



FPAM



ANNUAL REPORT 2018



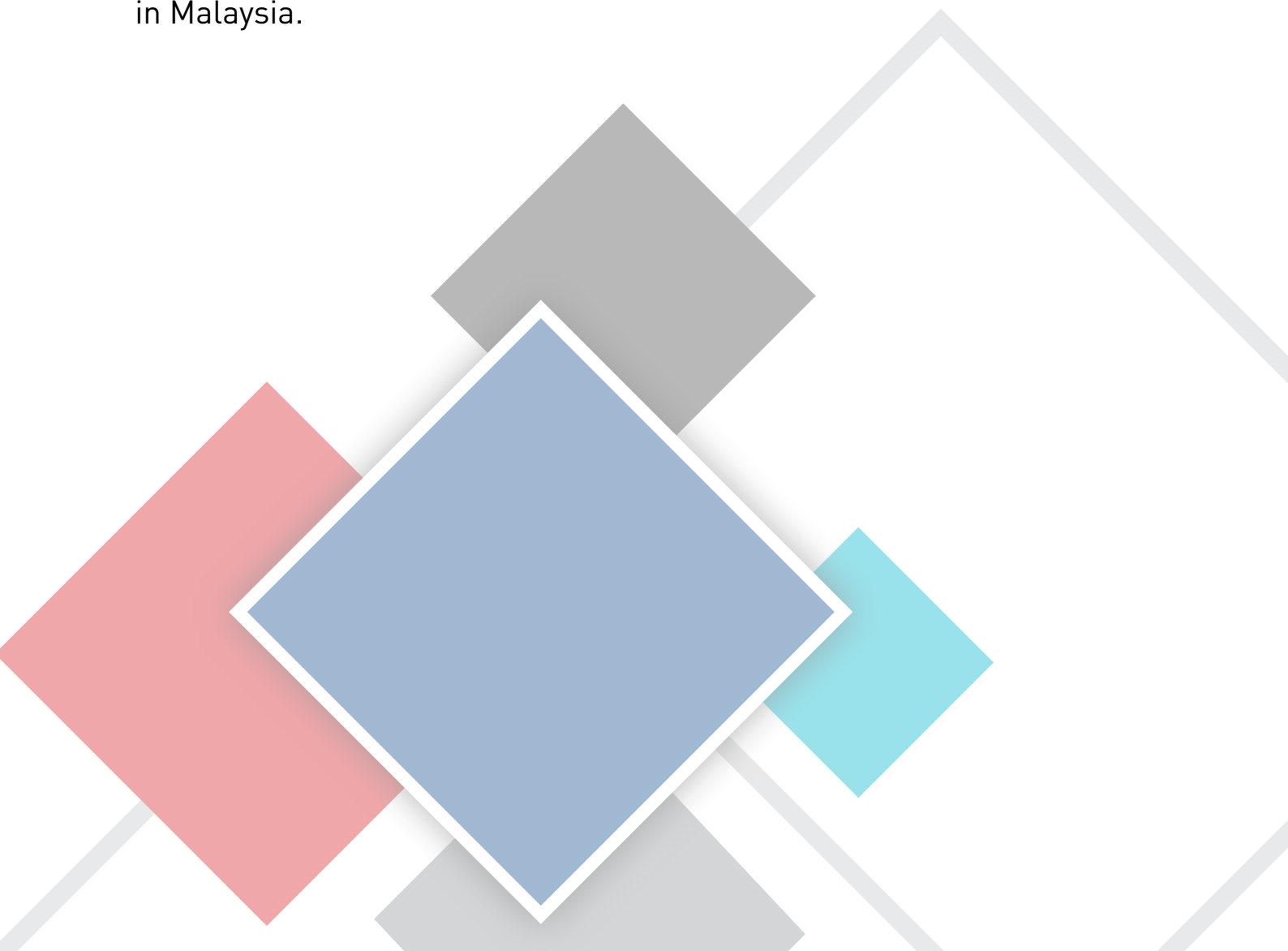
ISLAMIC
Financial
Planner

Vision

To establish financial planning as a recognized profession through the promotion of excellence in financial planning for the benefit of all Malaysians.

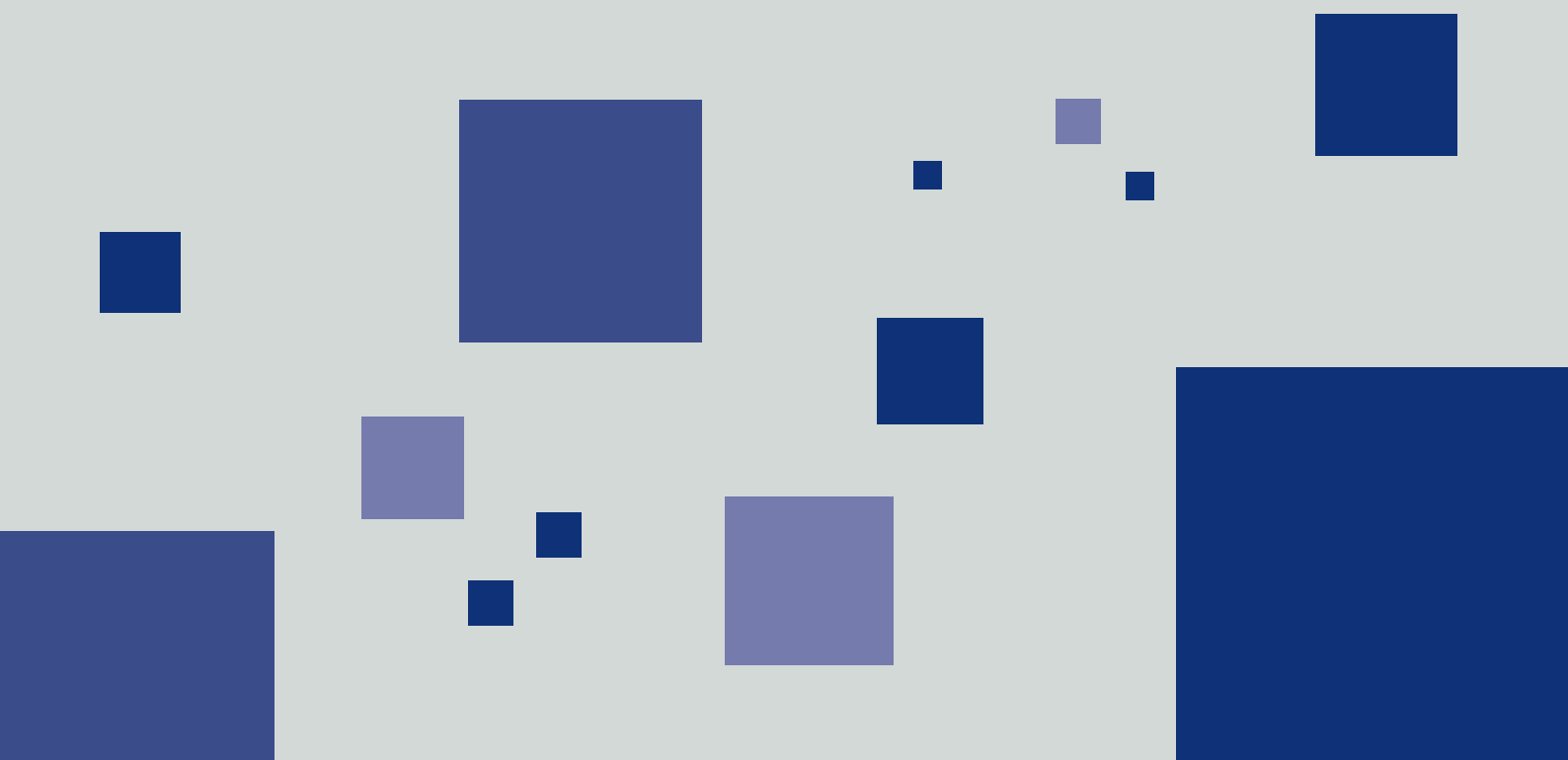
Mission

To establish the global CFP Mark as the leading symbol of excellence for personal financial planning in Malaysia.



Contents

Notice of Annual General Meeting	2
Board of Governors	3
Board Attendance in Year 2018 – 2019	4
Profiles of Board of Governors	5
President's Statement	10
Calendar of Events for the Year 2018	12
Report of the Board of Governors	17
Statement by the Board of Governors	23
Independent Auditor's Report	24
Statement of Financial Position	26
Statement of Income and Expenditure and Accumulated Funds	27
Statement of Cash Flows	28
Notes to the Financial Statements	29



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Financial Planning Association of Malaysia (FPAM) will be held at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000, Kuala Lumpur, on Saturday, 29 June 2019 at 1.30 p.m. for the following purposes:

1. To receive the President's Statement and Board of Governor's report on the activities of the Association for the year ending 31 December 2018.
2. To receive the audited accounts of the Association for the year ending 31 December 2018.
3. To re-appoint Baker Tilly Monteiro Heng as the auditors and to authorize the Board to determine their remuneration.
4. To elect members of the Board of Governors.
 - 4.1 To elect the following Charter Member Representatives to the Board of Governors.
 - 4.1.1 Mr Goon Cheng Yu (representing RHB Bank Berhad)
 - 4.1.2 Encik Mohd Ridza Yahya (representing Permodalan Nasional Berhad).
 - 4.2 To elect 2 Board Members from the following 4 nominees from Certified Members:
 - 4.2.1 Mr Low Hong Ceong
 - 4.2.2 Mr Tan Chin Cherng
 - 4.2.3 Mr Teoh Loon Heng
 - 4.2.4 Dato' Sri S Ramachandran A/L P Seevaratnam
5. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

Ms Tang Wee Hen
Honorary Secretary
Kuala Lumpur
Date: 7 June 2019

Notes:

Only Certified Members of the Association who have fully paid all fees payable in respect of their membership before the date of the Annual General Meeting are entitled to attend and vote at the Annual General Meeting. No proxies are allowed.

