

FPAM



ANNUAL REPORT

2021



ISLAMIC
Financial
Planner



Contents

Notice of Annual General Meeting	2
Board of Governors	3
Board Attendance in Year 2021 – 2022	4
Board of Governors Profiles	5
President's Statement	12
Report of the Board of Governor	15
Statement by the Board of Governors	31
Independent Auditor's Report	32
Statement of Financial Position	35
Statement of Income and Expenditure and Accumulated Funds	36
Statement of Cash Flows	37
Notes to the Financial Statements	38



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Financial Planning Association of Malaysia (FPAM) will be held online on **Saturday, 25 June 2022** at **10.00 am** 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 2021.
2. To receive the audited accounts of the Association for the year ending 31 December 2021.
3. To appoint new auditor for the year 2023.
4. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board



Mr Husaini Hussin
Honorary Secretary
Kuala Lumpur
Date: 3 June 2022

Notes:

Only Certified Members of the Association who have fully paid all fees payable in respect of their recertification 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). Assoc Prof HK Wong
- 2). Demi Chan (*Vice-President*)
- 3). Paul Low (*President*)
- 4). Alvin Tan (*Deputy President*)
- 5). Rafiq Hidayat (*Vice-President*)
- 6). Eunice Chan (*Hon Treasurer*)

2nd Row (L-R):

- 1). Husaini Hussin
(*Hon Secretary*)
- 2). Calvin Goon
- 3). Chan Chee Lim
- 4). Ranjinath Muniandy
- 5). Mohd Ridza
- 6). Steve Teoh

Not in picture:

- 1). David Mathew
- 2). Idi Irwan

Board Attendance in Year 2021-2022

Board of Governors Responsible for all policy matters affecting the Association and the profession		21 July 2021 (virtual)	2 October 2021 (virtual)	24 November 2021	19 January 2022	23 March 2022 (virtual)	18 May 2022 (virtual)	Total
1	Paul Low Hong Ceong	.	.	.	.	.	.	6/6
2	Alvin Tan Chin Cherng	.	.	.	.	.	.	6/6
3	Demi Chan Lai Teng	.	.	.	.	.	.	6/6
4	Rafiq Hidayat bin Mohd Ramli	.		.	.		.	4/6
5	Husaini bin Hussin	.	.		.	.	.	5/6
6	Eunice Chan Chun Hei	.	.	.	.	.	.	6/6
7	Calvin Goon Cheng Yu	.		.	.	.		4/6
8	Mohd Ridza bin Yahya	.	.	.	.		.	5/6
9	Chan Chee Lim	.	.	.	.	.		5/6
10	Steve Teoh Loon Heng	.	.	.	.		.	5/6
11	Ranjinath a/l Muniandy	.	.	.	.	.	.	6/6
12	Assoc Professor Wong Hua Kiong		5/5
13	David Mathew				.	.		2/5
14	Idi Irwan bin Zainal Abidin				.	.		2/3

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Present

Absent

Not Board Member

Board of Governors Profile



Mr Paul Low Hong Ceong,
CFP CERT™, IFP®
President

Mr 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 and Chief Success Officer at Manulife Holding Berhad.

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. He is also a council member of the Management Committee of Life Insurance Association of Malaysia (LIAM).



Mr Alvin Tan Chin Chergng,
CFP CERT™
Deputy President

Mr Alvin Tan Chin Chergng is the Executive Director and Chief Executive Officer of UOB Kay Hian Wealth Advisors, a 100%-owned subsidiary and a new wealth management distribution division of UOB Kay Hian (M) Securities.

He is instrumental in charting the company strategic direction and enhancing the productivity of the company by reinforcing positive culture through vision and value statements. Under his current leadership, the company developed UWealth, an in-house proprietary investment digital platform that provides wealth advisors and clients.

Alvin started his investment career with TA Unit Trusts Bhd as their Senior Agency Manager, where

he is awarded as the Top Newcomer and Most Promising Consultant Year 2002.

He has over 19 years of financial services industry experience and was the President of the Association of Financial Advisers (AFA) Malaysia from 2019 to 2021. He is also the Board of Governor Member of Financial Planning of Malaysia (FPAM) for the year 2019 to date.

Graduated top from his class, he holds a first class honours degree in Finance from Universiti Tenaga Nasional Malaysia, majoring in investment and risk management.

