

Reg. No.

PPM-002-01-19061980

Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Financial Statements

31 December 2020

Reg. No.

PPM-002-01-19061980

Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Corporate Information

DATE OF INCORPORATION	19 JUNE 1980
COMMITTEE MEMBERS	TUAN HUN JIANG YANN TUAN LIEW HUP WHAT PUAN TAN HUI HUANG TUAN LAI SWEE HONG PUAN CHU FONG YEE CIK LOW SHAW HUI TUAN LIM CHAIN CHUAN TUAN TAI ENG WAH TUAN TEO KWEI CHIEH PUAN KHEE SWEE ENG CIK HO WEN YEN PUAN GOH WEE BOON TUAN NG KAH POON TUAN LIEW YUEN CHENG PUAN SOH BEE HOON TUAN TAN CHANG SIN PUAN GAN KWEE GEOK CIK WOO MIN FONG TUAN LIEW HONG YI TUAN TAN WEI SONG TUAN LOH CHIN LONG TUAN TAN WAN CHUAN
PRINCIPAL PLACE OF MANAGEMENT	No. 2 & 2A, JALAN GERONGGANG, MELODIES GARDEN, 80250, JOHOR BAHRU.
BANKERS	CIMB BANK BERHAD HONG LEONG BANK BERHAD OCBC BANK (MALAYSIA) BERHAD PUBLIC BANK BERHAD UNITED OVERSEAS BANK (MALAYSIA) BERHAD
AUDITORS	SQ ASSOCIATES (AF 0653) CHARTERED ACCOUNTANTS (MALAYSIA)

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Committee Report

The committee members take pleasure in submitting their report together with the audited financial statements of Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor ("Association") for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The objective of the Association is to promote friendship and caring amongst ex-student and teachers, and motivate healthy and cultural activities.

FINANCIAL RESULTS

For the year ended 31 December 2020, the Association has a surplus of RM74,430 after deducting the expenses against the income. At the date of this report, the committee members are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Association that would render any amount stated in the respective accounts misleading.

COMMITTEE MEMBERS

The committee members who served since the confirmation of their appointments are as follows:

Hun Jiang Yann	Chairman
Teo Kwei Chieh	Honorary Treasurer
Low Shaw Hui	Secretary

As at 31 December 2020, the total number of committee members is 22 and members is 917.

COMMITTEE BENEFITS

No committee member of the Association has received or become entitle to receive benefits by reason of a contract made by the Association.

INTEREST OF COMMITTEE MEMBERS

None of committee members have any interest in the Association during and at the end of the financial year.

AUDITORS' REMUNERATION

The total amount paid to or receivable by the auditors as remuneration for their services as auditors amounted to RM1,590 during the financial year.

To the extent permitted by law, the Management Corporation has agreed to indemnify its auditors, SQ Associates as part of the terms of its audit engagement against claims by third parties arising from the audit.

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Committee Report

AUDITORS

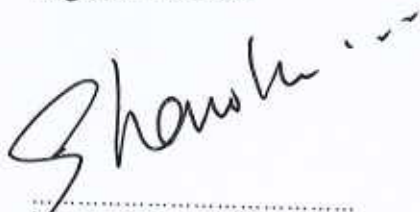
Messrs. SQ Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Management Committee on **25 March 2021**.

Signed on behalf of the Management Committee:



.....
Hun Jlang Yann
Chairman


.....
Tep Kwei Chieh
Honorary Treasurer

.....
Low Shaw Hui
Secretary

Johor Bahru

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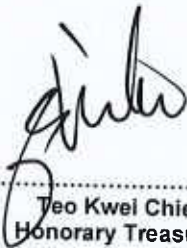
Statement by the Members of the Management Committee

The members of the Committee of Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor ("Association") do hereby state that, in their opinion, the accompanying financial statements, set out on pages 8 to 26 are drawn up in accordance with the rules of the Association, the provisions of the Societies Act, 1966 and Malaysian Private Entities Reporting Standard so as to give a true and fair view of the state of affairs of the Association at 31 December 2020 and its financial performance for the year ended on that date.