Board of Governors



Front Row (L-R):

- 1) Elena Chuah
- 2) Dennis Tan
- 3) Ismitz Matthew De Alwis
- 4) Paul Low

2nd Row (L-R):

- 1) David Mathew
- 2) Calvin Goon
- 3) Eunice Chan
- 4) Wong Hwa Kiong
- 5) Tang Wee Hen
- 6) Nicholas Chu

Not in picture:

- 1) Datuk Paul Khoo
- 2) Puan Aida Daud
- 3) Kong Kim Heng

Board Attendance in Year 2018-2019

Board of Governors Responsible for all policy matters affecting the Association and the profession		26 July 2018	29 September 2018	15 November 2018	23 January 2019	20 March 2019	29 May 2019	Total
1	Ismitz Matthew De Alwis	•	•	•	•	•	•	6/6
2	Dennis Tan Yik Kuan	•	•				•	3/6
3	Elena Chuah Ai Ling	•	•				•	3/6
4	Paul Low Hong Ceong	•	•	•		•	•	5/6
5	Tang Wee Hen		•	•	•	•	•	5/6
6	Aida Md Daud	•	•		•	•		4/6
7	Datuk Paul Khoo Chuin Yuen	•		•	•	•	•	5/6
8	Eunice Chan Chun Hei	•		•	•	•	•	5/6
9	Nicholas Chu Chee Kiang	•	•	•	•	•	•	6/6
10	Kong Kim Heng	•						1/6
11	Calvin Goon Cheng Yu	•	•	•		•		4/6
12	David D Mathew	•		•			•	3/6
13	Wong Hwa Kiong		•	•	•	•	•	5/6

Board of Certification & Standards Oversee the structure, content and standards for admission of CFP practitioner to ensure that certification standards are safeguarded, impartial and consistent with the requirements of the Financial Planning Standards Board (FPSB)		14 January 2019	14 May 2019	Total
1	Elena Chuah Ai Ling	•	•	2/2
2	Eunice Chan Chun Hei	•		1/2
3	Aida Md Daud			-
4	David D Mathew	•	•	2/2
5	Wong Hwa Kiong	•	•	2/2
6	Gavin Teoh	•		1/2

Board of Membership Affairs Oversee the development and implementation of the Board strategy in all matters relating to FPAM Membership & Marketing		27 July 2018	24 September 2018	7 November 2018	8 January 2019	15 March 2019	21 May 2019	Total
1	Paul Low Hong Ceong	•	•	•		•	•	5/6
2	Tang Wee Hen	•		•	•	•	•	5/6
3	Nicholas Chu Chee Kiang		•	•	•		•	4/6
4	Steve Teoh Loon Heng			•	•	•	•	4/6
5	Catherine Khoo				•		•	2/6
6	Calvin Goon	•	•		•		•	4/6

• Present Absent

Board of Governors Profile



Mr Ismitz Matthew,
CFP^{CERT TM}, IFP[®]
President

Mr Ismitz Matthew De Alwis is the Chief Executive Officer for Kenanga Investors Berhad (KIB) responsible for the overall asset and investment management business of KIB and its subsidiaries. He joined Kenanga Investors in June 2013 upon the acquisition of ING Funds Berhad where he was the Executive Director and country head for ING Investment Management business in Malaysia. He started as an Investment Analyst with a regional research & advisory firm, where he obtained vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He brings with him more than 25 years of experience, expertise and several leadership roles in the fields of financial and investment management both regionally and locally.

De Alwis is a member of University of Cambridge, Judge Business School – ABSEP alumni network and also attended the Advanced Business Management Program (ABMP) by International Institute for Management Development (IMD), Lausanne, Switzerland. He holds an

MBA and professional qualifications from the Chartered Institute of Marketing UK (CIM UK). He has a Capital Markets Services Representative's License (CMSRL) from the Securities Commission for fund management, investment advice and financial planning.

He is currently on the board of the Federation of Investment Managers Malaysia (FIMM), Committee Member of Malaysia Asset Management (MAAM) member of the Licensing Examinations Review Committee (LERC) for the Securities Commission Licensing Examination Module 10: Asset & Funds Management. He was also appointed to the Industry Competency Framework (ICF) Advisory Panel for the Malaysian Capital Market project undertaken by the Securities Industry Development Corporation (SIDC). He is also currently the President of Financial Planning Association of Malaysia (FPAM).



Mr Dennis Tan Yik Kuan,
CFP^{CERT TM}, IFP[®]
Deputy President

Mr Dennis Tan is the Managing Director of iFAST Capital Sdn Bhd and Executive Director for iFAST Malaysia Sdn Bhd. He also oversees the iFAST Integrated Wealth Management Platform ("iFAST Platform") business in Malaysia which serves Corporate Unit Trust Advisers and financial institutions. He has over 10 years' experience in the unit trust industry.

Dennis joined iFAST Corp in 2002 as an IT Manager and was actively involved in the software development for end-user application. In 2004, he climbed the ranks to take on the position of Business Development Manager responsible for the growth of the software division business. In 2006, he was promoted to Managing Director of iFAST Service Centre Sdn Bhd and took on the role as the Managing Director of iFAST Capital Sdn Bhd in 2008. Dennis is a Computer Science graduate from University Putra Malaysia (UPM).

Board of Governors Profile (cont'd)



Ms Elena Chuah Ai Ling,
CFP^{CERT}™, IFP[®]
Vice-President

Ms Elena Chuah records her 16 years in CIMB, has recently moved on from Group Human Resources to now Head of Business Management & Support Office, CIMB Group Operations.

The role is to support the Group Chief Operations Officer to oversee operational matters as well as employee engagement within the division. It also acts as a project management office.

The next 3-5 years will be exciting times for this new division as it embraces transformational changes in line with CIMB Forward 23.



Mr Paul Low Hong Ceong,
CFP^{CERT}™, IFP[®]
Vice-President

Paul Low Hong Ceong, is currently the Chief Executive Officer for Etiqa Life Insurance Berhad. Paul joined Etiqa Life Insurance Berhad in February 2019 to drive Etiqa's life insurance business.

Paul has been in the financial services industry for more than 30 years, namely insurance, mutual funds and wealth management locally and abroad, in USA, Malaysia and China.

From 1998 until 2005, Paul was the CEO of BHLB Pacific Trust/ SBB Mutual Berhad. Paul ventured into China in 2006 and held a few senior positions in CITIC Prudential, ING-Capital Life and Aeon Life Insurance Company Ltd. Paul returned to Malaysia in 2012 to join AmMetLife Insurance Berhad as the Managing Director/Chief Executive Officer.

From 2015 until January 2019 and prior to his appointment in Etiqa, Paul was the Chief Executive, Manulife Wealth Advisors at Manulife Holding Berhad.

During his tenure in Manulife, Paul also took up another responsibility in 2017 as Chief Success Officer in setting up Manulife Centre for Success

to cater for training and development needs for Manulife Insurance, Manulife Asset Management and Manulife Wealth Advisors. Paul holds a Masters Degree in Business Administration from McNeese State University, Louisiana, USA and a Bachelor of Science Degree from University of Louisiana, Louisiana, USA.



Ms Tang Wee Hen,
CFP^{CERT}™, IFP[®]
Honorary Secretary

Ms Tang Wee Hen, a Professional Certified Coach (PCC) with International Coach Federation (ICF) with a CFP, has served FPAM since 2008 in different capacities including as FPAM Deputy President from 2013 to 2015. Her past corporate experiences in financial services includes serving as VP of CIMB Wealth Advisor Financial Care Centre and VP of PlanPlus Inc. She has also served as judges for PlanPlus Global Financial Planning Award (Asia) and Malaysian Financial Planner of the Year Award (MFPYA) since 2013.

A Certified Coach for Marshall Goldsmith Stakeholder Centered Coaching, she brings more than 21 years of diverse corporate experience in local and regional leadership roles from IT, Banking & Financial Services sectors. Currently she is the Senior Partner of Harvest Global Resources SB and focuses on performance improvement and leadership development for individuals and teams for the financial services industry.

Board of Governors Profile (cont'd)



Puan Aida Daud, CFP^{CERT}™
Honorary Treasurer

Puan Aida Md Daud is currently the Senior Vice President of Human Capital Division of Permodalan Nasional Berhad (PNB). She joined PNB in 1981 as an analyst, holding various positions in Research and Corporate Services. She was the Head of Corporate Services before leading the training and development function in the HR Division. She subsequently headed the division since 2012.