Board of Governors Profile (cont'd)



Ms Demi Chan Lai Teng,

CFP^{CERT TM}, IFP[®]
Vice-President

Ms Demi Chan Lai Teng is the General Manager of iFAST Capital Sdn Bhd. With over 16 years of experience in the financial industry, Demi leads the B2B business of iFAST Capital Sdn Bhd. Her responsibilities include managing the company's relationship with business partners as well as assisting the management team in planning, structuring and implementing business plans.

Demi joined iFAST in 2006 as a Customer Service Executive and was promoted as a manager and subsequently a Director of Institutional Business

Development, before assuming the role of General Manager of iFAST Capital Sdn Bhd in 2016.

Prior to joining iFAST, Demi worked as Customer Service Executive at United Overseas Bank Limited Singapore and Operations Officer at SBB Mutual Bhd, from Year 2000 to 2006. Demi holds a Bachelor of Arts in Business Administration from University of Bolton, UK, and obtained the CFP mark in 2017 and the IFP credential in 2018.



En Rafiq Hidayat bin Mohd Ramli,

CFP^{CERT TM}, IFP[®]
Vice-President

En Rafiq Hidayat bin Mohd Ramli is the managing director at Wealth Vantage Advisory Sdn. Bhd. which he co-founded in 2015. Rafiq is a practicing licensed financial planner having completed both his Certified Financial Planner (Cert TM) and Islamic Financial Planner certification respectively.

After graduating from a Bachelor of Science in Mechanical Engineering from the Massachusetts Institute of Technology (MIT), Cambridge, Massachusetts, Rafiq began his career as a management consultant in human resource management and strategic planning with PricewaterhouseCoopers (PwC) and Ernst & Young (EY). Followed by a stint as a global consultant in human resource management in the Middle East.

Rafiq then returned to Malaysia to be part of the pioneering team that helped set up Talent Corporation Malaysia Bhd (TalentCorp) including being the Head of Shared Services Division for 3 years.

Rafiq decided to make a career change to financial services in early 2014 due to his passion in helping individuals to improve their personal financial situations. His expertise areas include holistic financial planning, wealth and retirement planning, debt management, and estate planning.

Board of Governors Profile (cont'd)



En Husaini bin Hussin,

CFP^{CERT}™, IFP[®]
Honorary Secretary

En Husaini Hussin has been the Chief Executive Officer since October 2016. He joined PPA as the Chief Operating Officer when it was first established in 2012, where he was responsible for the setting up of PPA operations as the Central Administrator of Private Retirement Scheme (PRS).

A certified financial planner in both conventional and shariah, Husaini is passionate about retirement planning and PRS, and has given talks in major cities across Malaysia, and more recently via webinars.

Prior to joining PPA, Husaini spent 20 years working with oil and gas giants Petronas and Shell Malaysia and a global consulting firm, KPMG Consulting. During his stints with these multinational companies, he regularly travelled across the nation and Asia Pacific, as well as to London.

Husaini grew up in Seberang Perai, and spent his teens in a boarding school in Kedah, before completing his tertiary studies at the University of Michigan, Ann Arbor, United States in Actuarial Mathematics.

Husaini currently serves as:

- Treasurer with Institutional Investors Council Malaysia (IIC)
- Treasurer with Kumpulan Rukun Tetangga SS17 Subang Jaya (under the purview of Jabatan Perpaduan Negara dan Integrasi Nasional)
- Honorary Secretary of Financial Planning Association of Malaysia



Ms Eunice Chan Chun Hei

CFP^{CERT}™, IFP[®]
Honorary Treasurer

Ms Eunice Chan Chun Hei is the Senior Executive Vice President, Head, Retail Wealth Management and Segments of the Group Wealth Management, Community Financial Services of Malayan Banking Berhad. With more than 25 years of experience in financial services industry, she is currently responsible for Maybank's wealth management business across high networth, affluent and emerging affluent segments, and spearheads the Premier and Privilege Banking franchise and Bancassurance. Eunice is a member of the Maybank Group Women Mentoring Women Council and Maybank Group Diversity, Equity and Inclusion.

Prior to her appointment, she was Director, Global Securities Services and CEO of Maybank Trustee

Berhad, Global Banking of Maybank. She was Head, Custodial Services of Maybank in 2010.

