

SABAH LAW SOCIETY

ANNUAL REPORT

31 DECEMBER 2018

SABAH LAW SOCIETY

FINANCIAL STATEMENTS - 31 DECEMBER 2018

INDEX

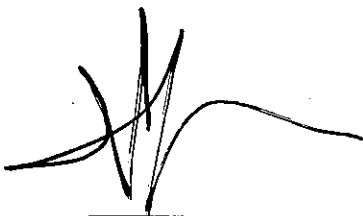
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SABAH LAW SOCIETY

**STATEMENT BY THE EXECUTIVE COMMITTEE
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

We, Brenndon Keith Soh and Ryan Soo Chin Fook, being the president and treasurer respectively of the SABAH LAW SOCIETY, do hereby state that, in the opinion of the executive committee, the financial statements set out on pages 5 to 21 are properly drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the SABAH LAW SOCIETY as at 31 December 2018 and of its results and cash flows for the year then ended.

Signed on behalf of the executive committee in accordance with a resolution by the executive committee.



Brenndon Keith Soh
President



Ryan Soo Chin Fook
Treasurer

**DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF THE ASSOCIATION**

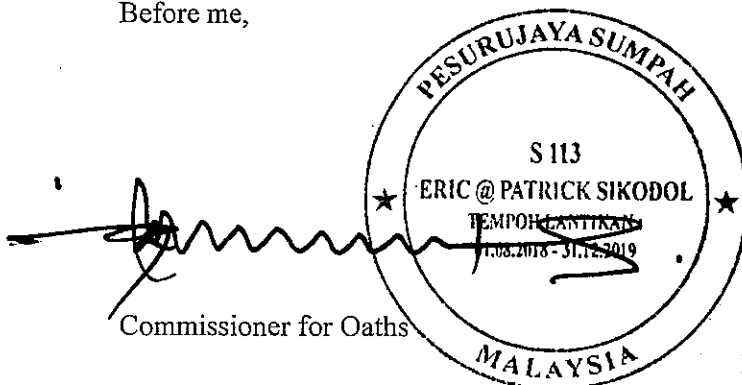
I, Ryan Soo Chin Fook, the officer primarily responsible for the financial management of the SABAH LAW SOCIETY, do solemnly and sincerely declare that the accompanying financial statements set out on pages 5 to 21 are, to the best of my knowledge and belief correct, and I make this solemn declaration 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
Ryan Soo Chin Fook at Kota Kinabalu
in the state of Sabah
on **19 JUN 2019**



Ryan Soo Chin Fook

Before me,



Commissioner for Oaths

ERIC @ PATRICK SIKODOL
Commissioner for Oaths
(Pesuruhjaya Sumpah S 113)
Shoplot Unit No. G. 18,
Ground Floor, Golden Centre Putatan
88200 Putatan, Sabah, Malaysia



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABAH LAW SOCIETY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SABAH LAW SOCIETY, which comprise the balance sheet as at 31 December 2018, and statement of income and expenditure and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 21.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Law Society as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies as stated in Note 4 to the financial statements and the requirements of the Advocates Ordinance.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Association in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Management Committee for the Financial Statements

The executive committee of the Law Society are responsible for the preparation of financial statements of the Law Society that give a true and fair view in accordance with accounting policies as stated in Note 4 to the financial statements and the requirements of the Advocates Ordinance. The executive committee are also responsible for such internal control as the executive committee determine is necessary to enable the preparation of financial statements of the Law Society that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Law Society, the executive committee are responsible for assessing the Law Society ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intend to liquidate the Law Society or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABAH LAW SOCIETY
(CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Law Society as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Law Society, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Law Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Law Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Law Society or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Law Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Law Society, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SABAH LAW SOCIETY
(CONTINUED)**

Other matters

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



S. K. WONG & CO.
AF: 1099
Chartered Accountants



NG CHEE HWA
02131/05/2021 J
Chartered Accountant

Kota Kinabalu, Malaysia.