Aida graduated from ITM with a Diploma in Public Administration in 1981 and completed a certificate course from the Financial Securities Institute of Australasia (Finsia) during her one-year attachment with JB Were & Sons in Melbourne, Australia in 1984. She then pursued her Bachelor of Science degree in Business Administration (Finance and Law) from Portland State University, USA and later an MBA from Strathclyde University, Scotland. Aida is also a Senior Associate Member of Finsia.



Datuk Paul Khoo Chuin Yuen,
CFP^{CERT}™
Board Member

Datuk Paul Khoo is currently the CEO of Regov Technologies and Non-executive Chairman of StandardFA. He has over 20 years of financial services industry experience and obtained his fund manager representative license while he was in the fund management industry. He joined StandardFA from a local asset management firm, where he was CEO, overseeing Malaysia & Vietnam. He started his fund management career with a global asset management firm and assumed various senior roles before serving as their Chief Marketing Officer.

Datuk has served as an independent director, audit committee, nomination & remuneration committee of a listed mobile virtual network operating company from 2011 to 2014. He graduated from University of New Orleans, USA with a Bachelor of Science in Finance majoring in Investment. He is also a CFP Professional and a Licensed Financial Planner.



Ms Eunice Chan Chun Hei
CFP^{CERT}™, IFP[®]
Board Member

Ms Eunice Chan is the Head of High Net Worth and Affluent Banking, Community Financial Services, Malayan Banking Berhad. She has more than 25 years' experience in the financial services industry. She oversees the Wealth Management, the Premier and Privilege Banking franchise in Malaysia. She is also the council member of Maybank Group Women Mentoring Women Council. Ms Chan was the Director of Global Securities Services Maybank and Chief Executive Officer of Maybank Trustee Berhad. Prior to her appointment, Eunice was the Director of Custodial Services. She joined Maybank Group in 1997 as Head of Business Operations in Mayban Unit Trust Berhad.

In 2007, she was appointed as the Head of Business Process Management in Service Level Management and Quality cum Strategic Planning and Performance Management in the Chief Operating Officer's office. In 2009, she was seconded to the Transformation Office to spearhead the PMO of restructuring initiatives of the Bank. Prior to joining Maybank, she was the Share Market Review Analyst for the New Zealand Stock Exchange. She holds a Bachelor of Commerce and Administration from the Victoria University of Wellington, New Zealand.

Board of Governors Profile (cont'd)



Mr Kong Kim Heng,
CFP^{CERT TM}, IFP[®]
Board Member

Mr Kong Kim Heng is currently Head of Wealth Management of a financial institution. He has more than 19 years' experience in the financial services industry as well as Malaysian Accounting and Taxation Strategies. His vast experience spanned from both conventional and Islamic space for international and local financial institutions including developing and growing innovative and differentiated wealth management solutions for retail clients. He was one of the pioneer groups who launched innovative partial capital protected structured products in the mid-2000s. He also created and launched physical gold trading based on Islamic principles for the banking industry in 2011. He has been interviewed by major newspaper and financial magazines on financial planning as well as taxation issues and strategies.

Mr Kong is a member of Malaysia Institute of Accountants and Associate Member of Chartered Tax Institute Malaysia.



Mr Nicholas Chu Chee Khiang,
CFP^{CERT TM}, IFP[®]
Board Member

Mr Nicholas Chu is the Managing Director of Max Growth Wealth Education Sdn Bhd, a company providing financial education for the public. He is also attached to Phillip Wealth Planner Sdn Bhd as a Licensed Financial Planner and a Financial Adviser Representative. Nicholas has written 3 financial planning books entitled; "Learning Financial Planning –The Fundamental", "Retirement Chips" and "Big Life Financial Management". With his vast experience in financial planning, Nicholas was appointed as a columnist for the financial section in Nanyang Siang Pau, Sin Chew Jit Poh, China Press, Money Compass, Feminine magazine, etc. He is also a frequent guest speaker on local radio station (AiFM, OneFM) and TV Stations (NTV 7, Bernama TV, 8TV and Astro).

He was elected to the FPAM Board of Governors in 2015. Prior to this, he was Chairman of FPAM Melaka Chapter from 2011 to 2015.



Mr Calvin Goon Cheng Yu,
CFP^{CERT TM}
Board Member

Mr Calvin Goon has over 14 years of working experience in sales and marketing in the asset management industry before moving on to wealth management, private banking and the affluent segment business.

Calvin joined RHB Bank Berhad in September 2015 to head the Wealth Products & Advisory function under Affluent Segment business unit. His strength is in building profitable business model which involves skills in market intelligence, cost and revenue analysis, and sales and marketing campaign.

In 2016, Calvin was promoted to Head of Affluent, WM, Banca in RHB Bank Berhad. With his in-depth experience in wealth management product development and serving the needs of high net worth individuals, his division is responsible for driving the growth and profitability of the Premier customer base alongside the Wealth and Bancassurance products in the current role.

Calvin has a degree in Marketing and Mass Communications from Universiti Sains Malaysia. He also holds the following certifications: CFP mark, Capital Markets and Financial Advisory Services (Singapore) Module 1A & 1B and Pre-Contract Examination for Insurance Agents. He is also licensed under FiMM for unit trust.

Board of Governors Profile (cont'd)



Ms Wong Hwa Kiong
Board Member

Assoc. Prof Wong Hwa Kiong joined Tunku Abdul Rahman University College (TAR UC), formerly known as Tunku Abdul Rahman College in 1991 as a lecturer. She is one of the key figures responsible for building solid foundation for TAR UC to nurture many Malaysia and world top prize winners in various international professional examination. In 2013, she was promoted as Deputy Dean of the Faculty of Accountancy, Finance and Business (FAFB). In January 2016, she took on the role as the Dean of the Faculty. Today, FAFB has very strong reputation in providing excellent professional and business education in Malaysia with student population over 14,000. She has over 28 years' experience in education industry.

Assoc. Prof Wong plays a pivotal role in designing many undergraduates and post graduate programmes which includes Bachelor of Finance (Honours), Master of Business Administration (MBA), Master of Investment Management (MIM), Master of Corporate Governance (MCG) and Master of Accounting and Finance (MAF). She was admitted as a member of the leading professional body for marketers, i.e. The Chartered Institute of Marketing since May 2017.



Mr David Dinesh Mathew
Board Member

Mr David Mathew is a Partner at Messrs Steven Thiru & Sudhar Partnership. He was formerly a Partner at Messrs Shook Lin & Bok, one of the largest law firms and oldest of local origin in Malaysia. David graduated with a LL.B (Honours) from the University of London in 2002. He was called to the Bar of England and Wales as a member of the Honourable Society of Gray's Inn in 2003. He obtained a Masters-in-Law (LL.M) at the University of London in 2004 and holds a Graduate Diploma in Law from City University, London as well as credits in the subjects of US and EU Antitrust and Banking and Finance Law from Cornell University. His areas of practice are in Administrative law, Alternative Dispute Resolution, Company, Constitutional, Defamation, Energy, General Litigation, Industrial Relations, Land Acquisition as well as Media & Personal Data Protection.

Outside of legal practice, David taught the final year LL.B subject of Remedies at the University of Malaya from 2008 – 2010. He continues to lecture at the University of Malaya on an ad-hoc basis in practical legal areas such as opinion writing, drafting and trial preparation. He also conducts training workshops for various organisations in the areas of Anti-Money Laundering and Anti-Terrorism Financing, Competition Law, Personal Data Protection and Employment Law.

President's Statement

On behalf of the Board of Governors, I have the pleasure to present to you the 18th Annual Report and Financial Statements of the Financial Planning Association of Malaysia for the year ended 31 December 2018.

Financial Performance

For the year ended 31 December 2018, the Association achieved a gross revenue of RM 1,952,485, comparable to that of 2017.

The removal of Goods & Services Tax in June 2018 and implementation of Sales and Services Tax in September 2018 saw the exemption of FPAM membership and workshop fees.

Nevertheless, careful management continues to be exercised and we were able to record a surplus of RM31,884 323% increase from 2017. We also continue to utilize part of the revenue in the year to run more activities nationwide to increase visibility and awareness for the benefit of our members.

Membership, Exams and Education

There was a total of 234 candidates for Module 1 and a decrease in candidates for Module 2, 3 and 4.

The number of current certified members saw a dip from 2,622 to 2,287 as we continue to coach members to adhere to their Code of Ethics. The Board would also like to acknowledge the 260 exemplary members who paid their recertification fees and fulfilled their CE requirements between October 1 2017 to 30 March 2018. These members enjoy an additional 2 CE points which contributes to their 2020 recertification.

Increment globally saw a growth of CFP professionals to 181,360 (3.3%) for 2018. Malaysia ranks 11th among the 26 affiliates in terms of total CFP professionals worldwide.

We are pleased to record that the Association has 30 charter members and 19 corporate members for 2018. Ongoing initiatives funded by CMDf and carried out by FPAM will help grow the financial planning industry.

