Co. No. 783440-X

REEF CHECK MALAYSIA
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**
(In Ringgit Malaysia)

Co. No. 783440-X

REEF CHECK MALAYSIA
(Incorporated in Malaysia)

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TRUSTEES' REPORT

The trustees submit their report and the audited financial statements of the Company for the financial year ended 31 December 2014.

Principal activities

The Company is a company limited by guarantee and not having a share capital. It is established and maintained exclusively as a non profit charitable organisation to contribute to the sustainable management of coral reefs in Malaysia, to raise public awareness about the value of marine and coastal ecosystems, educate the public about the current crisis affecting marine ecosystems, to develop and implement educational programmes to raise awareness of the need for coral reef conservation and to create a Malaysia-wide network of trained volunteer teams to monitor and report on reef health using a globally accepted standard method and to obtain high quality scientific data on the health of marine and coastal ecosystems through survey programmes.

Financial results

	RM
Net loss for the year	60,366

In the opinion of the trustees, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The income and property of the Company whencesoever derived shall be applied solely toward the promotion of the objects of the Company as a non profit charitable organisation and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Company.

Reserves and provisions

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

Limited by guarantee

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time that he is a member or within one year after he ceased to be a member for payment of debts and liabilities of the Company contracted before he and for the adjustment, of rights of the contributories amongst themselves, such amount as may be required not exceeding Ringgit Malaysia One Hundred (RM100.00).

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Trustees

The trustees of the Company in office since the date of the last report are:

Dr. A. Sasekumar A/L G.A. Pillay - Resigned on 16.6.2014
Yeoh Pei Cheen
Ning Baizura Binti Hamzah *
Gordon Bryden Reid
Ralph Justin Dixon (Alternate trustee to Yeoh Pei Cheen)
Hiew Wai Phang * - Appointed on 16.6.2014
Lim Jit Cheng * - Appointed on 16.6.2014
* also a member of the Company

Trustees' benefits

Since the end of the previous financial year, no trustee has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the trustee or with a firm of which the trustee is a member, or with a company in which the trustee has a substantial financial interest.

There were no arrangements during or at the end of the financial year, which had the object of enabling the trustees to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the trustees took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the trustees are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; and

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the trustees, would substantially affect the results of the operations of the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Company.

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Other statutory information (continued)

No contingent or other liability of the Company 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 trustees, will or may affect the ability of the Company to meet its obligations when they fall due.

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

Auditors

The auditors, Messrs Russell Bedford LC & Company, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the trustees,

HIEW WAI PHANG

LIM JIT CHENG

Kuala Lumpur

Dated: 12 JUN 2015

REEF CHECK MALAYSIA
(Incorporated in Malaysia)

STATEMENT BY TRUSTEES

The trustees of REEF CHECK MALAYSIA, state that, in the opinion of the trustees, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the Approved Accounting Standards For Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the trustees,

HIEW WAI PHANG

LIM JIT CHENG

Kuala Lumpur

Dated: 12 JUN 2015

STATUTORY DECLARATION

I, LIM JIT CHENG, being the trustee primarily responsible for the financial management of REEF CHECK MALAYSIA, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 above named LIM JIT CHENG at Kuala Lumpur in Wilayah Persekutuan on 12 JUN 2015)

LIM JIT CHENG

Before me,

PESURUHJAYA SUMPAH
No. W 521
MOHAN A.S. MANIAM
MALAYSIA

COMMISSIONER FOR OATHS

No. 50, Jalan Hang Lekiu
50100 Kuala Lumpur.

Russell Bedford

Russell Bedford LC
& Company
(AF 1237)
Chartered Accountants
羅瑞貝德特許會計師事務所
10th Floor, Bangunan Yee Seng
15, Jalan Raja Chulan
50200 Kuala Lumpur
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W: www.russellbedford.com.my

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

REEF CHECK MALAYSIA
(Incorporated in Malaysia)

1. Report on the financial statements

We have audited the accompanying financial statements which comprise the statement of financial position of the Company as at 31 December 2014, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

1.1 Trustees' responsibility for the financial statements

The trustees of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1965 ("Act") and the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.2 Auditors' responsibility

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

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

(Forward)

Russell Bedford

1.3 Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Act and the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year ended on that date.