Dated : 19 JUN 2019

SABAH LAW SOCIETY

COMBINED BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Non-current assets			
Property, plant and equipment	5	<u>142,802</u>	<u>-</u>
Current assets			
Inventories	6	20,590	-
Sundry receivables, deposits and prepayment	7	93,516	-
Fixed deposits	8	597,498	-
Cash and bank balances	9	<u>844,333</u>	<u>-</u>
		<u>1,555,937</u>	<u>-</u>
Current liabilities			
Sundry payables and accruals	10	818,644	-
Current tax liabilities		<u>312</u>	<u>-</u>
		<u>818,956</u>	<u>-</u>
Net current assets		<u>736,981</u>	<u>-</u>
		<u>879,783</u>	<u>-</u>
FINANCED BY :			
Accumulated funds		<u>879,783</u>	<u>-</u>

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

SABAH LAW SOCIETY

**COMBINED INCOME STATEMENT
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 RM	2017 RM
Income			
Adhoc application fees		2,700	-
Administrative charge		4,960	-
College of law mou continuing legal education		14,506	-
Contribution		146,800	-
Deposit forfeited		500	-
Dinner collection		12,911	-
Ethics, practice and professional standard course		25,000	-
Imposition of fine		13,000	-
Interest on fixed deposits		25,388	-
Letter of confirmation		4,150	-
Luncheon, hibah and CIPAA talk		9,322	-
Membership subscription fees		375,500	-
Rental - Booth		2,000	-
Rental - Meeting room		600	-
Seminar income		87,815	-
SLS merchandise		25,444	-
Strategic litigation talk		18,760	-
Technology & regulation workshop		2,400	-
		<u>771,756</u>	-
Less: Expenditure - Appendix I		<u>(500,659)</u>	-
Surplus before taxation		271,097	-
Less: Taxation	11	<u>(312)</u>	-
Net surplus for the year/period		<u>270,785</u>	-

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

SABAH LAW SOCIETY

COMBINED EXPENDITURE
FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
Administrative fees	4,500	-
Advertisement	2,267	-
Amicus curiae	1,719	-
Auditors' remuneration	4,500	-
Bank charges	166	-
Depreciation of property, plant and equipment	28,657	-
Dinner expenses	55,592	-
Electricity and water	1,159	-
Employee provident fund contributions	18,435	-
Exco meeting expenses	392	-
Extraordinary general meeting expenses / Annual general meeting expenses	15,599	-
Legal games	5,000	-
Medical fees	195	-
Meeting expense	1,229	-
Newspaper and periodical	504	-
Office expenses	3,881	-
Office rental	48,925	-
Photocopy machine rental	4,075	-
Postage and telephone	5,515	-
Printing and stationery	12,741	-
Professional fees	800	-
Purchase of professional books	18,645	-
Repairs and maintenance	1,983	-
Runner fees	2,660	-
Salaries, wages and bonus	158,739	-
Seminar and event expenses	41,276	-
SOCSO contributions	2,293	-
Souvenir	3,443	-
Staff amenities	811	-
Staff training	933	-
Stamp duty	10	-
Stock written off	3,464	-
Strategies litigation conference	525	-
Subscription fees	1,830	-
Sundry expenses	310	-
Transportation charges	306	-
Travelling and accommodation	47,380	-
Vehicle running expenses	200	-
	<u>500,659</u>	<u>-</u>

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

SABAH LAW SOCIETY

**COMBINED STATEMENT OF CHANGES IN ACCUMULATED FUND
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018 RM	2017 RM
Accumulated fund as at 1 January	581,233	-
Capital Grant from Sabah Law Association	27,765	-
Surplus for the year/period	<u>270,785</u>	<u>-</u>
Accumulated funds as at 31 December	<u><u>879,783</u></u>	<u><u>-</u></u>

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

SABAH LAW SOCIETY

COMBINED CASH FLOW STATEMENT
FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
Cash flow from operating activities		
Surplus before taxation	271,097	-
Adjustment for :-		
Depreciation of property, plant and equipment	28,657	-
Surplus before working capital changes	299,754	-
Increase in inventories	(20,590)	-
Increase in sundry receivables, deposits and prepayment	(93,516)	-
Increase in sundry payables and accruals	818,644	-
Net cash generated from operating activities	1,004,292	-
Cash flow from investing activity		
Acquisition of property, plant and equipment	(18,742)	-
Net cash used in investing activity	(18,742)	-
Cash flow from financing activity		
Capital grant from Sabah Law Association	456,281	-
Net cash generated from financing activity	456,281	-
Net increase in cash and cash equivalents	1,441,831	-
Cash and cash equivalents at beginning of financial year/period	-	-
Cash and cash equivalents at end of financial year/period	1,441,831	-
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	844,333	-
Fixed deposits	597,498	-
	1,441,831	-