Stakeholders Engagement

For 2018, the Association continues its engagement through the following CMDf activities:

- Launching of SmartFinance.my on 23 July 2018 which garner 370,000 visitors by end December 2018. This portal gives the public awareness of and access to licensed and certified financial planners through financial planning video lessons and tools.
- Increasing CFP certification programme take up through the Model Group of Licensed Financial Planners sponsorship with the outcome that the candidate must be a Licensed Financial Planner.
- Enhancing professionalism through professional risk management workshop and roadshows. FPAM successfully collaborate with Lonpac to develop a Professional Indemnity Insurance for Licensed Financial Planners which can also be adapted for other financial professionals.

Membership Activities

In 2018 we begin the journey of instilling the spirit of professional self-development by coaching members on how to fulfill their CE points. This can be achieved through the growing CE activities and services in our Membership Affinity Programme (MAP), in addition to CE Workshops.

FPAM made its global presence in FPSB through the election of its CEO to the Chief Executive Council. This is a 10-member Council consisting of 7 territories with the most CFP Professionals and another 3 at-large seats. This is the thought-leadership team for the All Chief Executive forum.



President's Statement (cont'd)

Additionally, FPAM added an APAC presence when its CEO was elected as FPSB APAC Forum Chairman. Her purpose for this term is to drive the cross-border recognition of the CFP mark amongst APAC countries which includes recognition of CE points within the network and extending membership rates for workshops across the border for CFP Professionals.

This year, in line with the Islamic Fund and Wealth Management Blueprint (IFWM) 2017, Securities Commission and Islamic Financial Services Act (IFSA) 2013, Bank Negara Malaysia, FPAM and IBFIM successfully ran an IFP Regional MasterClass in Kuala Lumpur to promote the Certification programme outside Malaysia. It was attended by Brunei, Indonesian, Singaporean and local leaders and regulators.

FPAM continue to commemorate World Financial Planning Day 2018 by supporting InvestSmart Fest's #finplan4u initiative where public are able to have a 1-hour engagement with an LFP on selected topics to know how financial planners work. FPAM is given a 30-minute slot to speak on a topic relating to personal financial planning during InvestSmart Fest. FPAM was also given an opportunity to promote SmartFinance.my through BFM89.9.

Chapters

Association is happy to report that our six chapters continue to be active in serving the local members and organizing the following activities:

1. Public financial literacy programmes both during and outside of WFPD
2. Networking events
3. CE Workshops
4. Engaging local stakeholders

The Board would like to register its appreciation to Chapter Committee Members for their spirit of volunteerism and strongly encourage our chapter members to continue participating in the quality activities specially organized by its Committee Members for members' benefits.

Moving Forward

For 2019, our focus remains in the 3 key areas, membership growth, self-sustainability and visibility by completing the 3-year CMDF activities.

Acknowledgement

Once again, I would like to thank every one of my fellow Board members for their support and contribution to the Association in terms of time, knowledge and expertise, which has helped me to continue carrying out my responsibilities.

The Board of Governors will continue to plan innovative strategies, guide and oversee implementation of existing ones for the Association's direction.

On behalf of the Board of Governors, I would also like to express my appreciation to the following:

- Retiring Board Members: Deputy President Dennis Tan, Treasurer Aida Daud and Kong Kim Heng
- FPAM Secretariat for their contribution in the management of the Association.
- Individual, Charter and Corporate members for your unwavering commitment and support of FPAM and its activities.
- Stakeholders for their valued collaboration with FPAM.

Let me close by highlighting that in December 2019, FPAM will be 20 years old. The Board and Association is planning a series of celebration in its 20th year and more details will be announced when finalized.

Wishing all members another productive and blessed year in their professional and personal life's journey ahead.

Calendar of Events

for the Year 2018

Date	Event	Location	Program Title	Facilitator Name
Thursday, January 25, 2018	CE Workshop	Selangor / KL	Regulatory Compliance Challenges for FP/FA Firms and It Registered/Licensed Representative	Mark Jacobsen
Monday, February 05, 2018	CFP Promotion	Selangor / KL	Islamic ETF Talk	Linnet Lee
Saturday, February 10, 2018	CE Workshop	Selangor / KL	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
Monday, March 05, 2018	CE Workshop	Selangor / KL	Business Succession for Companies	Nur Sabrina Soon
Tuesday, March 06, 2018	CE Workshop	Selangor / KL	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
Saturday, March 10, 2018	CE Workshop	Selangor / KL	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Christopher/Bose/ Tam Kim Book
Saturday, March 10, 2018	Fin Lit Tea-talk	Selangor / KL	Securities Commission Public Talk	Linnet Lee
14/03/2018 - 15/03/2018	Others	Selangor / KL	IFP C-Suite Master Class	-
Saturday, April 28, 2018	CE Workshop	Selangor / KL	Investing for Life Goals: A Portfolio Perspective	Thomas Chan
Saturday, May 19, 2018	Fin Lit Tea-talk	Selangor / KL	Bursa Malaysia Workshop (BMW) - YCM Group	Chong Tyng Tyng & Linnet Lee
Wednesday, May 30, 2018	CE Workshop	Selangor / KL	Alternative Strategies for Investing in Equities	Stanley Loh
Thursday, May 31, 2018	CE Workshop	Selangor / KL	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Bose Dasan
Saturday, June 09, 2018	Fin Lit Tea-talk	Selangor / KL	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Linnet Lee
Saturday, June 16, 2018	Fin Lit Tea-talk	Selangor / KL	Bookfest Malaysia 2018 : Unlimited Inspiration	Linnet Lee



Calendar of Events (cont'd)

for the Year 2018

Date	Event	Location	Program Title	Facilitator Name
Saturday, June 23, 2018	FPAM Annual Event	Selangor / KL	Annual General Meeting	-
Thursday, June 28, 2018	Fin Lit Tea-talk	Selangor / KL	The 5 Pillars of Personal Finance	Linnet Lee/Felix Neoh/ Shing Yee Ling
Monday, July 16, 2018	CE Workshop	Selangor / KL	Alternative Strategies for Investing in Equities for Financial Planners and Individuals	Stanley Loh
Tuesday, July 17, 2018	CE Workshop	Selangor / KL	Prevention of Insider Trading and Chinese Wall Requirements	Vergis Mathew
Monday, July 23, 2018	FPAM Annual Event	Selangor / KL	Raising the Bar of Financial Professionals Annual Signature Financial Planning Symposium 2018	-
Thursday, July 26, 2018	FPAM Annual Event	Selangor / KL	FPAM Networking Evening	-
Saturday, August 18, 2018	CE Workshop	Selangor / KL	My Estate: Administration Of An Estate/ Trust And Planning For The Next Gen\$	Nur Sabrina Soon
Saturday, September 15, 2018	Fin Lit Tea-talk	Selangor / KL	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Catherine Khoo
Monday, September 24, 2018	CE Workshop	Selangor / KL	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Bose Dasan
Tuesday, September 25, 2018	CE Workshop	Selangor / KL	Ageing Well Financially & Growing Old With Dignity	Evonne Chan
Saturday, September 29, 2018	CE Workshop	Selangor / KL	Aging Well Financially & Growing Old With Dignity	Alvin Kwan
Saturday, October 06, 2018	Fin Lit Tea-talk	Selangor / KL	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Catherine Khoo
12/10/2018 - 14/10/2018	Fin Lit Tea-talk	Selangor / KL	InvestSmartFest 2018 #FinPlan4U	-
24/10/2018 - 25/10/2018	Others	Selangor / KL	IFP C-Suite Regional Asean MasterClass	-
Wednesday, October 31, 2018	CE Workshop	Selangor / KL	LFP Professional Risk Management	Thomas Abraham, Elaine Tang & Hazel Tan



Calendar of Events (cont'd)

for the Year 2018

Date	Event	Location	Program Title	Facilitator Name
Thursday, November 01, 2018	CE Workshop	Selangor / KL	Alternative Strategies for Investing in Equities for Financial Planners and Individuals	Stanley Loh
Friday, November 02, 2018	CE Workshop	Selangor / KL	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Christopher Chiu
Thursday, November 15, 2018	CE Workshop	Selangor / KL	Estate Planning and Benefits of Setting Up Hibah/Trust	Nur Sabrina Soon
Friday, November 16, 2018	CE Workshop	Selangor / KL	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
14/11/2018 - 16/11/2018	CFP Promotion	Selangor / KL	City Development Conference 2018 by Marcus Evan	-
Saturday, November 17, 2018	Fin Lit Workshop	Selangor / KL	The ACP Conversationalist	Linnet Lee
Saturday, November 24, 2018	CE Workshop	Selangor / KL	Impact of Technology on FP/FA Firm and Its Registered/Licensed Representative	Elaine Tang
Saturday, December 08, 2018	CFP Promotion	Selangor / KL	TARUC Soft Skills Workshop	-
Saturday, December 08, 2018	CE Workshop	Selangor / KL	My Estate: Administration Of An Estate/ Trust And Planning For The Next Gen\$	Nur Sabrina Soon
Saturday, March 10, 2018	CE Workshop	Perak	Creating a Financial Plan Masterpiece	Gavin Teoh
Saturday, June 30, 2018	CE Workshop	Perak	Ageing Well Financially & Growing Old With Dignity	Evonne Chan
Sunday, July 22, 2018	Fin Lit Workshop	Perak	FPAM Family Financial Education Day 2018	-
Saturday, September 29, 2018	CE Workshop	Perak	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Christopher/Bose/Tan Kim Book
Sunday, October 28, 2018	Fin Lit Tea-talk	Perak	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Evonne Chen
Friday, March 30, 2018	Fin Lit Tea-talk	Penang	CF101 CSR Activity	-