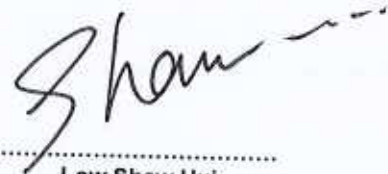
SIGNED ON BEHALF OF THE COMMITTEE IN ACCORDANCE WITH A RESOLUTION OF THE COMMITTEE



Hun Jang Yann
Chairman



Teo Kwei Chieh
Honorary Treasurer



Low Shaw Hui
Secretary

Dated: 25 March 2021

Reg. No.

PPM-002-01-19061980

for all your professional needs

Ho Thiam Poo Freddie
Seah Cheoh Wah Tony

SQ Associates
AF-0653
Chartered Accountants (Malaysia)



03-01, Jalan Molek 2/37,
80000 Johor Bahru, Johor, Malaysia
Tel: +60 7 2227718 Fax: +60 7 2277718
E mail: auditjb@sq.my

**Independent Auditors' Report to the Members of
Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor**

(Incorporated under the Societies Act, 1966)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor, which comprise the statement of financial position at 31 December 2020, statement of income and expenditure, statement of changes in net assets attributable to members, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor, at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia.

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 Management Committee 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The committee members of the Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor are responsible for the other information. The other information comprises the Committee Report but does not include the financial statements of the Association and our auditors' report thereon.

Independent Auditors' Report to the Members of
Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)
(Continued)

Information Other than the Financial Statements and Auditors' Report Thereon - continued

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Association, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Members of the management committee' Responsibility for the Financial Statements

The committee members of the Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Privates Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia. The committee members of the Association are also responsible for such internal control as the committee members determine is necessary to enable the preparation of financial statements of the Association that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Association 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.

Independent Auditors' Report to the Members of
Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with Malaysian Privates Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia, 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 Association, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management 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 Association'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 Association 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Association, 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 members of 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.

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Independent Auditors' Report to the Members of
Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
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(Continued)

Other Matters

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

A handwritten signature in black ink that reads "SQ Associates".

SQ Associates (Firm No. AF 0653)
Chartered Accountants (Malaysia)

Dated: 25 March 2021

Johor Bahru, Malaysia

A handwritten signature in black ink that reads "Seah Cheoh Wah".

Seah Cheoh Wah - Partner
No. 00997/03/2022 J

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Statement of Financial Position at 31 December 2020

	Notes	2020 RM	2019 RM
ASSETS			
Non-Current Asset			
Property, plant and equipment	4, 1, 6	<u>219,823</u>	<u>222,704</u>
Current Assets			
Prepayment		-	639
Sundry deposits	7	3,750	3,750
Fixed deposits	8	2,010,988	1,946,746
Cash and bank balances		<u>191,146</u>	<u>224,279</u>
Total Current Assets		<u>2,205,884</u>	<u>2,175,414</u>
Total Assets		<u>2,425,707</u>	<u>2,398,118</u>
ACCUMULATED FUND			
General fund	9	84,845	65,578
Building fund	10	199,545	199,545
Teachers' medical fund	11	383,233	389,723
Retiree teachers' medical fund	12	1,527,215	1,509,902
Culture and Education Fund	13	<u>208,922</u>	<u>209,358</u>
Total Accumulated Fund		<u>2,403,760</u>	<u>2,374,106</u>
Current Liabilities			
Other payable and accruals	14	15,906	18,346
Income tax payable	18	<u>6,041</u>	<u>5,666</u>
Total Current Liabilities		<u>21,947</u>	<u>24,012</u>
Total Fund and Liabilities		<u>2,425,707</u>	<u>2,398,118</u>

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Statement of Income and Expenditure

