refundable		173	171
Cash and bank balances		40,021	55,642
		<u>42,434</u>	<u>58,053</u>
TOTAL ASSETS		<u>111,193</u>	<u>131,056</u>
ACCUMULATED FUND AND LIABILITY			
Accumulated fund	5	75,265	106,811
CURRENT LIABILITY			
Other payables and accruals		35,928	24,245
TOTAL ACCUMULATED FUND AND LIABILITY		<u>111,193</u>	<u>131,056</u>

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 RM	2014 RM
INCOME		
Annual dinner	13,605	107,954
Donations and sponsorships received	98,700	2,000
Life membership fee	7,800	5,330
Rental income	2,400	8,655
Sale of goods	5,260	6,821
Waiver of debts	-	278
	127,765	131,038
LESS: EXPENDITURES		
Accounting fee	3,180	3,180
Annual General Meeting expenses	1,831	860
Annual dinner	-	105,624
Audit fee	4,000	4,000
Bank charges	75	28
Board of Governors	4,300	-
Credit card machine rental	-	150
Depreciation of property and equipment	13,844	12,716
Donation/Charity	101,001	14,875
Goods and services tax expenses	788	-
Honorarium to:		
- Honorary Secretary	3,600	3,600
- Honorary Treasurer	3,600	3,600
Insurance	1,362	1,377
Other miscellaneous expenses	545	2,662
Postage and courier	-	390
Printing and stationery	-	565
Quit rent	1,121	318
Rental	6,000	-
Sport expenses/tournament	3,050	7,210
Telephone and fax charges	-	593
Staff cost:		
- salary	-	30,000
Upkeep of building and office equipment	-	7,026
Water and electricity	11,014	12,156
	159,311	210,930

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

	2015 RM	2014 RM
DEFICIT OF INCOME OVER EXPENDITURES	(31,546)	(79,892)
ACCUMULATED FUND BROUGHT FORWARD	106,811	186,703
ACCUMULATED FUND CARRIED FORWARD	<u>75,265</u>	<u>106,811</u>

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 RM	2014 RM
CASH AND BANK BALANCES BROUGHT FORWARD	55,642	103,780
RECEIPTS		
Annual dinner	13,605	107,954
Donation and sponsorships received	98,700	2,000
Life membership fee	7,800	5,330
Rental income	2,400	8,655
Sale of goods	5,260	6,821
	127,765	130,760
PAYMENTS		
Accounting fee	2,862	3,180
Annual General Meeting expenses	1,831	860
Annual dinner	-	105,624
Audit fee	4,000	4,000
Bank charges	75	28
Board of governance	4,300	-
Credit card machine rental	-	150
Donation/charity	93,600	2,652
Goods and services tax expenses	344	-
Insurance	1,362	1,377
Postage and courier	-	390
Purchase of property and equipment	9,600	2,200
Printing and stationery	-	565
Other miscellaneous expenses	545	2,662
Quit rent	395	318
Rental	6,000	-
Staff costs	2,500	27,500
Sports expenses/tournament	3,050	7,210
Telephone and fax charges	-	593
Upkeep of building and office equipment	-	7,026
Water and electricity	12,922	12,563
	143,386	178,898
CASH AND BANK BALANCES CARRIED FORWARD	40,021	55,642

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. PRINCIPAL ACTIVITY

The Victoria Institution Old Boys' Association is a non-profit association registered under the Societies Act, 1966, established to promote sports, cultural and social activities amongst its members.

2. BASIS OF PREPARATION

The financial statements of the Association are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

- 2.1 During the current financial year, the Association has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Association's financial statements.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. BASIS OF PREPARATION (CONT'D)

- 2.2 The Association has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Association upon its initial application.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Association's accounting policies, the management committee are not aware of any estimates or judgements that have significant effects on the amounts recognised in the financial statements.

There are no assumptions concerning the future and other key sources of estimation of uncertainties at end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Association has become a party to the contractual provisions of the instruments.

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 a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Association has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and financial assets are classified as current assets, except for these having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the 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.

3.3 PROPERTY AND EQUIPMENT

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

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the asset over its estimated useful life. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Short-term leasehold land and building	Amortised over the lease period of 13 years
Renovation	10%
Furniture and fittings	10% to 20%
Office equipment	15%
Computers	20%

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 PROPERTY AND EQUIPMENT (CONT'D)

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Association and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Association is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between net disposal proceeds and the carrying amount, is recognised in the profit or loss.

3.4 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and 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.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Association.