2. Report on other legal and regulatory requirements

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

Russell Bedford

RUSSELL BEDFORD LC & COMPANY
AF 1237
CHARTERED ACCOUNTANTS

TEOH WUEY SZE
2831/01/16 (J)
PARTNER

Kuala Lumpur

Dated: 12 June 2015

REEF CHECK MALAYSIA
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Revenue	4	596,618	671,285
Other income		7,950	24,554
Staff costs	5	(451,177)	(425,693)
Depreciation		(7,763)	(5,393)
Other operating expenses		(205,994)	(276,609)
Loss before tax	6	(60,366)	(11,856)
Income tax expense	7	-	1,306
Net loss for the year		(60,366)	(10,550)

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Non current assets			
Equipment	8	22,377	9,290
Current assets			
Trade receivables	9	12,190	43,680
Other receivables and deposits		3,250	3,850
Fixed deposit with a licensed bank	10	215,147	208,597
Cash and bank balances	11	342,483	501,845
		573,070	757,972
Current liability			
Other payables and accruals	12	696,730	808,179
		696,730	808,179
Net current liabilities		(123,660)	(50,207)
		(101,283)	(40,917)
Represented by:			
Accumulated loss		(101,283)	(40,917)

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated loss RM	Total RM
At 1 January 2013	(30,367)	(30,367)
Net loss for the year	(10,550)	(10,550)
At 31 December 2013	(40,917)	(40,917)
Net loss for the year	(60,366)	(60,366)
At 31 December 2014	(101,283)	(101,283)

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

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 RM	2013 RM
Cash flows from/(used in) operating activities		
Loss before tax	(60,366)	(11,856)
Adjustments for:		
Bad debts written off	-	1,520
Depreciation	7,763	5,393
Interest income	(6,550)	(6,329)
Operating loss before working capital changes	(59,153)	(11,272)
Decrease/(Increase) in trade and other receivables	32,090	(19,380)
(Decrease)/Increase in other payables and accruals	(111,449)	111,264
Cash flows (used in)/generated from operations	(138,512)	80,612
Income tax paid	-	(454)
Net cash (used in)/from operating activities	(138,512)	80,158
Cash flows from/(used in) investing activities		
Purchase of equipment	(20,850)	(3,186)
Increase in fixed deposits with maturities of more than 3 months	(6,550)	(208,597)
Interest income received	6,550	6,329
Net cash (used in)/from investing activities	(20,850)	(205,454)
Net (decrease)/increase in cash and cash equivalents	(159,362)	(125,296)
Cash and cash equivalents at beginning of year	501,845	627,141
Cash and cash equivalents at end of year	342,483	501,845

Cash and cash equivalents comprise:

	2014 RM	2013 RM
Cash and bank balances	342,483	501,845
Fixed deposits with a licensed bank	215,147	208,597
	557,630	710,442
Less: Fixed deposits with maturities of more than 3 months	(215,147)	(208,597)
	342,483	501,845

REEF CHECK MALAYSIA
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. General information

The Company is a company limited by guarantee and not having a share capital. It is established and maintained exclusively as a non profit charitable organisation to contribute to the sustainable management of coral reefs in Malaysia, to raise public awareness about the value of marine and coastal ecosystems, educate the public about the current crisis affecting marine ecosystems, to develop and implement educational programmes to raise awareness of the need for coral reef conservation and to create a Malaysia-wide network of trained volunteer teams to monitor and report on reef health using a globally accepted standard method and to obtain high quality scientific data on the health of marine and coastal ecosystems through survey programmes.

There has been no significant change in the nature of this activity during the financial year.

The Company is a public limited liability company, incorporated and domiciled, in Malaysia.

The registered office is located at 11.3A, 11th Bangunan Yee Seng 15, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of operations is located at Box 606, Lot 5.19 – 5.22, Wisma Central, Jalan Ampang, Kuala Lumpur.

The financial statements were approved and authorised for issue by the trustees on 12 June 2015.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared and presented in accordance with the provisions of the Companies Act, 1965 and the Malaysian Financial Reporting Standards ("MFRS"), the Approved Accounting Standards for Entities Other Than Private Entities issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Company had adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that become mandatory for the current financial year. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in accounting policies of the Company.

The Company has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to publish standards and interpretations do not result in significant changes in accounting policies of the Company upon their initial application.