For the Year Ended
31 December 2020

	Notes	<u>2020</u> RM	<u>2019</u> RM
INCOME			
Donation income		65,572	82,353
Life member entrance fee		7,240	3,700
Net income from activities (SCHEDULE A)		<u>48,702</u>	<u>75,422</u>
		121,514	161,475
ADD: OTHER INCOME	16	<u>66,642</u>	<u>68,222</u>
		188,156	<u>229,697</u>
LESS: ADMINISTRATIVE AND GENERAL EXPENDITURE (SCHEDULE B)		<u>(99,812)</u>	<u>(153,415)</u>
Surplus before tax		<u>88,344</u>	<u>76,282</u>
Current estimated tax	18	<u>(4,835)</u>	<u>2,593</u>
Surplus of income over expenditure for the year		<u>83,509</u>	<u>78,875</u>

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	Calligraphy class RM	Fundraising events RM	Health and breathing workshop RM	Knowledge contest RM	New year gathering RM	Seminar RM	Speech contest RM	SJKC FY Talent competition RM	TOTAL RM
2020									
Income	-	88,933	-	-	12,657	656	-	-	102,246
Less: Direct expenditure	-	(52,860)	-	-	(288)	(396)	-	-	(53,544)
Net income/(expense) from activities	-	36,073	-	-	12,369	260	-	-	48,702
2019									
Income	1,900	92,120	5,110	5,222	15,928	1,880	-	7,817	129,977
Less: Direct expenditure	(1,710)	(19,598)	(3,536)	(8,999)	(13,764)	-	(1,600)	(5,348)	(54,555)
Net income/(expense) from activities	190	72,522	1,574	(3,777)	2,164	1,880	(1,600)	2,469	75,422

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Statement of Income and Expenditure

Schedule B: Expenditure

For the Year Ended

31 December 2020

	Notes	<u>2020</u> RM	<u>2019</u> RM
Advertisement		-	867
Assessment and quit rent		1,277	2,276
Auditors' remuneration		1,590	1,590
Bank charges		794	323
Bonus		-	5,000
Depreciation of property, plant and equipment	4.1, 6	7,589	7,118
Donation		11,126	4,480
Electricity and water charges		4,428	7,168
EPF contribution		3,588	9,282
Food and refreshment		-	687
General expenses		16,623	8,189
Insurance		474	474
Medical fee		305	300
Penalty		-	191
Printing and stationery		2,921	6,127
Salaries and wages		34,480	78,970
Scholarship to members' children		1,940	2,120
SIP contribution		54	115
SOCSO contribution		499	1,125
Stamp and postage		1,155	1,904
Tax service charge		1,590	1,590
Telephone expenses		4,230	4,905
Transportation		1,440	6,412
Uniform		460	-
Upkeep and repair		3,249	2,069
Withholding tax		-	133
		<u>99,812</u>	<u>153,415</u>

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
(Incorporated under the Societies Act, 1966)

Statement of Changes in Net Assets attributable to members

For the Year Ended
31 December 2020

	(Non-distributable)		(Distributable)			Total RM
	General Fund RM	Building Fund RM	Teachers' Medical Fund RM	Retiree Teachers' Medical Fund RM	Culture and Education Fund RM	
As at 1 January 2019	54,925	199,545	388,008	1,370,283	-	2,012,761
Contribution during the year	-	-	-	104,584	209,358	313,942
Distribution during the year	-	-	(12,281)	(19,191)	-	(31,472)
Net surplus during the year	78,875	-	-	-	-	78,875
Fixed deposit interest income transfer	(68,222)	-	13,996	54,226	-	-
As at 31 December 2019	65,578	199,545	389,723	1,509,902	209,358	2,374,106
Contribution during the year	-	-	2,775	10,475	112,565	125,815
Distribution during the year	-	-	(21,550)	(42,120)	(116,000)	(179,670)
Net surplus during the year	83,509	-	-	-	-	83,509
Fixed deposit interest income transfer	(64,242)	-	12,285	48,958	2,999	-
As at 31 December 2020	84,845	199,545	383,233	1,527,215	208,922	2,403,760

