

PERSATUAN HARAPAN MULIA (PPM-007-10-18082013)
(Registered under the Societies Act, 1966)

FINANCIAL STATEMENTS
31 DECEMBER 2021

PERSATUAN HARAPAN MULIA
(Registered in Malaysia)

THE COUNCIL MEMBERS INFORMATION FOR 2021/2023

President	: Mr. Ahmad Zawawee Bin Zainal Abidin
Senior Vice President	: Kamarul Farid bin Kamaruddin
Vice President	: Oon Jia Li
Secretary	: Lim Cheng Ern
Vice Secretary	: Tiu Kok Peng
Treasurer	: Shayne Khoo Ru Hui
Councillors	: Lam Tsin Ai : Tan Chia Choon : Chee Bee Hong
Auditors	: S. F. Lee & Co. (AF: 0670) No.5-3, Udarama Complex, Jalan 1/64A, Off Jalan Ipoh, 50350 Kuala Lumpur. Tel: 03-40410540 Fax: 03-40410586
Principal Banker	: CIMB Bank Berhad : Maybank
Registered Office	: Block N-7-04, The Gamuda Biz Suites, Persiaran Anggerik Vanilla, 40460, Shah Alam Selangor
Principal Office	: Block N-7-04, The Gamuda Biz Suites, Persiaran Anggerik Vanilla, 40460, Shah Alam Selangor

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FINANCIAL STATEMENTS
31 DECEMBER 2021

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STATEMENT BY COMMITTEE MEMBERS

We, Ahmad Zawawee Bin Zainal Abidin and Shayne Khoo Ru Hui being, the president and the treasurer of Persatuan Harapan Mulia do hereby state that, in the opinion of the Committee Members, the accompanying financial statements set out pages 5 to 16 are drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Societies Act, 1966 in Malaysia so as to give a true and fair view of the financial position of the Persatuan Harapan Mulia as at 31 December 2021, and of the financial performance and cash flows of the Association for the year then ended.

On behalf of the Committee Members

06 APR 2022



Ahmad Zawawee Bin Zainal Abidin
President



Shayne Khoo Ru Hui
Treasurer

Dated:
Kuala Lumpur

STATUTORY DECLARATION

I, Shayne Khoo Ru Hui, being the treasurer primarily responsible for the financial management of Persatuan Harapan Mulia, do solemnly and sincerely declare that the accompanying financial statements set out on pages 5 to 16 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
at Kuala Lumpur in Wilayah Persekutuan on

06 APR 2022



Shayne Khoo Ru Hui

Before me:

Kuala Lumpur



No. 86, Jalan Putra
50350 Kuala Lumpur



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSATUAN HARAPAN MULIA

Report on the Financial Statements

Opinion

We have audited the financial statements of **Persatuan Harapan Mulia**, which comprise the statement of financial position of the Association as at 31 December 2021, the statement of income and expenditure, statement of changes in general fund and statement of cash flows of the Association for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 16.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards 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 *Auditor's 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 Company 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 Association are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Association and our auditors' report thereon.

Our opinion on the financial statements of the Association 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 the Association 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 the other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of the Committee Members for the Financial Statements

The committee members of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Societies Act 1966 in Malaysia. The committee members are also responsible for such internal control as 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.

In preparing the financial statements of the Association, the committee members are responsible for assessing the Association's 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 committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 council.



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- Conclude on the appropriateness of the council'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 committee members 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.

Other Matter

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

S.F. LEE & CO.
AF 0670
CHARTERED ACCOUNTANTS

LEE SIEW FATT
01179/09/2022 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated: 06 APR 2022

PERSATUAN HARAPAN MULIA
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STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
GENERAL FUND	4	<u>583,185</u>	<u>529,192</u>
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,053	1
		<u>2,053</u>	<u>1</u>
CURRENT ASSETS			
Other Receivables		2,250	4,500
Cash and bank balances		583,486	530,878
		<u>585,736</u>	<u>535,378</u>
CURRENT LIABILITIES			
Other payables and accruals		3,000	6,187
Current tax liabilities		1,654	-
		<u>4,654</u>	<u>6,187</u>
NET CURRENT ASSETS		581,082	529,191
		<u>583,135</u>	<u>529,192</u>

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

PERSATUAN HARAPAN MULIA
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STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2021

INCOME

	<u>2021</u> RM	<u>2020</u> RM
Donation	417,908	303,550
Fundraising 2020	70,121	490,667
Rakan Shopping project	-	61,370
Wages subsidy	9,400	7,200
	<u>497,429</u>	<u>862,787</u>

EXPENDITURE

Audit fee	1,500	1,500
Bank charges	184	1,305
Depreciation on property, plant and equipment	513	619
Donation and contribution to:-		
- Rakan-rakan shopping project	52,336	51,745
- Pru kasih program	743	754
- Study educare programme	80,000	78,950
- Educare activity programme orphanage	5,559	8,798
EPF, SOCSO and EIS	26,658	25,963
General expenses	-	161
Laundry	2,474	122
Medical fee	1,431	1,741
Petrol, toll and parking	1,984	2,686
Printing and stationery	504	637
Professional fee	1,100	-
Rental of premises	9,600	8,400
Refreshment	424	465
Staff salary & wages	195,751	189,310
Sanitisation project	51,707	-
Service tax	440	-
Telephone charges	1,132	-
Website maintainance	530	715
	<u>434,570</u>	<u>373,871</u>

Surplus for the year	62,859	488,916
Income tax expense	(8,916)	-
Net surplus for the year	<u>53,943</u>	<u>488,916</u>

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STATEMENT OF CHANGES IN GENERAL FUND
For the year ended 31 December 2021