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

SABAH LAW SOCIETY

BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Non-current assets			
Property, plant and equipment	5	<u>130,957</u>	<u>152,717</u>
Current assets			
Inventories	6	20,590	4,330
Sundry receivables, deposits and prepayment	7	82,416	226,186
Fixed deposits	8	545,897	-
Cash and bank balances	9	<u>710,071</u>	<u>690,046</u>
		<u>1,358,974</u>	<u>920,562</u>
Current liabilities			
Sundry payables and accruals	10	686,923	492,046
Current tax liabilities		<u>312</u>	<u>-</u>
		<u>687,235</u>	<u>492,046</u>
Net current assets		<u>671,739</u>	<u>428,516</u>
		<u>802,696</u>	<u>581,233</u>
FINANCED BY :			
Accumulated funds		<u>802,696</u>	<u>581,233</u>

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

SABAH LAW SOCIETY**INCOME STATEMENT
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 RM	2017 RM
Income			
Adhoc application fees		2,700	600
Administrative charge		4,960	-
College of law mou continuing legal education		14,506	-
Dinner collection		12,911	16,250
Ethics, practice and professional standard course		25,000	15,250
Interest on fixed deposits		23,787	-
Letter of confirmation		4,150	1,650
Luncheon, hibah and CIPAA talk		9,322	-
Membership subscription fees		375,500	-
Rental - Booth		2,000	-
Rental - Meeting room		600	-
Seminar income		87,815	6,000
SLS merchandise		25,444	-
Strategic litigation talk		18,760	-
Technology & regulation workshop		2,400	-
		<u>609,855</u>	<u>39,750</u>
Less: Expenditure - Appendix I		<u>(415,845)</u>	<u>(187,382)</u>
Surplus/(Deficit) before taxation		194,010	(147,632)
Less: Taxation	11	<u>(312)</u>	<u>-</u>
Net surplus/(deficit) for the year/period		<u><u>193,698</u></u>	<u><u>(147,632)</u></u>

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

SABAH LAW SOCIETY

EXPENDITURE
FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
Advertisement	970	231
Amicus curiae	1,719	-
Auditors' remuneration	3,000	2,000
Bank charges	90	33
Conference fees	-	1,250
Depreciation of property, plant and equipment	27,766	6,327
Dinner expenses	55,592	25,940
Electricity and water	1,159	1,717
Employee provident fund contributions	13,658	10,704
Exco meeting expenses	392	317
Extraordinary general meeting / Annual general meeting expenses	15,599	4,400
Legal games	5,000	1,948
Medical fees	195	225
Newspaper and periodical	504	227
Office expenses	3,681	1,426
Office rental	48,925	18,505
Opening ceremony expenses	-	4,814
Photocopy machine rental	3,075	1,325
Postage and telephone	4,613	2,151
Printing and stationery	10,614	5,536
Professional fees	800	-
Purchase of SLS merchandise and law books	18,645	-
Repairs and maintenance	1,903	1,495
Runner fees	1,660	300
Salaries, wages and bonus	108,391	78,287
Seminar and event expenses	41,276	1,301
SOCSO contributions	1,800	707
Souvenir	3,443	592
Staff amenities	811	532
Staff training	933	1,537
Stamp duty	10	888
Stock written off	3,464	-
Strategies litigation conference	525	-
Subscription fees	1,830	1,155
Sundry expenses	120	793
Transportation charges	296	1,130
Travelling and accommodation	33,386	9,589
	<u>415,845</u>	<u>187,382</u>

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

SABAH LAW SOCIETY

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018 RM	2017 RM
Accumulated fund as at 1 January	581,233	-
Capital Grant from Sabah Law Association	27,765	728,865
Surplus/(Deficit) for the year/period	<u>193,698</u>	<u>(147,632)</u>
Accumulated funds as at 31 December	<u><u>802,696</u></u>	<u><u>581,233</u></u>