Eunice joined Maybank Group in 1997 as Head, Business Operations in Maybank Unit Trust Berhad. In 2007, she was appointed as Head, Business Process Management in Maybank COO's Office. In 2009, she was seconded to the Transformation Office as the PMO Manager for restructuring initiatives of Maybank Group. Before joining Maybank, she worked in the New Zealand Stock Exchange. She graduated with Bachelor's in Commercial Law from Victoria University of Wellington and she is also the Chartered Banker.

Eunice is currently the Honorary Treasurer of FPAM.

Board of Governors Profile (cont'd)



En Mohd Ridza bin Yahya
Board Member

Encik Mohd Ridza Yahya holds a Bachelor of Economics Degree from Lamar University, Beaumont, Texas, USA. He joined Permodalan Nasional Berhad (PNB) in 1993 as a Research Executive and later moved to Corporate Services Department, PNB in 1997. Subsequently in 2009, he joined Marketing and Branch Operations Department of Amanah Saham Nasional Berhad (ASNB), a PNB unit trust company. He held the position as Vice President for Branch Management & Supervision Department until December 2019.

He is a Shariah Registered Financial Planner (RFP) with the Malaysian Financial Planning Council (MFPC) and a registered unit trust consultant (UTC) with Federation of Investment Managers Malaysia (FIMM). He also sits on the Board of FIW Steel Sdn Bhd as a director. Currently, he heads the Preferred Client Management of ASNB.



Mr Calvin Goon Cheng Yu,
CFP^{CERT}™, IFP[®]
Board Member

Mr Calvin Goon Cheng Yu has over 19 years of working experience in sales and marketing in the asset and wealth management, private banking and the affluent segment business.

Calvin joined Affin Bank Berhad in October 2019 as Head of Wealth Management. His portfolio also includes the customer segmentation for the affluent and mass affluent business. His strength is in building profitable business model which involves skills in market intelligence, cost and revenue analysis, and sales and marketing campaign.

With his in-depth experience in wealth management product development and serving the needs of high

net worth individuals, his team is responsible for driving the growth and profitability of the affluent and mass affluent 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) Modules 1A & 1B and Pre-Contract Examination for Insurance Agents. He is also licensed under FiMM for unit trust.

Board of Governors Profile (cont'd)



Mr Steve Teoh Loon Heng,

CFP CERT TM

Board Member

Mr Steve Teoh Loon Heng, BA (Hons) UK, Bar (Part 1), MMIM, PHF, is a political science graduate.

FMCG MarComm trained, built his MNC career at PepsiCo International, Philip Morris Inc, Ford Motors, Leo Burnett, Havas Global before entering the then nascent Financial Planning profession in 2004.

He was a licensed financial planner with a wealth management consultancy and the Executive Director of a licensed Asset Management company.

He has held the following industry positions:

- FPAM Past President and Founding Member
- Chair of the Appeals Committee/Disciplinary Board
- Editor, and Advisor of the 4E Journal
- Member of FPSB Communications Advisory Panel (CAP) that supports the CFP brand development and communications activities

amongst FPSB affiliates.

- Chair of the Malaysian Financial Planning Industry Consolidation Taskforce, an initiative by the Securities Commission and Bank Negara Malaysia
- FPAM representative at the Malaysian Institute of Accountants (MIA) on the financial planning

He currently serves as:

- Chairman of FPAM Nomination Committee.
- Eminent Council Member of MyLife/uLearn Money, NGOs promoting personal financial awareness to the public and university students respectively.
- Founding Trustee of the BUDIMAS Charitable Trust, a foundation for underprivileged children under the distinguish Royal Patronage of Her Majesty, the Raja Permaisuri Agong.



Mr Ranjinath A/L Muniandy,

CFP CERT TM

Board Member

Mr Ranjinath Muniandy has been working for multiple industries since 1986. He started his career as a Computer Tutor, moving on to System Analyst and Design, Project Management and Business Analyst. He has taken many roles including individual contributor and managing teams. What was more apparent was that he was recognised as a coach even before he had gone through formal training. He has informally coached friends and team members as far as 1990. In Telenor Myanmar, he was asked to help coach 2 Burmese team members to be prepared to take over the management of the department.