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor

(Incorporated under the Societies Act, 1966)

Statement of Cash Flows

For The Year Ended
31 December 2020

	Notes	2020	2019
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		88,344	76,282
Adjustments for:			
Depreciation of property, plant and equipment		7,589	7,118
Interest income		(64,242)	(68,222)
Operating surplus before working capital changes		31,691	15,178
Decrease in other receivable and prepayment		639	2,603
Decrease in other payables and accruals		(2,440)	(147,369)
Cash generated from/(used in) operations		29,890	(129,588)
Bank interest income		-	-
Tax paid	18	(4,460)	(1,716)
Net cash from/(used in) operating activities		<u>25,430</u>	<u>(131,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		64,242	68,222
Purchase of property, plant and equipment		(4,708)	(689)
Net cash from investing activities		<u>59,534</u>	<u>67,533</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution received for Culture and Education Fund		112,565	209,358
Contribution received for Retiree Teachers' Medical Fund		10,475	104,584
Contribution received from Teachers' Medical Fund		2,775	-
Distribution of Retiree Teachers' Medical Fund		(21,550)	(19,191)
Distribution of Teachers' Medical Fund		(116,000)	(12,281)
Distribution of Culture and Education Fund		(42,120)	-
Net cash (used in)/from financing activities		<u>(53,855)</u>	<u>282,470</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		31,109	218,699
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		<u>2,171,025</u>	<u>1,952,326</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	<u>2,202,134</u>	<u>2,171,025</u>

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Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor
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Notes to the Financial Statements - 31 December 2020

1. OPERATIONS AND PRINCIPAL ACTIVITIES

The Association is registered in Malaysia under the Societies Act, 1966.

The objective of the Association is to promote friendship and caring amongst ex-student and teachers, and motivate healthy and cultural activities.

The principal office is located at No. 2 & 2A, Jalan Geronggang, Melodies Garden, 80250, Johor Bahru, Johor.

The financial statements were authorised for issue by the Association's office bearers in accordance with a resolution of the Association's office bearers on 25 March 2021.

The financial statements of the Association are presented in Ringgit Malaysia ("RM"), which is the Association's functional currency. All financial information is presented in RM and are expressed in units of Ringgit Malaysia unless otherwise stated.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE SOCIETIES ACT 1966

The financial statements of the Association have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the requirements of the Societies Act, 1966.

3. BASIS OF PREPARATION

The financial statements have been prepared using cost and fair value bases.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment and Depreciation

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Association obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor

(Incorporated under the Societies Act, 1966)

Notes to the Financial Statements - 31 December 2020**4. SIGNIFICANT ACCOUNTING POLICIES - continued****4.1 Property, Plant and Equipment and Depreciation - continued**

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Land and Building are not depreciated but are subject to impairment test if there is only indication of impairment.

No restoration costs are involved.

All property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The depreciation method used and the useful life of the respective classes of property, plant and equipment is as follows:

Air-conditioners	10%	Projector	10%
CCTV	10%	Refrigerator	10%
Computer and printer	10%	Renovation	10%
Electrical appliances	10%	Safe	10%
Electrical installation	10%	Sport light	10%
Furniture and fittings	10%	Sport light for video making	10%
Office equipment	10%	UBS software	10%
Piano and audio equipment	10%		

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

4.2 Impairment of Non-Financial Assets

An impairment loss arises when the carrying amount of a association's asset exceeds its recoverable amount.

At the end of each reporting date, the Association assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Association estimates the recoverable amount of the asset or cash-generating unit.