2.2.2 Significant accounting policies

Functional and presentation currency

The financial statements of the Company are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

Revenue recognition

Revenue from sales of goods is measured at the fair value of the consideration receivable and is recognised in the profit or loss upon delivery of goods and customer's acceptance.

Revenue from services rendered is recognised in the income statement when the services are rendered.

Sponsorship income are deferred and recognised as income in the income statement over the period necessary to match them with the related cost that they are intended to compensate.

Interest income is recognised as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

Foreign currencies

Transactions in foreign currency are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date 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 and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows:

	2014 **RM**	**2013** **RM**
1 Euro Dollar	4.25	4.53

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

2.2.2 **Significant accounting policies** (continued)

Employee benefits (continued)

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised as an expense in the profit or loss.

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Impairment of assets

The carrying amount of assets subject to accounting for impairment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss in the period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the profit or loss.

2.2.2 **Significant accounting policies** (continued)

Equipment and depreciation

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

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

Furniture, fittings and equipment	20%
Motor boat and motor vehicle	20%

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Financial instruments

Financial instruments are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

Financial assets are classified as either at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets, as appropriate. Financial liabilities are classified as either at fair value through profit or loss (derivative financial liabilities) or at amortised cost (borrowings and trade and other payables), as appropriate.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non current.

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(ii) Payables

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increased in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss 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. The impairment loss is recognised in profit and loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent year, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Statement of cash flows

Statement of cash flows is prepared using the indirect method.

Cash equivalents comprises cash balances and short term deposits with maturities of three months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

4. Revenue

	2014 RM	2013 RM
Sales of services	105,267	70,620
Sales of goods	16,360	25,096
Sponsorship income	474,991	575,569
	596,618	671,285

5. Staff costs

	2014 RM	2013 RM
Defined contribution plan	38,370	35,338
Salaries, wages, bonus and allowances	408,580	386,275
Others employee related expenses	4,227	4,080
	451,177	425,693

6. Loss before tax

	2014 RM	2013 RM
Loss before tax is arrived at after charging/(crediting)		
Auditors' remuneration	2,000	2,000
Bad debts written off	-	1,520
Depreciation	7,763	5,393
Rental		
- equipment	13,530	26,045
- office	6,600	21,850
- others	7,490	1,745
Loss in foreign exchange - realised	13,812	-
Gain in foreign exchange - realised	-	(18,225)
Interest income from fixed deposit	(6,550)	(6,329)

7. Income tax expense

	2014 RM	2013 RM
Estimated income tax payable		
- under provision in prior year	-	(454)
Deferred tax (Note 13)		
- current year	-	1,360
- over provision in prior year	-	400
	-	1,306

7. Income tax expense (continued)

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2014 RM	2013 RM
Loss before tax	(60,366)	(11,856)
Taxation at statutory tax rate of 25% (2013: 25%)	15,100	3,000
Expenses not deductible for tax purposes	(1,700)	(1,200)
Deferred tax assets not recognised	(13,400)	(4,940)
Income not subjected to tax	-	4,500
(Under)/Over provision in prior years		
- income tax	-	(454)
- deferred tax	-	400
Income tax expense for the year	-	1,306

8. Equipment

	Motor boat and motor vehicle RM	Furniture, fittings and equipment RM	Total RM
Cost			
At 1 January 2013	-	28,408	28,408
Additions for the year	-	3,186	3,186
At 31 December 2013	-	31,594	31,594
Additions for the year	19,800	1,050	20,850
At 31 December 2014	19,800	32,644	52,444
Accumulated depreciation			
At 1 January 2013	-	16,911	16,911
Charge for the year	-	5,393	5,393
At 31 December 2013	-	22,304	22,304
Charge for the year	3,960	3,803	7,763
At 31 December 2014	3,960	26,107	30,067
Net book value			
At 31 December 2014	15,840	6,537	22,377
At 31 December 2013	-	9,290	9,290

9. Trade receivables

The normal trade credit term is 30 days.