In summary Ranjinath is a Coach at Heart and strives to help people move forward and find their true north through intuitive and Emotional Intelligence tools.

- Executive and Leadership Coach
- Intuitive Life Coach help Leaders Move Forward to greater heights
- Worked for 35 years in MNCs and FMNCs
- Certified ICF Leadership and Executive Coach at Ranjinath.com

Board of Governors Profile (cont'd)



Mr Chan Chee Lim,

CFP[®] CERT[™]

Board Member

Mr Chan Chee Lim joined Kenanga Investors Berhad (KIB) in October 2017 as Senior Vice President, Head of Partnership Distribution and Financial Planning.

With over 20 years of experience in financial services industry, Chee Lim has taken on a broad range of management roles including a crucial role which saw his successfully developing, managing and growing the distribution channels. His experience has also seen him forging strategic relationships with distribution channels, and improving agents/distributors' productivity, as well as seeking new and potential profitable new areas to expand branches and customers' reach.

He is also the key supporting staff to the Chief Executive officer (CEO) in achieving new businesses

and recruitment targets of the Company which includes management of Licensed Financial Planners.

Chee Lim is a Licensed Financial Planner, Securities Commission, and a Financial Adviser's Representative (FAR) and Islamic Financial Adviser's Representative (iFAR), Bank Negara Malaysia. He is a member of FPAM Board of Governor (2021-2023).

Chee Lim graduated from University of Melbourne, Australia, with a Bachelor of Social Science degree majoring in Information Management. He is also a CFP Professional and Shariah Registered Financial Planner (Shariah RFP).



Mr Idi Irwan bin Zainal Abidin,

CFP[®] CERT[™]

Board Member

As Executive Director, **En Idi Irwan Zainal Abidin** develops strategies and campaigns to help Bill Morrisons' clients achieve their financial ambition. As Executive Director, Idi brings on board the expertise, insights and analysis from various global and regional fund managers and investment houses. He also guides the development of organizational processes and risk-mitigation measures to maintain operational and financial security of Bill Morrisons.

Idi lends his expertise as a CFP Professional and Syariah-Registered Financial Planner to enable

clients and customers into various financial and investment instruments that suit their needs.

Idi graduated from Institut Teknologi MARA in 1997. He also graduated from a risk management executive program, under a collaboration between Munich Re Insurance and Georgia State University in 2009, specializing in risk management and insurance. He has 24 years' experience as a financial services professional.

Board of Governors Profile (cont'd)



Mr David Dinesh Mathew,

LLB

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 organizations in the areas of Anti-Money Laundering and Anti-Terrorism Financing, Competition Law, Personal Data Protection and Employment Law.



Ms Wong Hwa Kiong

Board Member

Assoc. Prof Wong Hwa Kiong serves as the Vice President, Academic and Quality Assurance at Tunku Abdul Rahman University College (TAR UC), a renowned institution of higher learning in Malaysia.

Armed with over 30 years of experience in the education industry, Assoc. Prof Wong plays a pivotal role in providing tertiary education opportunities for young Malaysians who are seeking quality education as well as meeting the rising demand for human capital from businesses and industries.

With her extensive experiences and outstanding leadership skills, Assoc. Prof Wong was admitted as a member of the leading professional body for marketers, ie The Chartered Institute of Marketing, UK since May 2017.

Her creed of shaping the future of the younger generation by sharing and imparting knowledge drives her to continue serving FPAM as a Board of Governance (BOG) since 2017.

President's Statement



On behalf of my fellow Board of Governors, I am pleased to present the 21st Annual Report and Financial Statements of the Financial Planning Association of Malaysia, which provides an account of our initiatives and Association's performance throughout 2021.

President's Statement (cont'd)

Whilst the pandemic stretched into 2021, Malaysian economic activities resumed with the easing of containment measures. Bank Negara Malaysia reported that our economy registered a positive growth of 3.6% in quarter four of 2021.

As such, in 2021, the Management Office piloted the re-structuring of FPAM to the three pillars strategized by the BOG. This was passed by two thirds by our Certified Members at the 2020 AGM. The pilot was carried out pending approval by Registrar of Societies for the Constitutional changes that was filed, to minimize transition impact when the approval is received.

On this note, I am pleased to present the performance of the Association set out in the Annual Report 2021. It also contained the highlighted outcomes from the piloted Pillars led by the Chief Executive Officer and her team of Managers.