	<u>RM</u>
At 1 January 2020	40,276
Surplus of income and expenditure for the year	488,916
At 31 December 2020	<u>529,192</u>
Surplus of income and expenditure for the year	53,954
At 31 December 2021	<u><u>583,146</u></u>

The accompanying notes are an integral part of the financial statements

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STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	<u>2021</u> RM	<u>2020</u> RM
Cash flows from operating activities		
Surplus for the year	62,859	488,916
Adjustment for:-		
Depreciation of property, plant and equipment	513	619
Surplus before working capital changes	<u>63,372</u>	<u>489,535</u>
Decrease / (increase) in receivables	2,250	(4,500)
(Decrease) / increase in payables	(3,187)	2,187
Cash generated from operation	<u>62,435</u>	<u>487,222</u>
Tax paid	(7,262)	-
Net cash generated in operating activities	<u>55,173</u>	<u>487,222</u>
Cash flows from investing activities		
Purchase of property plant and equipment	<u>(2,565)</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,608	487,222
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	530,878	43,656
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>583,486</u>	<u>530,878</u>

Analysis of cash and cash equivalents consists of :-

	<u>2021</u> RM	<u>2020</u> RM
Cash in hand	200	200
Cash at bank	583,286	530,678
	<u>583,486</u>	<u>530,878</u>

The accompanying notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS –31 DECEMBER 2021

1. CORPORATE INFORMATION

The principal activity of the Association is to inspire and empower less fortunate people via education and awareness. There has been no significant changes in the nature of this activity during the year.

The Association is registered in Malaysia. The registered office of the Association is located at Blok N-7-04, the Gamuda Biz Suites, Persiaran Anggerik Vanilla, Kota Kemuning, 40460 Shah Alam, Selangor.

The financial statements were authorised for issue in accordance with a resolution by the Council on

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Association have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and the requirements of Societies Act 1966 in Malaysia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Association’s functional currency.

(d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

The committee members are the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within next financial year.

3. SUMMARY OF ACCOUNTING POLICIES

(a) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Repair and maintenance costs are recognised in statement of income and expenditure as incurred.

Depreciation on property, plant and equipment is computed on a straight line basis to write-off the cost to its residual value over the estimated lives of the assets at following annual rate:-

Office equipment	20%
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The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of income and expenditure in the year the asset is derecognised.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generated cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of income and expenditure. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of cash-generating unit on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. 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. Reversals of impairment losses are credited to statement of income and expenditure in the financial year in which the reversals are recognised.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through the statement of income and expenditure) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(ii) Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method

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- (a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods;
- (c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Financial assets or financial liabilities not measured at amortised at cost or cost less impairment are measured at fair value changes recognised in statement of income and expenditure.

All financial assets (except for financial assets measured at fair value through the statement of income and expenditure) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- (i) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- (ii) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in statement of income and expenditure.

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

(d) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Association.

Short term accumulating compensated absences such as paid annual leave are recognised as a current liability when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences are recognized when the absences occur.

(ii) Defined contribution plans

The Association registered in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any amount already paid and as an expense in the period in which the employees render their services.

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4. GENERAL FUND

	<u>2021</u> RM	<u>2020</u> RM
At 1 January	529,192	40,276
Surplus of income over expenditure	53,943	488,916
At 31 December	<u>583,135</u>	<u>529,192</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RM
<i>Cost</i>	
At 1 January	3,098
Additions	2,565
Disposal and deletion	-
At 31 December	<u>5,663</u>
Accumulated depreciation and impairment losses	
At 1 January	3,097
Charge for the year	513
Disposal and deletion	-
At 31 December	<u>3,610</u>
Carrying amounts at 1 January	<u>1</u>
Carrying amounts at 1 December	<u>2,053</u>

6. TAX EXPENSE

	<u>2021</u> RM	<u>2020</u> RM
Current income tax:		
On result for the year	1,654	-
Underprovision in prior years	7,262	-
Tax expense	<u>8,916</u>	<u>-</u>

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7. FINANCIAL INSTRUMENTS

The financial instruments of the Association are categorised into the following classes:

	<u>2021</u> RM	<u>2020</u> RM
Financial assets measured at amortised cost less impairment		
Other receivables	2,250	4,500
Cash and bank balances	583,486	530,878
	<u>585,736</u>	<u>535,378</u>
Financial liabilities carried at amortised cost		
Other payables and accruals	<u>3,000</u>	<u>6,187</u>

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Assement operations are subject to the following risks:-

(a) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds. The Association exposures to liquidity risk arises principally from its various payables.

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

Maturity analysis

The maturity profile of the Association's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations are as follows:-

	Less than 1 financial year RM	1 to 5 financial years RM	More than 5 financial years RM	Total RM
<u>As at 31 December 2021</u>				
Other payables and accruals	3,000	-	-	<u>3,000</u>
<u>As at 31 December 2020</u>				
Other payables and accruals	6,187	-	-	<u>6,187</u>

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(b) Fair value of financial instruments

The carrying amount of the financial assets and financing liabilities of the Association at the end of the financial year approximate their fair values due to the relatively short term nature of these financial instruments.

9. CAPITAL MANAGEMENT

The Association regularly review and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs.

For the purpose of capital disclosure, the Committee Members regard the accumulated fund as capital of the Association.

10. STANDARDS, AMENDMENTS TO MFRS AND IC INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Association has not adopted the MFRS, Amendments to MFRS and IC Interpretations that are effective for financial year beginning 1 January 2022.

The adoption of these MFRS, Amendments to MFRS and IC Interpretations are expected to have no significant impact to the financial statement of the Association upon their initial application.

11. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the persident and Treasurer .