10. Fixed deposits with a licensed bank

	2014 %	2013 %
The weighted average effective interest rates	3.25	3.10

	2014 Days	2013 Days
The average maturity as at the end of the financial year	130	130

11. Cash and bank balances

The foreign currency exposure profile of cash and bank balances is as follows:

	2014 RM	2013 RM
Euro Dollar	956	170,633

12. Other payables and accruals

	2014 RM	2013 RM
Prepayment for services received from clients	682,003	803,679
Other payables and accruals	14,727	4,500
	696,730	808,179

13. Deferred tax liability

	2014 RM	2013 RM
At beginning of year	-	(1,760)
Recognised in income statement (Note 7)		
- current year	-	1,360
- over provision in prior year	-	400
At end of year	-	-

Presented after appropriate offsetting as follows:

	2014 RM	2013 RM
Deferred tax assets	1,900	1,760
Deferred tax liabilities	(1,900)	(1,760)
	-	-

13. **Deferred tax liability** (continued)

Deferred tax assets are in respect of the following:

	2014 RM	2013 RM
Tax effects of:		
Unabsorbed capital allowances	3,800	4,800
Unutilised tax losses	14,900	1,900
	18,700	6,700
Less: Amount recognised	(1,900)	(1,760)
Amount not recognised	16,800	4,940

Portion of the unutilised tax losses and unabsorbed capital allowances have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

Deferred tax liabilities are in respect of the following:

	2014 RM	2013 RM
Tax effects of excess of tax capital allowances over related depreciation of equipment	(1,900)	(1,760)

14. **Limited by guarantee**

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time that he is a member or within one year after he ceased to be a member for payment of debts and liabilities of the Company contracted before he and for the adjustment, of rights of the contributories amongst themselves, such amount as may be required not exceeding Ringgit Malaysia One Hundred (RM100.00).

15. **Financial instruments, financial risks and capital risk management**

(a) **Categories of financial instruments**

The following table sets out the financial instruments as at the reporting date:

	2014 RM	2013 RM
Financial assets		
Loans and receivables:		
- Trade and other receivables	12,690	44,180
- Cash at bank	557,630	710,442
	570,320	754,622
Financial liabilities		
- Other payables and accruals	696,730	808,179

15. **Financial instruments, financial risks and capital risk management** (continued)

(b) **Financial risk management policies and objectives**

The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

Liquidity risk management

The Company maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities.

The undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay equal to the carrying amounts of the financial liabilites as disclosed in the respective notes.

Credit risk management

The Company's credit risk is primarily attributable to its trade and other receivables. This represents the Company's maximum exposure to credit risk. The Company performs ongoing credit evaluation of its customers and generally does not require collateral on account receivables. At reporting date, there were no significant concentrations of credit risk.

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the respectively short-term maturity of these financial instruments.

The fair values of financial assets and financial liabilities are determined with standard terms and conditions.

REEF CHECK MALAYSIA
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YAER ENDED 31 DECEMBER 2014

	2014 RM	2013 RM
Revenue		
Sales of services – training courses	105,267	70,620
Sales of goods – training materials	16,360	25,096
Sponsorship income	474,991	575,569
	596,618	671,285
Other income		
Gain on foreign exchange – realised	-	18,225
Fixed deposit interest	6,550	6,329
Other income	1,400	-
	7,950	24,554
Staff costs		
EPF and SOCSO	42,597	39,418
Salaries, wages and allowances	408,580	386,275
	(451,177)	(425,693)
Depreciation	(7,763)	(5,393)
Other operating expenses		
Accounting fees	1,500	1,500
Advertisement and promotion	8,228	16,935
Auditors' remuneration	2,000	2,000
Bad debts written off	-	1,520
Bank charges	927	750
Dive services	12,045	24,191
Donation and gift	5,231	-
Insurance	2,523	-
Loss on foreign exchange - realised	13,812	-
Low value assets	3,341	3,713
Meals and accommodation	34,879	53,824
Penalty	-	31
Petrol	2,618	2,292
Printing, stationery and postages	10,921	9,611
Professional fees	5,676	26,655
Rental of:		
- equipment	13,530	26,045
- office	6,600	21,850
- others	7,490	1,745
Secretarial fees	2,200	1,800
Seminar and symposium	22,628	942
Service tax	441	387
Subscription	600	-
Tax fees	1,000	1,000
Telephone expenses	3,957	3,474
Transportation	11,783	17,667
Training materials	16,714	33,475
Travelling expenses	12,349	24,698
Upkeep of office equipment	2,353	504
Upkeep of motor vehicle	648	-
	(205,994)	(276,609)
Loss before tax	(60,366)	(11,856)

The statement has been prepared for management purpose only.
It does not form part of the audited financial statements.