Financial Performance

For the year ended 31 December 2021, the Association achieved a gross revenue of RM 2,971,540, 36% above to that of 2020.

The positive performance is due to the balance of candidates completing the CFP Certification Programme under CMDf as they were challenged by the restrictions of SOP and some members facing infections. The demand for in-house and public online workshops increased as the financial industry were in operation throughout the pandemic and still required to fulfill regulatory requirements for education and certification for licencing.

The Management Team took on extra work in the face of uncertainties as part of its cost containment exercise. FPAM also continued to administer the CFP exams quarterly due to demand from the industry. It also continued redeploy expenses to replace devices for employees who work from home and in the office. With added activities both from the Continuing Education and Exams, Education and Renewal teams as well as the Industry Development and Financial Literacy teams, the increase in expenses by 6.5% over 2020 was expected.

At the same time, utilization of the revenue for the expansion of its members portal is on-going and expected to be completed by the beginning of quarter three of 2022.

The Board will continue to exercise careful management of the Association's financial resources for optimal results to ensure its financial sustainability for the years to come.

Exams, Education and Renewal

A total of 1,628 candidates wrote their certification examinations in 2021 compared to 1,213 in 2020, recording an increase of 13%.

The increase in examination registrations for 2021 is a result of the spillover candidate CMDf Sponsorship initiative for Model Group of Licensed Financial Planners completing the remainder of their modules. Additionally, the pandemic saw the rise in market demand for CFP Professionals to help the public weather the financial turbulence.

Membership

We saw the sustainable number of certified members at 2,526 in 2020 to 2,534 as at end 2021 despite the prolonged pandemic. We also retained our 11th position globally based on the number of CFP Professionals. From 2021 onwards, our number of candidates for the CFP Certification programme will be organic and is expected to fluctuate from year to year. Nevertheless, in addition to efforts to add new CFP Professionals in the coming years, we will continue to focus on retaining existing members by coaching them on timely recertification and fulfilling annual CE requirements.

Globally CFP professionals grew from 192,762 in 2020 to, 203,312 representing a 5.5% growth despite the global economic challenges. The number of CFP Professionals by region is led by the Americas with 57.2% followed by Asia with 36.7%.

Activities by Continuing Education & Events (CEE)

The major events organised is the online Annual Signature Financial Planning Symposium and Annual General Meeting. The Malaysian Financial Planner of the Year Award has been paused due to the takeover of Planplus by Morningstar, who decided to discontinue the global and national financial planning awards. We acknowledge the request to organize a national one and will look into it.

CEE will continue to run its workshops and bring in interesting topics to help members keep abreast with the industry.

President's Statement (cont'd)

Association is also 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. Chapters monthly meetings
3. General Meetings
4. Engaging local stakeholders

Financial Literacy

For the year 2021, we continue to support InvestSmart Fest with their second year of online #FinPlan4u in October. FPAM continue to coordinate with our member firms and other smaller FP Firms LFPs to participate.

End October, FPAM, together with MFPC also supported Bank Negara in offering Financial Advisory Consultation in commemoration of Malaysian Financial Literacy Month and Global Money Week.

Industry Development

Under the Joint-Action Plan 2020-2023 by Securities Commission to bringing the financial planning industry to the next level, the Financial Planning Industry Working Group (FPIWG) continue with the formation of the Firm Operating Standards and will send out for FP firms' consultation when the draft is ready before presenting to the Securities Commission.

FPAM also participated in the annual Securities Commission Industry Dialogue for the year which touched on the subject bringing financial planning to the next level and the need for better corporate governance within the industry as well as the financial industry as a whole.

The Association registered 53 charter and corporate members in 2021 and we will continue to engage with them to update on the latest changes in the Association.

Moving Forward

For 2022, our focus remains in the 3 key areas, membership growth, self-sustainability and visibility which is aligned to FPSB LASER Strategy, namely; Leadership, Awareness, Standards, Engagement and Recognition.

Strategies set out for the key areas are:

- a) Enhancement of SmartFinance ecosystem with FB ads services for LFPs for greater visibility to the public.
- b) Increase engagement with Charter and Corporate Members to update them on FPAM services and explore collaboration opportunities.