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

SABAH LAW SOCIETY

CASH FLOW STATEMENT
FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018	2017
	RM	RM
Cash flow from operating activities		
Surplus/(Deficit) before taxation	194,010	(147,632)
Adjustment for :-		
Depreciation of property, plant and equipment	<u>27,766</u>	<u>6,327</u>
Surplus/(Deficit) before working capital changes	221,776	(141,305)
Increase in inventories	(16,260)	(4,330)
Decrease/(Increase) in sundry receivables, deposits and prepayment	143,770	(226,186)
Increase in sundry payables and accruals	<u>194,877</u>	<u>492,046</u>
Net cash generated from operating activities	<u>544,163</u>	<u>120,225</u>
Cash flow from investing activity		
Acquisition of property, plant and equipment	<u>(6,006)</u>	<u>(159,044)</u>
Net cash used in investing activity	<u>(6,006)</u>	<u>(159,044)</u>
Cash flow from financing activity		
Capital Grant from Sabah Law Association	<u>27,765</u>	<u>728,865</u>
Net cash generated from financing activity	<u>27,765</u>	<u>728,865</u>
Net increase in cash and cash equivalents	565,922	690,046
Cash and cash equivalents at beginning of financial year/period	<u>690,046</u>	<u>-</u>
Cash and cash equivalents at end of financial year/period	<u><u>1,255,968</u></u>	<u><u>690,046</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	710,071	690,046
Fixed deposits	<u>545,897</u>	<u>-</u>
	<u><u>1,255,968</u></u>	<u><u>690,046</u></u>

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

SABAH LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2018

1. PRINCIPAL OBJECTS

The principal objects of the Law Society are to promote, encourage and advance the status and interest of the legal profession in Sabah. There have been no significant changes in the principal objects during the financial year.

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the executive committee on **18 JUN 2019**

3. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Law Society's financial risk management objectives are to ensure that the Law Society creates value and maximizes returns to the Law Society and its members at large. The Law Society financial risk management policies seek to ensure that adequate financial and non-financial resources are available for the smooth implementation of its operations. The Law Society has been financing its operations from internally generated funds and, therefore, is not exposed to interest rate risk arising from bank borrowings. The Law Society does not materially invest in quoted shares and is, therefore, not exposed to market risk arising from the risk of the financial instruments fluctuating due to changes in market prices.

i) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit limits and ongoing monitoring procedures.

ii) Liquidity Risk

The Law Society practices prudent liquidity management to minimize the mismatch of financial assets and liabilities and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements.

iii) Fair Values

The carrying amounts of cash and cash equivalents, subscription in arrears, sundry receivables and payables approximate their fair values due to the relatively short term nature of these financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Preparation

The financial statements of the Law Society are prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

4.2 Combined Financial Statements

Combined financial statements are prepared by combining the financial statements of the Law Society and the financial statements of its' "Discipline Fund".

4.3 Property, Plant and Equipment

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

The straight-line method is used to write off the cost of the assets over the term of their estimated useful lives at the following principal annual rates:

Furniture and fittings	15%
Office and other equipment	20%
Renovation	20%

Fully depreciated property, plant and equipment are retained in the account until they are not longer in use.

4.4 Inventories

Inventories are held for own use and are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

4.5 Impairment

The carrying amounts of the Law Society's assets, other than inventories and financial assets, are reviewed at each balance sheet 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 recognized 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 income statement.

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.

SABAH LAW SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018**

4. SIGNIFICANT ACCOUNTING POLICIES - (cont'd)

4.5 Impairment – (cont'd)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it 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 recognized in the income statement.

4.6 Income Recognition

Revenue from Law Society Activities

Revenue from seminars is recognized on confirmation of a participant's registration.

Revenue from advertisement in magazine is recognised upon confirmation of advertisement. Revenue from other events are recognised upon the occurrence of such events.

4.7 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

4.8 Income Taxes

Income tax on the surplus or deficit for the year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable surplus for the year and is measured using the scale tax rates that have been enacted at the balance sheet date.

4.9 Employee Benefits

i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which associated services are rendered by employees of the Association. 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.

SABAH LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES - (cont'd)

4.9 Employee Benefits – (cont'd)

ii) Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognized as an expense in the income statement as incurred.

5. PROPERTY, PLANT AND EQUIPMENT

Combined (Discipline Fund)	As at 01.01.2018 RM	Additions RM	Disposals RM	As at 31.12.2018 RM
Cost				
Furniture and fittings	35,879	470	-	36,349
Office and other equipment	64,371	14,892	-	79,263
Renovation	58,794	3,380	-	62,174
	159,044	18,742	-	177,786
	As at 01.01.2018 RM	Additions RM	Disposals RM	Additions RM
Accumulated depreciation				
Furniture and fittings	928	5,452	-	6,380
Office and other equipment	3,929	14,259	-	18,188
Renovation	1,470	8,946	-	10,416
	6,327	28,657	-	34,984
	Carrying Amounts 2018 RM	2017 RM	Depreciation Charge 2018 RM	2017 RM
Furniture and fittings	29,969	-	5,452	-
Office and other equipment	61,075	-	14,259	-
Renovation	51,758	-	8,946	-
	142,802	-	28,657	-