Calendar of Events (cont'd) for the Year 2018

Date	Event	Location	Program Title	Facilitator Name
Saturday, March 31, 2018	Fin Lit Tea-talk	Penang	Bursa Malaysia Workshop	Chong Tyng Tyng & Yong Chu Eu
Saturday, April 14, 2018	CE Workshop	Penang	Introduction to Listed Derivatives (Index and Palm Oil Futures Trading)	Wan Intan & Eunice Choo
Saturday, September 22, 2018	CE Workshop	Penang	Ageing Well Financially & Growing Old With Dignity	Evonne Chan
Saturday, September 29, 2018	Fin Lit Tea-talk	Penang	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Ooi Ho Seng
Thursday, October 04, 2018	Fin Lit Tea-talk	Penang	Financial Planning & You	Ooi Ho Seng & Federick Ang Wei Keong
Saturday, March 24, 2018	CE Workshop	Melaka	Investment Strategy in the Dawn of Trump Era	Phua Lee Kerk
Wednesday, October 03, 2018	Fin Lit Tea-talk	Melaka	Financial Planning & You	Raju Periasamy
Saturday, October 27, 2018	CE Workshop	Melaka	Aging Well Financially & Growing Old With Dignity	Alvin Kwan
Saturday, January 20, 2018	CE Workshop	Johor	Introduction to Listed Derivatives (Index and Palm Oil Futures Trading)	Wan Intan & Eunice Choo
Thursday, April 05, 2018	Fin Lit Tea-talk	Johor	Financial Planning and You	Pauline Yong
Friday, April 20, 2018	Fin Lit Tea-talk	Johor	Financial Planning & You	Mohan/Pauline Yong
Saturday, May 26, 2018	Fin Lit Tea-talk	Johor	Bursa Malaysia Workshop (BMW)	Chong Tyng Tyng & Mohan
Saturday, July 14, 2018	CE Workshop	Johor	Investing for Life Goals: A Portfolio Perspective	Pauline Yong
Wednesday, September 19, 2018	Tea-talk	Johor	Wednesday Tea Talk : Market Outlook on JB Property, Private Retirement Scheme (PRS) & Advantages of Financial Planning	Avril Yap, Nicholas Chu & iProperty
Wednesday, October 03, 2018	Fin Lit Tea-talk	Johor	Financial Planning & You	Pauline Yong & Mohan



Calendar of Events (cont'd)

for the Year 2018

Date	Event	Location	Program Title	Facilitator Name
Saturday, October 06, 2018	CE Workshop	Johor	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
Saturday, November 17, 2018	CE Workshop	Johor	My Estate: Administration Of An Estate/ Trust And Planning For The Next Gen\$	Nur Sabrina Soon/ Karunamoorthy/Tan Beng Hong
Wednesday, December 05, 2018	Others	Johor	Visitation to Perkeso, JB	-
Friday, July 27, 2018	CE Workshop	Sabah	Practical Applications in Using REITs as Alternative Property Investment	Lieu Ching Foo
Saturday, July 28, 2018	CE Workshop	Sabah	Ageing Well Financially & Growing Old With Dignity	Evonne Chan
Saturday, September 22, 2018	CE Workshop	Sabah	Creating a Financial Plan Masterpiece	Gavin Teoh
Sunday, April 29, 2018	CE Workshop	Sarawak	Taxation Workshop for Financial Planners & Small Business Owners	Wee Hun Been
Friday, June 29, 2018	CE Workshop	Sarawak	Y-E-S!: The Feng Shui of Money – Managing Cash Flow to Build Wealth	Christopher Chiu
Saturday, June 30, 2018	CE Workshop	Sarawak	Investment Strategy in the Dawn of Trump Era	Phua Lee Kerk
Saturday, September 29, 2018	CE Workshop	Sarawak	Post GE14 Market Updates for Investment Planners and Portfolio Managers	Phua Lee Kerk
Wednesday, October 03, 2018	Fin Lit Tea-talk	Sarawak	Financial Planning & You	Ting Tze Seng



Report of the Board of Governors

for the Year ended 31 December 2018

The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2018.

Principal Activities

The Association's principal activities are to conduct its affair with the primary purpose of educating the public on the benefits of financial planning and to conduct certification courses and examinations leading to CFP certification. There has been no significant change in the nature of these activities during the financial year.

1.0 Financial Results

Operating surplus for the year **RM31,884**

In the opinion of the Board, the results of the operations of the Association during the financial year were not substantially affected by any item, transaction or events of a material and unusual nature.

Reserves and Provisions

There were no material transfer to or from reserve or provision during the financial year Other than those disclosed in the financial statements.

2.0 Education and Examination

2.1 Updates for 2018

Online Membership Recertification and Member Update System

FPAM continued with the automation of its membership and examination system in 2018. The second phase involved online membership recertification and members' detail update. The response from members to the online recertification and member detail update has been very encouraging to date. Members appreciated the convenience of being able to recertify their membership online at their convenience.

Prior Learning Recognition Assessment (PLRA) Update

Prior Learning Recognition Assessment (PLRA) was introduced in 2017 as a pathway for members of the public who want to register for the certification program but do not possess the minimum requirement of a Bachelor degree.

Under this program, interested candidates who have at least a Sijil Pelajaran Malaysia (SPM) certificate and 5 years of relevant working experience in the financial services industry, are eligible to register for the assessment.

A total of 30 candidates passed the assessment in 2018 and went on to register for the CFP certification program.

Report of the Board of Governors (cont'd)

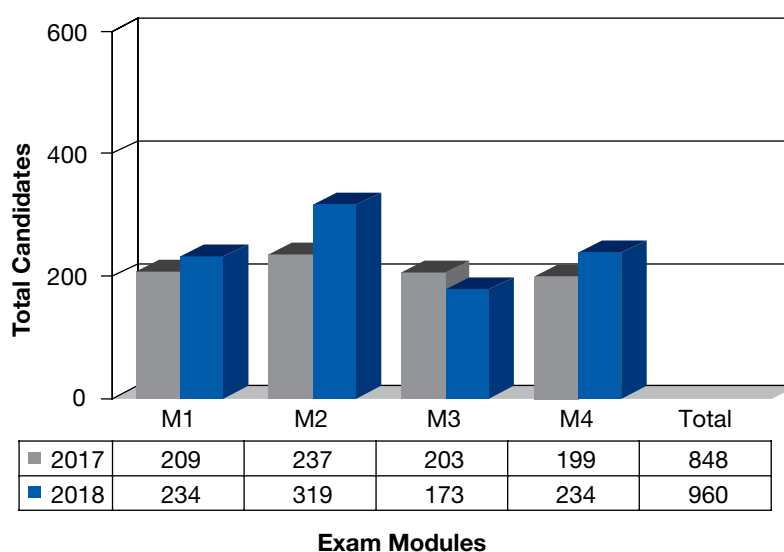
for the Year ended 31 December 2018

2.2 Enrollment Trend

A total of 960 candidates registered for the certification examinations in 2018 compared to 848 in 2017, recording an increase of 13%.

The increase in examination registrations for 2018 is a result of awareness by Corporate & Charter members in the importance of CFP and proactive engagement by Secretariat to promote CFP certification program.

Comparison of Candidates by Exam Modules 2017 vs 2018



An analysis of registrations by industry for 2018 shows a decrease in registrations from the major sectors like banking and asset management. The decrease in registrations were also due to continuing cost compression activities by companies in view of the current economic environment.

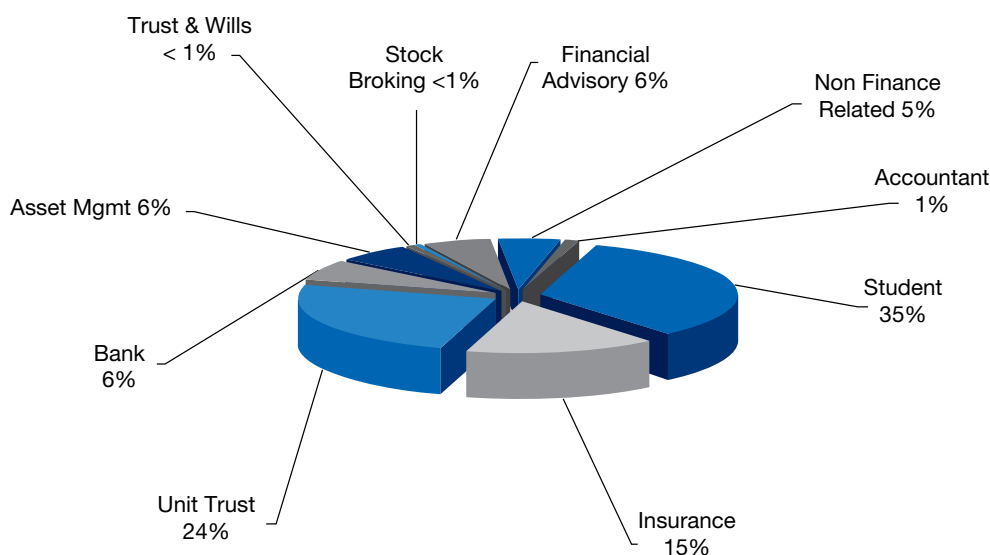
These pillars of the financial services continue to be the major contributors to examination revenue for 2018 accounting for 46% of total registrations, which includes banks, unit trust, insurance and accountants. Though cost compression exercises still continued in 2018, the demand for professional, ethical and knowledgeable professionals able to serve the needs of more sophisticated consumers remain, hence the registrations for the program.