Persatuan Bekas Penuntut Sekolah Foon Yew, Johor Bahru, Johor

(Incorporated under the Societies Act, 1966)

Notes to the Financial Statements - 31 December 2020

4. SIGNIFICANT ACCOUNTING POLICIES - continued

4.2 Impairment of Non-Financial Assets - continued

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management committee purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Association determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on [i] price in a binding sale agreement; [ii] market price traded in an active market; and [iii] estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows [by an appropriate discount rate] of the asset or unit, using reasonable and supportable management committee's budget and forecasts and extrapolation of cash inflows for periods beyond the forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Association reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.3 Financial Instruments

(a) Initial Recognition and Measurement

The Association recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

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Notes to the Financial Statements - 31 December 2020

4. SIGNIFICANT ACCOUNTING POLICIES - continued

4.3 Financial Instruments - continued

(b) Derecognition of Financial Instruments

A financial asset, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Association transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Association acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Association considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Association classifies financial assets into two categories, namely (i) financial assets at fair value through profit or loss; and (ii) financial assets at amortised cost.

After initial recognition, the investments in preference shares, and ordinary shares at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur or sale or other disposal. Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.3.7.

(d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Fair Value Measurement of Financial Instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

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4. SIGNIFICANT ACCOUNTING POLICIES - continued

4.3 Financial Instruments - continued

(f) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(g) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Association examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payment; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is an indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Association's experiences of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Association expects to receive for the asset if it were sold at the reporting date. The Association may estimate the recoverable amount using an adjusted net asset value approach.

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4. SIGNIFICANT ACCOUNTING POLICIES - continued

4.4 Employee Benefits

The Association recognises a liability when an employee has provided service in exchange for employee benefits to be paid in future and an expense when the Association consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

(a) Short Term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the 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.

(b) Post-Employment Benefits - Defined Contribution Plans

As required by law, companies in Malaysia make contribution to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

4.5 Income Recognition and Measurement

(i) Life Member Entrance fee

Life member entrance fee is recognised on receipt basis.

(ii) Donation

Donations from individuals, corporations and foundations are recognised on receipt basis.

(iii) Seminars

Income from seminars are recognised on receipt basis.

(iv) Other activities

Income from other activities organized by Association are recognised on receipt basis.

(v) Interest Income

Interest income is recognised on receivable basis.

(vi) Wages subsidy

Wages subsidy is recognised in profit or loss when the Company has met all the subsidy conditions.

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4. SIGNIFICANT ACCOUNTING POLICIES - continued

4.6 Income Tax

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A current tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand including bank overdraft and deposits and investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

5.1 Judgements and assumptions applied

There are no significant areas of judgements and assumptions in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

5.2 Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are as follows:

(a) Useful lives of depreciable assets

The management estimates the useful lives of the property, plant and equipment to be 10 years and reviews the useful lives of depreciable assets at each reporting date. At 31 December 2020, the management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in Note 6 to the financial statements. Actual results, however, may vary due to the change in the expected level of usage and technological developments, which result in adjustment to the Company's assets.

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5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY - continued

5.2 Estimation Uncertainty - continued

(b) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economics benefits of the property, plant and equipment may differ from the estimates applies and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(c) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognized, such difference will impact the income tax expense and deferred tax balance in the year in which such determination is made.

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Balance at 01.01.2020 RM	Additions RM	Disposal/ Written off RM	Balance at 31.12.2020 RM
Air-conditioners	16,451	1,630	-	18,081
CCTV	1,125	-	-	1,125
Computer and printer	13,819	-	-	13,819
Electrical appliances	344	165	-	509
Electrical installation	1,790	-	-	1,790
Freehold land and building	187,520	-	-	187,520
Furniture and fittings	19,644	2,063	-	21,707
Office equipment	4,420	-	-	4,420
Piano and audio equipment	18,686	850	-	19,536
Projector	6,051	-	-	6,051
Refrigerator	630	-	-	630
Renovation	43,105	-	-	43,105
Safe	1,950	-	-	1,950
Sport light	1,780	-	-	1,780
Sport light for video making	3,700	-	-	3,700
UBS software	2,335	-	-	2,335
	323,350	4,708	-	328,058