We are also preparing for the FPSB Certification Audit which will be conducted from 2022 to 2024. FPAM will work closely with our Education Providers on the proper usage of the CFP Mark when promoting the certification programme.

Acknowledgement

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.

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

- FPAM Management Office team for their contribution in the management of the Association.
- Chapter Committee Members for their spirit of volunteerism in the face of such challenging times.
- Individual, Charter and Corporate members for your unwavering commitment and support of FPAM and its activities.
- FPAM stakeholders for their valued collaboration with FPAM.

Let me close by wishing all members a more prosperous year in their professional and personal lives. May we ride through this pandemic and emerge stronger and better for the coming years.

Report of the Board of Governor

The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2021.

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. As part of our restructuring exercise to pilot the three Pillars, we are pleased to report the activities carried out under these Pillars.

Management Office Overview

Over the last one and a half years, the Management Office Team worked tirelessly on the piloting of the Three Pillar Structure. It puts processes, guidelines and rules in place parallel to existing ones. This is to minimize disruption of service to members when the Registrar of Societies approves the Constitutional changes. Headline outcomes of the Three Pillars are set out for members' information. Historical data is pulled from our records for 2019 and 2020 for easy comparison.

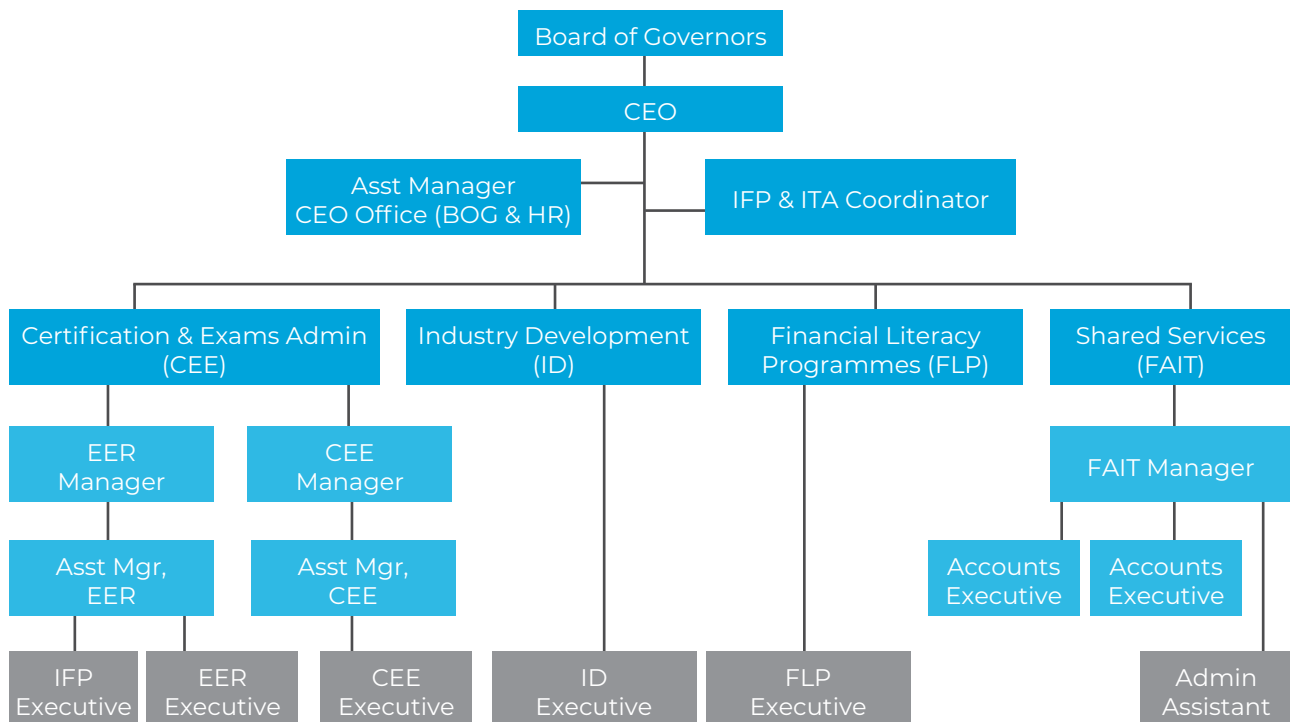
It records its appreciation to:

1. The BOG members for their valuable input and guidance
2. Members for their participation and quality contribution especially in financial literacy to create the visibility of the financial planning profession
3. Appointed facilitators for CE Workshops and Education Providers of the CFP Certification Programmes under Pillar 1 for their dedicated dissemination of knowledge.
4. The rest of our members for their patience and understanding during this period. Our apologies for the intermittent disruptions.