Students continue to be the top contributor to examination registrations totaling 35% in 2018 highlighting the importance of a professional qualification in addition to a Bachelor degree in the current job market.

Report of the Board of Governors (cont'd)

for the Year ended 31 December 2018

Analysis of Exam Candidates by Industry for 2018



3.0 Membership

3.1 Individual Members

3.1.1 Membership by Category

The total number of members who have completed or are undergoing CFP certification program as at 31 December 2018 stands at 3,702. For the year ended 2018 as per previous years, only members who paid their dues in 2018 are recognized as members.

Overall, there was an 11% decrease in total members for 2018. This was due to significant decline in certified members' category in 2018.

This was despite concerted effort to encourage members to fulfill their CE points as part of code of ethics and subsequently to recertify their membership and programs highlighting the benefits and advantages of CFP mark.

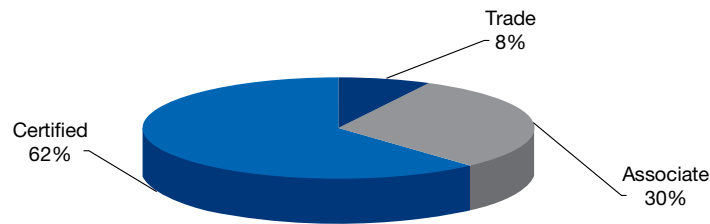
The stringent enforcement of CE points was the main reason for the decrease in membership recertification for 2018 as many individual members who are not licensed opted to defer their recertification. This is part of ongoing effort by FPAM to nurture and develop membership experience and to enforce code of ethics. Moreover, FPAM also introduced third party recognition workshops by regulated bodies to expand areas of CE point's fulfillment.

This environment resulted in continuing cost compression measure by many companies which used to sponsor their employees for the program has also impacted new member registrations and recertification.

Report of the Board of Governors (cont'd)

for the Year ended 31 December 2018

Membership as at 31 December 2018

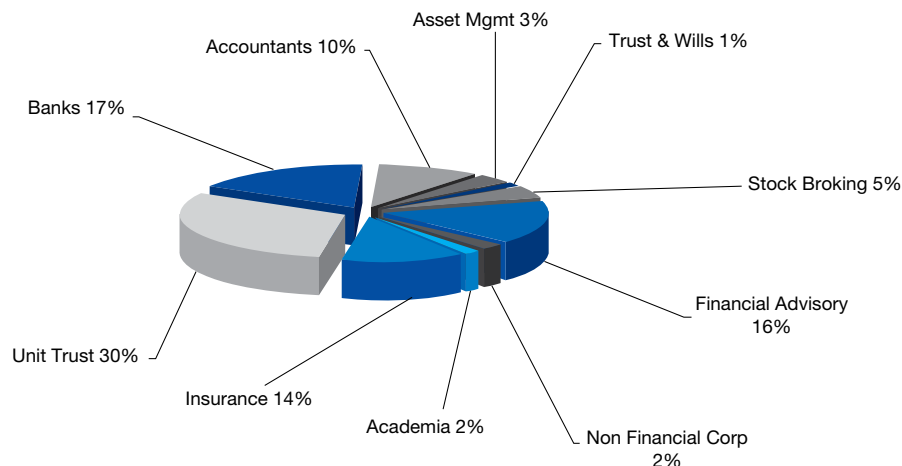


3.1.2 CFP Professionals by Industry

An analysis of the 2,287 Certified members as at 31 December 2018 by industry indicates that the majority of Certified members are in the unit trust, banking and financial consultancy and advisory and insurance sectors. Members working in the unit trust industry and banks form the largest groups, each accounting for 30% and 17% respectively.

Members working in these sectors continue to form the largest groups of Certified members. Cutting close behind is Financial Advisory with 16%. The current economic environment is still challenging but competition in these two sectors remain strong and one of their strategies to be ahead of their competitors is to have the best professionals in their teams. Many companies are aware that they must be willing to invest in their team by equipping them with knowledge, ethical and professional standards to enhance the level of service provided to their clients. The CFP mark which stands for the best in its field is the qualification that many companies continue to invest in to stay ahead in the industry.

CFP Professionals By Industry as at 31 December 2018



3.1.3 CFP Professionals by Qualification

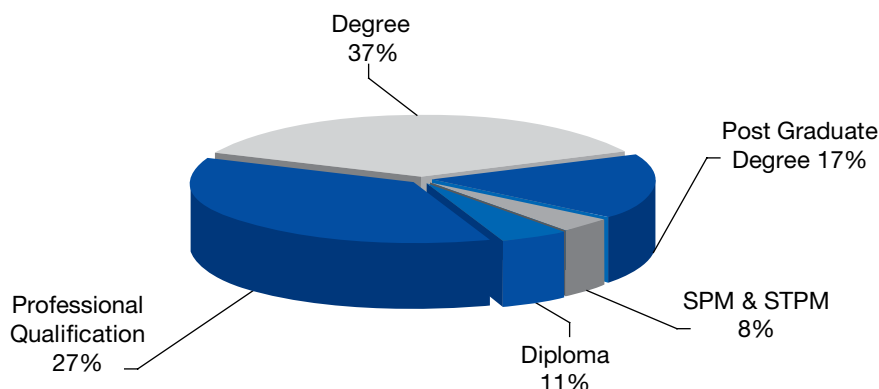
The CFP designation continues to be sought after by professionals in 2018. This is due to it being recognized globally in 26 territories and locally by the relevant regulatory bodies.

81% of Certified members possess at least a degree and for those working in the financial services industry, the qualification is the one which is relevant to their career and able to provide opportunities for career enhancement and growth. The prerequisite of a Bachelor Degree has also added to the prestige of the program.

Report of the Board of Governors (cont'd)

for the Year ended 31 December 2018

CFP Professionals By Qualifications as at 31 December 2018

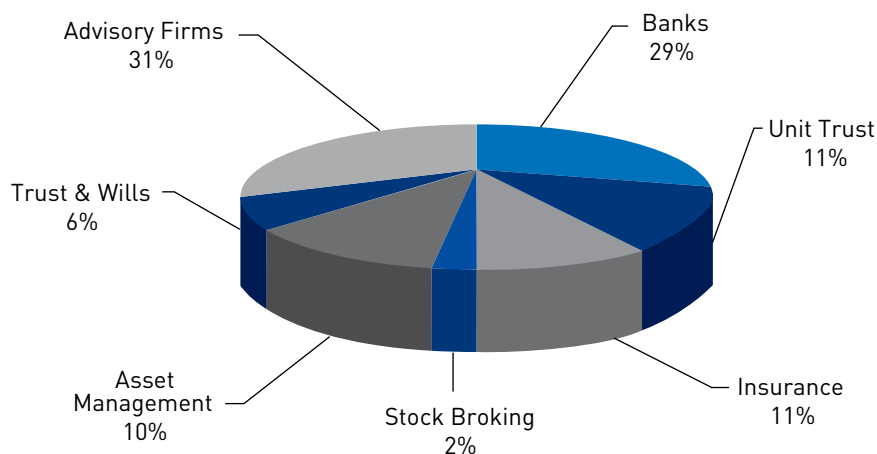


3.2 Charter and Corporate Members

FPAM now has a total of 48 Charter and Corporate members drawn from a wide cross section of the financial sector with almost all of the major sectors being represented.

The majority of Charter and Corporate members are in banking, insurance and financial advisory as depicted in the diagram below.

Charter & Corporate Members as at 31 December 2018



Report of the Board of Governors (cont'd)

for the Year ended 31 December 2018

4.0 The 4E Journal

The 4E Journal, the official publication by FPAM. It's a quarterly magazine published continues to remain as an important journal for financial planning practitioners, professionals and stakeholders wishing to keep abreast of news and views in the industry. The magazine features industry news and trends, insights into prominent personalities, global updates on CFP, and general market outlook.

The 4E Journal is also available online via FPAM's website.



5.0 IFP Report

Background Information

The Islamic Financial Planner (IFP®) is a professional qualification programme designed especially for professionals and executives serving the retail segment of the Islamic financial market. (IFP® is pre-requisite for Capital Market Representative License Representative's (CMSRL) by Securities Commission (SC) and Financial Advisers' Representative License (FAR) by Bank Negara Malaysia (BNM) to carry out the regulated activity of financial Planning).

This programme is a join collaboration between IBFIM and Financial Planning Association of Malaysia (FPAM), and receives full accreditation from Finance Accreditation Agency (FAA).