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Notes to the Financial Statements - 31 December 2020

6. PROPERTY, PLANT AND EQUIPMENT - continued

Accumulated Depreciation	Balance at 01.01.2020 RM	Charge for the year RM	Disposal/ Written off RM	Balance at 31.12.2020 RM
Air-conditioners	13,540	691	-	14,231
CCTV	675	113	-	788
Computer and printer	11,644	680	-	12,324
Electrical appliances	103	51	-	154
Electrical installation	1,790	-	-	1,790
Furniture and fittings	14,521	1,150	-	15,671
Office equipment	1,519	442	-	1,961
Piano and audio equipment	12,974	1,073	-	14,047
Projector	4,191	385	-	4,576
Refrigerator	630	-	-	630
Renovation	31,157	2,206	-	33,363
Safe	1,560	195	-	1,755
Sport light	1,780	-	-	1,780
Sport light for video making	3,330	370	-	3,700
UBS software	1,232	233	-	1,465
	<u>100,646</u>	<u>7,589</u>	<u>-</u>	<u>108,235</u>

Carrying Amount

	2020 RM	2019 RM
Air-conditioners	3,850	2,911
CCTV	337	450
Computer and printer	1,495	2,175
Electrical appliances	355	241
Electrical installation	-	-
Freehold land and building	187,520	187,520
Furniture and fittings	6,036	5,123
Office equipment	2,459	2,901
Piano and audio equipment	5,489	5,712
Projector	1,475	1,860
Refrigerator	-	-
Renovation	9,742	11,948
Safe	195	390
Sport light	-	-
Sport light for video making	-	370
UBS software	870	1,103
	<u>219,823</u>	<u>222,704</u>

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Notes to the Financial Statements - 31 December 2020

6. PROPERTY, PLANT AND EQUIPMENT - continued

6.1 Cost of fully depreciated assets still in use at the end of the reporting period

	<u>2020</u> RM	<u>2019</u> RM
Air-conditioners	11,175	11,175
Computer and printer	7,397	7,015
Electrical installation	1,790	1,790
Furniture and fittings	10,206	10,206
Piano and audio equipment	8,827	8,809
Projector	2,200	2,200
Refrigerator	630	630
Renovation	21,041	21,041
Sport light	1,780	1,780
Sport light for video making	370	-
	<u>65,416</u>	<u>64,646</u>

7. DEPOSITS

	<u>2020</u> RM	<u>2019</u> RM
Sundry deposits	<u>3,750</u>	<u>3,750</u>

8. FIXED DEPOSITS

	<u>2020</u> RM	<u>2019</u> RM
Fixed deposits with licensed financial institutions	<u>2,010,988</u>	<u>1,946,746</u>

The fixed deposits bear an interest rate of 1.45% to 3.20% (2019: 3.60% to 4.30%) per annum and have a maturity period of 1 to 12 months.

9. GENERAL FUND

	<u>2020</u> RM	<u>2019</u> RM
Balance at 1 January	65,578	54,925
Surplus for the year	83,509	78,875
	<u>149,087</u>	<u>133,800</u>
Fixed deposit interest income transfer	<u>(64,242)</u>	<u>(68,222)</u>
Balance at 31 December	<u>84,845</u>	<u>65,578</u>