SABAH LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

5. PROPERTY, PLANT AND EQUIPMENT

Law Society	As at 01.01.2018 RM	Additions RM	Disposals RM	As at 31.12.2018 RM
Cost				
Furniture and fittings	35,879	470	-	36,349
Office and other equipment	64,371	5,536	-	69,907
Renovation	58,794	-	-	58,794
	<u>159,044</u>	<u>6,006</u>	<u>-</u>	<u>165,050</u>
	As at 01.01.2018 RM	Additions RM	Disposals RM	Additions RM
Accumulated depreciation				
Furniture and fittings	928	5,452	-	6,380
Office and other equipment	3,929	13,495	-	17,424
Renovation	1,470	8,819	-	10,289
	<u>6,327</u>	<u>27,766</u>	<u>-</u>	<u>34,093</u>
	<u>Carrying Amounts</u>		<u>Depreciation Charge</u>	
	2018 RM	2017 RM	2018 RM	2017 RM
Furniture and fittings	29,969	34,951	5,452	928
Office and other equipment	52,483	60,442	13,495	3,929
Renovation	48,505	57,324	8,819	1,470
	<u>130,957</u>	<u>152,717</u>	<u>27,766</u>	<u>6,327</u>

6. INVENTORIES

	2018 RM	2017 RM
At cost :		
Inventories of SLS merchandise and law books	<u>20,590</u>	<u>4,330</u>

SABAH LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
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7. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Combined (Discipline Fund)		Law Society	
	2018 RM	2017 RM	2018 RM	2017 RM
Sundry receivables	79,578	-	69,578	211,856
Deposits	13,100	-	12,300	13,700
Prepayments	838	-	538	630
	<u>93,516</u>	<u>-</u>	<u>82,416</u>	<u>226,186</u>

8. FIXED DEPOSITS

The fixed deposits have been placed in a licensed commercial bank the effective interest rate of deposits at the balance sheet date was as follow:

	2018 %	2017 %
Licensed bank	<u>4.10 - 4.25</u>	<u>-</u>

9. CASH AND BANK BALANCES

	Combined (Discipline Fund)		Law Society	
	2018 RM	2017 RM	2018 RM	2017 RM
Public Bank Berhad (General)	670,768	-	670,768	517,759
Public Bank Berhad (Discipline)	133,807	-	-	134,603
Public Bank Berhad (Compensation)	39,082	-	39,082	37,402
Petty Cash (General)	221	-	221	282
Petty Cash (Discipline)	455	-	-	-
	<u>844,333</u>	<u>-</u>	<u>710,071</u>	<u>690,046</u>

SABAH LAW SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
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10. SUNDRY PAYABLES AND ACCRUALS

	Combined (Discipline Fund)		Law Society	
	2018 RM	2017 RM	2018 RM	2017 RM
Sabah Law Society (General A/C)	400	-	-	-
Accruals	13,334	-	11,813	6,046
Received in advance				
- Civil advocacy course	6,000	-	6,000	-
- Compensation fund	36,640	-	36,640	-
- Compensation fund in advance	32,450	-	32,450	32,400
- Discipline fund in advance	129,800	-	-	129,600
- Ministry of health and people's well	30,000	-	30,000	-
- Opening legal year 2019	245,520	-	245,520	-
- Subscription fees in advance	324,500	-	324,500	324,000
	<u>818,644</u>	<u>-</u>	<u>686,923</u>	<u>492,046</u>

11. TAXATION

	Combined (Discipline Fund)		Law Society	
	2018 RM	2017 RM	2018 RM	2017 RM
Tax charge for the year/period	<u>312</u>	<u>-</u>	<u>312</u>	<u>-</u>

The Law Society is taxed at scale rates similar to those applicable to a resident individual as specified in Part I of Schedule I of the Income Tax Act, 1967. Income from membership subscriptions for the current financial year is exempted from tax based on the attributable method by taking into consideration actual expenditure incurred under exemption order PU (A) 190/2005.

12. STAFF COSTS

	Combined (Discipline Fund)		Law Society	
	2018 RM	2017 RM	2018 RM	2017 RM
Employees provident fund contributions	18,435	-	13,658	10,704
Salary, wages and bonus	158,739	-	108,391	78,287
SOCSO contributions	2,293	-	1,800	707
	<u>179,467</u>	<u>-</u>	<u>123,849</u>	<u>89,698</u>

The number of staff of the Law Society at the financial year end was 4.