IFP Membership

YTD2017			YTD 2018		
IFP Certified	Dual Certified	Total 2017	IFP Certified	Dual Certified	Total 2018
62	107	169	102	139	241

IFP Activities

IFP C-Suite Masterclass

Date: 14 & 15 March 2018

Venue: The Majestic Hotel, Kuala Lumpur

IFP Regional C-Suite Masterclass

Date: 24 & 25 October 2018

Venue: The Westin, Kuala Lumpur



Statement by the Board of Governors

We, **ISMITZ MATTHEW DE ALWIS** and **AIDA MD DAUD**, on behalf of the Board of Governors of Financial Planning Association of Malaysia, do hereby state that in the opinion of the Board of Governors, the accompanying financial statements are properly drawn up in accordance with Malaysian Private Entities Reporting Standard so as to give a true and fair view of the financial position of the Association as at 31 December 2018 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Board of Governors,



.....
ISMITZ MATTHEW DE ALWIS
President



.....
AIDA MD DAUD
Treasurer

Kuala Lumpur

Date: 24 May 2019

Independent Auditor's Report

To The Board of Governors of Financial Planning Association of Malaysia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Financial Planning Association of Malaysia, which comprise the statement of financial position as at 31 December 2018, and the statement of income and expenditure and accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 18.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2018, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Private Entities Reporting Standard.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Governors for the Financial Statements

The Board of Governors of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with the Malaysian Private Entities Reporting Standard. The Board of Governors are also responsible for such internal control as the Board of Governors 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 Board of Governors 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 Board of Governors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board of Governors of the Association are responsible for overseeing the Association's financial reporting process.

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 Auditor's Report

To The Board of Governors of Financial Planning Association of Malaysia

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 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 Board of Governors.
- conclude on the appropriateness of the Board of Governors 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Board of Governors 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 Matters

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



Baker Tilly Monteiro Heng
LLP 0019411 – LCA & AF 0117
Chartered Accountants



Heng Fu Joe
No. 00578/05/2020 J
Chartered Accountant

Kuala Lumpur

Date: 24 May 2019

Statement of Financial Position

as at 31 December 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current asset			
Plant and equipment	5	51,852	92,864
Total non-current asset		51,852	92,864
Current assets			
Trade receivables	6	27,963	59,286
Deposits and prepayments	7	24,535	69,515
Cash and cash equivalents	8	3,074,158	2,940,638
Total current assets		3,126,656	3,069,439
TOTAL ASSETS		3,178,508	3,162,303
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds		1,720,088	1,688,204
Non-current liability			
Sponsorship deposits received from charter members		82,500	99,000
Total non-current liability		82,500	99,000
Current liabilities			
Other payables, deposits and accruals	9	892,894	836,980
Grants	10	159,957	230,990
Advance membership fees	11	323,069	298,800
Provision for taxation		-	8,329
Total current liabilities		1,375,920	1,375,099
TOTAL LIABILITIES		1,458,420	1,474,099
TOTAL ACCUMULATED FUNDS AND LIABILITIES		3,178,508	3,162,303

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

Statement of Income and Expenditure and Accumulated Funds

for the Financial Year Ended 31 December 2018

	Note	2018 RM	2017 RM
Income			
Membership fees		1,198,782	1,291,178
Sponsorship income		32,500	22,500
Surplus from conference		50,501	56,240
Surplus from continuing education courses	12	45,328	57,371
Surplus from continuing professional education courses		63,295	98,913
Surplus from examination	13	448,920	316,550
Surplus from manual project		24,986	8,839
Grant income	14	71,033	370,034
Interest income		73,719	79,663
Other income		14,454	20,566
		<u>2,023,518</u>	<u>2,321,854</u>
Less : Expenditure			
Auditors' remuneration			
- current year		16,500	16,500
- prior year		990	1,893
Chapter development expenses		19,258	17,911
Depreciation of plant and equipment		49,294	54,563
Financial Planning Standard Board and Board meeting expenses		36,721	38,849
Licence fee		336,452	359,609
Marketing and promotional expenses		8,643	12,152
Membership development expenses		20,120	-
Other expenses	15	459,345	758,248
Rental expenses		63,031	63,031
Staff cost			
- salaries and bonus		854,779	839,482
- defined contribution plan		134,830	137,302
		<u>1,999,963</u>	<u>2,299,540</u>
Surplus Before Taxation		23,555	22,314
Taxation	16	<u>8,329</u>	<u>(14,782)</u>
Surplus After Taxation		31,884	7,532
Accumulated funds brought forward		<u>1,688,204</u>	<u>1,680,672</u>
Accumulated funds carried forward		<u>1,720,088</u>	<u>1,688,204</u>

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

Statement of Cash Flows

for the Financial Year Ended 31 December 2018

	2018 RM	2017 RM
Cash Flows From Operating Activities		
Surplus before taxation	23,555	22,314
Adjustments for:		
Depreciation of plant and equipment	49,294	54,563
Interest income	(73,719)	(79,663)
Impairment loss on trade receivables	20,000	5,439
Reversal of impairment loss on trade receivables	-	(7,810)
Operating surplus/(deficit) before working capital changes	19,130	(5,157)
Changes in working capital:		
Decrease in receivables	56,303	2,325
Decrease/(Increase) in payables	55,914	(66,690)
Utilisation of grant	(71,033)	(370,034)
Increase/(Decrease) in advance membership fees	24,269	(45,349)
Decrease in sponsorship deposits received from charter members	(16,500)	(19,500)
Net cash flows from/(used in) operations	68,083	(504,405)
Income tax paid	-	(7,153)
Net cash flows from/(used in) operating activities	68,083	(511,558)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(8,282)	(47,480)
Interest received	73,719	79,663
Net cash flows from investing activities	65,437	32,183
Net changes in cash and cash equivalents	133,520	(479,375)
Cash and cash equivalents at the beginning of the financial year	2,940,638	3,420,013
Cash and cash equivalents at the end of the financial year	3,074,158	2,940,638
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	2,376,043	2,311,796
Cash at bank and in hand	698,115	628,842
	3,074,158	2,940,638

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The Financial Planning Association of Malaysia (“the Association”) was established pursuant to the Societies Act, 1966 on 13 December 1999.

The Association is a non-profitable organisation with a mission to educate the public on the process and benefits of financial planning and to raise the standards of competency and ethical practice of qualified financial planners in Malaysia.

The registered office and principal place of business of the Association is located at Unit 305, Block A Pusat Dagangan Phileo Damansara 1, Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Governors of the Association in accordance with their resolution dated 24 May 2019.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Association have been prepared in accordance with the Malaysian Private Entities Reporting Standard (“MPERS”) issued by the Malaysian Accounting Standards Board (“MASB”).

2.2 Functional and presentation currency

The financial statements of the Association are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Association’s functional currency.

2.3 Basis of measurement

The financial statements of the Association have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.4 Use of estimates and judgement

The preparation of financial statements in conformity with the MPERS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Board of Governors to exercise their judgement in the process of applying the Association’s accounting policies. Although these estimates and judgement are based on the Board of Governors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

Notes to the Financial Statements (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when 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. The carrying amount of the replaced part is derecognised.

Plant and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as below:

Computer equipment and software	3 years
Furniture and fittings	5 years
Office equipment	5 years
Renovation	5 years

Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of income and expenditure.

At each reporting date, the Association assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income and expenditure during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Association. Major renovations are depreciated over the remaining useful life of the related asset.

(b) Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) 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 present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Notes to the Financial Statements (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

(i) Subsequent measurement

The Association categorises the financial instruments as follows:

- Financial assets

For the purpose of subsequent measurement, the Association classifies financial assets into two categories, namely financial assets at fair value through profit or loss and financial assets at amortised costs.

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 3(c) to the financial statements.

- Financial liabilities

After initial recognition, the Association measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

(ii) Derecognition

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire 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 profit or loss.

A financial liability is derecognised when, and only when, it is extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Impairment of assets

(i) Impairment of financial assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

Notes to the Financial Statements (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Impairment of assets (cont'd)

(i) Impairment of financial assets (cont'd)

An impairment loss is measured as follows:

- for a financial asset 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. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
- for a financial asset measured at cost less impairment, the impairment loss 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 entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Association shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Association shall recognise the amount of the reversal in profit or loss immediately.

(ii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Association makes an estimate of the asset's recoverable amount.

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

The recoverable amount of an asset or a CGU 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 CGU.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets 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 previously. Such reversal is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and deposits held with licensed banks, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Revenue recognition

Annual membership fees are recognised as income over the membership period when no uncertainty as to its collectability exists.

Sponsorship deposits received from charter members are recognised as income evenly over a period of ten years.

Other income such as surplus from conference, examination and continuing education courses are recognised on an accrual basis.

Interest income is recognised on time proportion basis that reflects the effective yield of the asset.

(f) Taxes

Income tax expense in profit or loss comprises current and deferred tax.

(i) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial years.

ii) Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Notes to the Financial Statements (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Taxes (cont'd)

ii) Deferred tax (cont'd)

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off the amounts and the entity can demonstrate without undue cost or effort that it plans either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Association.

(ii) Defined contribution plans

As required by law, the Association contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(h) Grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants will be received and the Association will comply with all the attached conditions.

Government grants relating to income are deferred and recognised in the statement of income and expenditure over the period necessary to match them with the costs they are intended to compensate.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

(i) Impairment of financial assets

The Association recognises impairment losses for receivables using the incurred loss model. At the end of each reporting period, the Association assesses whether there is any objective evidence that receivables is impaired. Individually significant receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the allowance made and this may affect the Association's financial position and results.