(b) Defined Contribution Plans

The Association's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Association has no further liability in respect of the defined contribution plans.

3.6 INCOME RECOGNITION

(a) Donations

Donations are accounted for on a receipt basis.

(b) Membership fees

Membership fees are recognised on an accrual basis and apportionment is made on fees received in advance.

(c) Income from other services rendered

Income from other services rendered is recognised on an accrual basis when the outcome of the transactions can be estimated reliably. In the event the outcome of the transactions could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(d) Rental

Rental are recognised on an accrual basis.

(e) Sale of goods

Sale of goods is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and discounts.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted price included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstance that caused the transfer.

4. PROPERTY AND EQUIPMENT

	At 1.1.2015 RM	Addition RM	Depreciation Charge RM	At 31.12.2015 RM
Net Book Value				
Renovation	67,190	9,600	(13,038)	63,752
Office equipment	5,037	-	(720)	4,317
Computers	776	-	(86)	690
	<u>73,003</u>	<u>9,600</u>	<u>(13,844)</u>	<u>68,759</u>

	At 1.1.2014 RM	Addition RM	Depreciation Charge RM	At 31.12.2014 RM
Net Book Value				
Renovation	76,900	2,200	(11,910)	67,190
Office equipment	5,756	-	(719)	5,037
Computers	862	-	(86)	776
	<u>83,518</u>	<u>2,200</u>	<u>(12,715)</u>	<u>73,003</u>

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. PROPERTY AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Short-term leasehold land and building	390,000	(390,000)	-
Renovation	307,896	(244,144)	63,752
Furniture and fittings	17,995	(17,995)	-
Office equipment	42,131	(37,814)	4,317
Computers	6,905	(6,215)	690
	764,927	(696,168)	68,759
2014			
Short-term leasehold land and building	390,000	(390,000)	-
Renovation	298,296	(231,106)	67,190
Furniture and fittings	17,995	(17,995)	-
Office equipment	42,131	(37,094)	5,037
Computers	6,905	(6,129)	776
	755,327	(682,324)	73,003

The short-term leasehold land and building had expired in year 2012. Approval for the extension of the leasehold term was obtained on 12 December 2012 for a lease period of 99 years and the management committee is in the midst to negotiate a fee to be paid to the authority.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. ACCUMULATED FUND

	2015 RM	2014 RM
Balance as at 1 January	106,811	186,703
Deficit for the financial year	(31,546)	(79,892)
	<hr/>	<hr/>
Balance as at 31 December	<u>75,265</u>	<u>106,811</u>

6. INCOME TAX EXPENSE

The Association is exempted from income taxes on all its income under Schedule 6 Para 13 of the Income Tax Act, 1967.

7. FINANCIAL INSTRUMENTS

The Association's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Association's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association's financial performance.

7.1 FINANCIAL RISK MANAGEMENT POLICIES

The Association's policies in respect of the major areas of treasury activities are as follow:-

(a) Market Risk

(i) Foreign Currency Risk

The Association does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Association does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Association does not have any quoted investments and hence, is not exposed to equity price risk.

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. FINANCIAL INSTRUMENTS (CONT'D)

7.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) **Credit Risk**

The Association does not have any major concentration of credit risk related to any individual customer or counterparty.

(c) **Liquidity Risk**

The liquidity and cash flow risks of the Association are minimal as it maintains adequate funds to meet its obligations as and when they fall due.

7.2 CAPITAL RISK MANAGEMENT

The Association manages its capital by maintaining an optimal capital structure so as to support its operation and maximise members' value.

There was no change in the Associate's approach to capital management during the financial year.

The Association does not have any external borrowings. The debt-to-equity ratio does not provide a meaningful indicator of the risk of borrowings.

7.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2015 RM	2014 RM
Financial asset		
<u>Loan and Receivable Financial Assets</u>		
Deposits	2,240	2,240
Cash and bank balances	40,021	55,642
	<hr/> 42,261	<hr/> 57,882
Financial liability		
<u>Other Financial Liability</u>		
Other payables and accruals	35,928	24,245
	<hr/> 35,928	<hr/> 24,245

VICTORIA INSTITUTION OLD BOYS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. FINANCIAL INSTRUMENTS (CONT'D)

7.4 FAIR VALUE MEASUREMENTS

As at the end of the reporting period, there were no financial instruments carried at fair values.

The fair value of the financial assets and financial liabilities of the Association approximated their carrying amounts due to the relatively short-term maturity of the financial instruments (maturing within the next 12 month). The fair value is determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair value is within level 2 of the fair value hierarchy.