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10. BUILDING FUND	<u>2020</u>	<u>2019</u>
	RM	RM
Balance at 1 January/31 December	<u>199,545</u>	<u>199,545</u>
11. TEACHERS' MEDICAL FUND	<u>2020</u>	<u>2019</u>
	RM	RM
Balance at 1 January	389,723	388,008
Add: Teacher medical fund received	<u>2,775</u>	<u>-</u>
	392,498	388,008
Less: Teacher medical fund paid	<u>(21,550)</u>	<u>(12,281)</u>
	370,948	375,727
Fixed deposit interest income transfer	<u>12,285</u>	<u>13,996</u>
Balance at 31 December	<u>383,233</u>	<u>389,723</u>
12. RETIREE TEACHERS' MEDICAL FUND	<u>2020</u>	<u>2019</u>
	RM	RM
Balance at 1 January	1,509,902	1,370,283
Add: Medical fund received	<u>10,475</u>	<u>104,584</u>
	1,520,377	1,474,867
Less: Medical fund paid	<u>(42,120)</u>	<u>(19,191)</u>
	1,478,257	1,455,676
Transfer of fund	<u>48,958</u>	<u>54,226</u>
Balance at 31 December	<u>1,527,215</u>	<u>1,509,902</u>
13. CULTURE AND EDUCATION FUND	<u>2020</u>	<u>2019</u>
	RM	RM
Balance at 1 January	209,358	-
Add: Fund received	<u>112,565</u>	<u>209,358</u>
	321,923	209,358
Less: Medical fund paid	<u>(116,000)</u>	<u>-</u>
	205,923	209,358
Transfer of fund	<u>2,999</u>	<u>-</u>
Balance at 31 December	<u>208,922</u>	<u>209,358</u>

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14. OTHER PAYABLE AND ACCRUALS	2020	2019
	RM	RM
Accruals	2,690	3,480
Other payables	13,216	14,866
	15,906	18,346

These short term payables are measured at undiscounted amounts as the effect of discounting is immaterial.

15. INCOME	2020	2019
	RM	RM
Donation received	65,572	82,353
Life member and entrance fee	7,240	3,700
Net surplus from activities		
- Calligraphy class	-	190
- Charity shows	-	72,522
- Health and breathing workshop	-	1,574
- Knowledge contest	-	(3,777)
- New Year Gathering	12,369	2,164
- Sales - others	36,073	-
- Seminar	260	1,880
- Speech contest	-	(1,600)
- SJKC FY Talent competition	-	2,469
	121,514	161,475

16. OTHER INCOME	2020	2019
	RM	RM
Fixed Deposit interest income	64,242	68,222
Wages subsidy	2,400	-
	66,642	68,222

17. EMPLOYEE BENEFIT EXPENSES	2020	2019
	RM	RM
Bonus	-	5,000
EPF contributions	3,588	9,282
Salaries and wages	32,080	78,970
SIP contributions	54	115
SOCSO contributions	499	1,125
	36,221	94,492

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18. TAX EXPENSE/(INCOME)

	<u>2020</u> RM	<u>2019</u> RM
Income tax:		
Balance at 1 January	5,666	9,975
Provision for the year	6,041	5,666
Overprovision in prior year	<u>(1,206)</u>	<u>(8,259)</u>
	<u>10,501</u>	<u>7,382</u>
Tax paid	<u>(4,460)</u>	<u>(1,716)</u>
Balance at 31 December	<u>6,041</u>	<u>5,666</u>
Major components of tax expenses are:		
In respect in current year:		
- Malaysian income tax	6,041	5,666
In respect of prior year:		
- Malaysian income tax	<u>(1,206)</u>	<u>(8,259)</u>
Tax (income)/expense charged to profit or loss	<u>4,835</u>	<u>(2,593)</u>

Tax reconciliation

The significant differences between the tax expense/(income) and accounting surplus multiplied by statutory tax rate are due to the tax effects arising from following items.

	<u>2020</u> RM	<u>2019</u> RM
Surplus before tax	<u>88,344</u>	<u>76,282</u>
Tax calculated at tax rate	6,041	5,666
Over provision of income tax in prior year	<u>(1,206)</u>	<u>(8,259)</u>
Tax expense/(income) for the year	<u>4,835</u>	<u>(2,593)</u>

19. CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash at bank	187,589	221,676
Cash in hand	<u>3,557</u>	<u>2,603</u>
	<u>191,146</u>	<u>224,279</u>
Fixed deposits with a licensed bank	<u>2,010,988</u>	<u>1,946,746</u>
	<u>2,202,134</u>	<u>2,171,025</u>