(ii) Depreciation and useful lives of plant and equipment

The cost of an item of plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciated method, the useful lives and the residual values. The actual consumption of the economic benefits of the plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following: (Continued)

(iii) Measurement of income taxes

Significant judgement is required in determining the Association's provision for current and deferred taxes. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Association will make adjustment for current or deferred taxes in respect of prior years in the current period on those differences arise.

Notes to the Financial Statements (cont'd)

5. PLANT AND EQUIPMENT

	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Total RM
2018					
Cost					
At 1 January 2018	61,732	15,590	54,312	506,294	637,928
Additions	6,325	-	657	1,300	8,282
At 31 December 2018	68,057	15,590	54,969	507,594	646,210
Accumulated depreciation					
At 1 January 2018	56,708	15,590	54,312	418,454	545,064
Charge for the year	2,370	-	220	46,704	49,294
At 31 December 2018	59,078	15,590	54,532	465,158	594,358
Carrying amount					
At 31 December 2018	8,979	-	437	42,436	51,852
	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Total RM
2017					
Cost					
At 1 January 2017	58,835	15,590	54,312	461,711	590,448
Additions	2,897	-	-	44,583	47,480
At 31 December 2017	61,732	15,590	54,312	506,294	637,928
Accumulated depreciation					
At 1 January 2017	54,131	13,244	53,387	369,739	490,501
Charge for the year	2,577	2,346	925	48,715	54,563
At 31 December 2017	56,708	15,590	54,312	418,454	545,064
Carrying amount					
At 31 December 2017	5,024	-	-	87,840	92,864

Notes to the Financial Statements (cont'd)

6. TRADE RECEIVABLES

	2018 RM	2017 RM
Trade receivables	53,402	64,725
Less: Accumulated impairment losses	(25,439)	(5,439)
	<u>27,963</u>	<u>59,286</u>

The Association's normal credit term range from 60 to 90 days (2017: 60 to 90 days).

The Association's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follow:

	Note	2018 RM	2017 RM
At 1 January		5,439	16,880
Charge for the financial year	15	20,000	5,439
Reversal of impairment loss		-	(7,810)
Written off		-	(9,070)
At 31 December		<u>25,439</u>	<u>5,439</u>

7. DEPOSITS AND PREPAYMENTS

	2018 RM	2017 RM
Deposits	18,500	22,485
Prepayments	6,035	47,030
	<u>24,535</u>	<u>69,515</u>

8. CASH AND CASH EQUIVALENTS

		2018 RM	2017 RM
Fixed deposits with licensed banks	(i)	2,376,043	2,311,796
Cash at bank and on hand	(ii)	698,115	628,842
		<u>3,074,158</u>	<u>2,940,638</u>

- (i) The fixed deposits placed with a licensed bank bears interest at the rate of 3.00% to 3.15% (2017: 3.00% to 3.15%) per annum and have maturity period of 365 days (2017: 365 days).
- (ii) Included in the cash and cash equivalents is the grant received (net of expenses claimed) from Capital Market Development Fund ("CMDf") to date amounting to RM159,957/- (2017: RM230,990/-).

Notes to the Financial Statements (cont'd)

9. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	2018 RM	2017 RM
Other payables	327,519	210,638
Deposits	14,000	12,000
Accruals	552,055	590,041
GST payable	(680)	24,301
	<u>892,894</u>	<u>836,980</u>

10. GRANTS

There are two grants granted by Capital Market Development Fund ("CMDf") as follows:

- (i) Grant awarded to the Association and Islamic Banking and Finance Institute Malaysia ("IBFIM") in relation to development and implementation of the certification programme for Islamic Financial Planners; and
- (ii) Grant awarded to the Association for its initiatives to boost the growth of Licensed Financial Planners with the intention to increase the number of the financial planner professionals and to enhance the investor awareness and understanding on the financial planning.

The balance represents the total amount received from CMDf for the Association and IBFIM to date, less accumulated eligible expenses claimed by the Association and IBFIM. The amount drawn down was based on milestones achieved in accordance with the broad guidelines agreed with CMDf.

	Note	2018 RM	2017 RM
At 1 January		230,990	601,024
Reimbursement from CMDf	14	813,342	-
Utilisation of grants	14	<u>(884,375)</u>	<u>(370,034)</u>
At 31 December		<u>159,957</u>	<u>230,990</u>

11. ADVANCE MEMBERSHIP FEES

	2018 RM	2017 RM
Trade membership fees	99	-
Associate membership fees	4,317	10,737
Certified membership fees	312,368	282,063
Corporate membership fees	4,000	6,000
Charter membership fees	<u>2,285</u>	<u>-</u>
	<u>323,069</u>	<u>298,800</u>

Advance membership fees represent annual fees paid by members that relate to the unexpired periods of the membership.

Notes to the Financial Statements (cont'd)

12. SURPLUS FROM CONTINUING EDUCATION COURSES

	2018 RM	2017 RM
Continuing education course income	174,715	163,021
Seminar package expenses	(21,939)	(18,750)
Other expenses	(107,448)	(86,900)
	<u>45,328</u>	<u>57,371</u>

13. SURPLUS FROM EXAMINATION

	2018 RM	2017 RM
Examination fee income	548,381	392,620
Expenses incurred in relation to examination	(99,461)	(76,070)
	<u>448,920</u>	<u>316,550</u>

14. GRANT INCOME

	Note	2018 RM	2017 RM
Grant income			
- Islamic Financial Planners		109,634	77,033
- Growth of Licensed Financial Planners		(38,601)	293,001
	10	<u>71,033</u>	<u>370,034</u>

The grant income relates to the eligible expenses claimed during the year by the Association and Islamic Banking and Finance Institute Malaysia ("IBFIM") for the Islamic Financial Planners certification programme and initiatives to boost the growth of Licensed Financial Planners as disclosed in Note 15.

Notes to the Financial Statements (cont'd)

15. OTHER EXPENSES

	Note	2018 RM	2017 RM
4E Journal expenses		73,375	78,711
Annual General Meeting expenses		12,622	10,162
Bank and credit card charges		24,938	24,981
Electricity and utilities		13,662	10,441
Impairment loss on trade receivables	6	20,000	5,439
General expenses		29,363	51,734
Allowance for Board of Governors and Committee Members		6,400	4,100
Insurance		6,758	7,272
Maintenance of premises and computers		46,210	38,662
Maintenance of website		16,130	21,049
Postage and courier		9,404	7,899
Printing and stationeries		17,634	7,677
Professional fees		9,429	14,582
Rental of photocopier		2,475	2,250
Staff training, recruitment and welfare		22,270	15,401
Telecommunication		13,374	13,447
Travelling		30,423	28,001
Withholding tax		33,645	45,006
Islamic Financial Planners expenses	14	109,634	77,033
Growth of Licensed Financial Planners expenses	14	(38,601)	293,001
Donation		200	1,400
		<u>459,345</u>	<u>758,248</u>

16. TAXATION

	2018 RM	2017 RM
Income tax expense		
- current year	-	7,629
- prior year	(8,329)	7,153
	<u>(8,329)</u>	<u>14,782</u>

The chargeable income of the Association is taxed at a scaled rate under Schedule 1 of the Income Tax Act, 1967 and current taxation for the current financial year is provided based on the Income Tax (Exemption) (No. 19) Order 2005, whereby statutory income derived from members' subscription fees is exempted.

Notes to the Financial Statements (cont'd)

16. TAXATION (CONT'D)

A reconciliation of income tax expense on surplus before taxation with the applicable statutory income tax rate is as follow:

	2018 RM	2017 RM
Surplus before taxation	23,555	22,314
Tax at applicable tax rate of 24% (2017: 24%)	5,653	5,355
Tax effects arising from:		
- non-deductible expenses	19,308	6,602
- deferred income	(15,450)	36,062
- tax savings	-	(11,490)
- deferred tax assets not recognised in the financial statements	(9,511)	(28,900)
- (over)/under provision in prior year	(8,329)	7,153
Tax expense for the financial year	(8,329)	14,782

The deferred tax assets have not been recognised for the following item:

	2018 RM	2017 RM
Temporary differences	37,285	79,285
Unutilised tax losses	(497,543)	(499,914)
	(460,258)	(420,629)
Potential deferred tax assets not recognised at 24%	(110,462)	(100,951)

Notes to the Financial Statements (cont'd)

17. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

Financial assets and financial liabilities measured at amortised cost ("AC")

	Carrying amount RM	AC RM
2018		
Financial assets		
Trade receivables	27,963	27,963
Deposits	18,500	18,500
Cash and cash equivalents	3,074,158	3,074,158
	<u>3,120,621</u>	<u>3,120,621</u>
Financial liability		
Other payables, deposits and accruals	893,574	893,574
	<u>893,574</u>	<u>893,574</u>
2017		
Financial assets		
Trade receivables	59,286	59,286
Deposits	22,485	22,485
Cash and cash equivalents	2,940,638	2,940,638
	<u>3,022,409</u>	<u>3,022,409</u>
Financial liability		
Other payables, deposits and accruals	812,679	812,679
	<u>812,679</u>	<u>812,679</u>

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