The Management Office recognises the efforts of its employees at all levels for powering through despite MCO and endemic challenges to help build the Pillars with their respective HODs leading the charge. It was exhilarating especially when we overcame challenging moments, both at work and personally to achieve set outcomes from the Board's strategy direction. Best of all, we did it as a team. Syabas to the MO Team.

Report of the Board of Governor (cont'd)

FPAM Organization Chart 2021



Management Team



Left to right: Muthraj Suppiah (FAIT), Leong Poh Chwee (CEO & HR), Linnet Lee (CEO), Rekka Chinnasamy (CEE) & Alice Wong (EER).

Report of the Board of Governor (cont'd)

Pillar 1 Reporting Year 2021

Continuing Education & Events (CEE)

CEE curates, manages and organizes CE Workshops and Annual Events for the Association. It also manages communication to stakeholders.

Services provided:

1. Organize open and in-house workshops for members, chapters, and stakeholders
2. Crediting CE, CPE & CPD points after each workshop
3. Maintain and update list of activities for CE mapped against SIDC CPE requirements
4. Maintain and update Members Affinity Program for members for preferential fees and packages
5. Work with EER to track CE points fulfillment and update members list on website
6. Curate and craft content for 4EJ with the editorial team
7. Organize FPAM annual events
8. Liaise with Chapters on their activities and events for local members
9. Handle related enquiries from all stakeholders

The table below shows the summary of events held from 2019 to 2021 against a set budget.

No	Event	2019	2019 Budget	Achievement	2020	2020 Budget	Achievement	2021	2021 Budget	Achievement
1	Financial Planning Symposium	1	1	100%	1	1	100%	1	1	100%
2	CE Workshop/ E-Learning	54	36	150%	49	36	136%	82	36	228%
3	Annual/ Extraordinary General Meeting				1	1	100%	2	1	200%
4	Annual Chapter Meeting	1	1	100%	1	1	100%	1	1	100%
5	Chapter General Meeting	1	1	100%	0	6	0%	6	6	100%
6	Chapters Tea Talk	0	1	0%				8	4	200%
7	Award Recognition & Networking Night	1	1	100%	0	1	0%			
8	Focus Group / Roundtable Forum	1	1	100%	1	1	100%	0	1	0%
9	MFPYA Competition	1	1	100%	1	1	100%			
10	Other Events				5	1	500%			

Event not planned for or unable to plan due to pandemic

Report of the Board of Governor (cont'd)

The following list are events organized in 2021

Date	Event	Program Title
KLANG VALLEY		
January 7, 2021	CE Workshop	Constructing a Financial Plan - A Practical Approach
January 14, 2021	CE Workshop	Financial Planning for Millennials & Gen-Zs
January 21, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
January 26, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
February 23, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
February 24, 2021	CE Workshop	Financial Security through Financial Planning
February 25, 2021	CE Workshop	Constructing a Financial Plan - A Practical Approach
March 11, 2021	CE Workshop	Estate Planning for Business Succession Planning
March 18, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
March 25, 2021	CE Workshop	Equity Portfolio Management – An Application Approach
March 31, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
April 3, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
April 8, 2021	CE Workshop	Equity Portfolio Management – An Application Approach
April 15, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
April 20, 2021	FPAM Annual Event	Annual Chapter General Meeting
April 22, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
April 22, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
April 24, 2021	FPAM Annual Event	Extraordinary General Meeting
April 26, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
April 27, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
April 28, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
May 6, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
May 24, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Planning For The Next Gen\$
May 27, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
June 2, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
June 3, 2021	CE Workshop	Advisory Skills in Financial Planning Practice
June 8, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Planning For The Next Gen\$
June 9, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Planning For The Next Gen\$
June 9, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
June 10, 2021	CE Workshop	Equity Portfolio Management – An Application Approach
June 14, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
June 17, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
June 23, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Planning For The Next Gen\$
June 23, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
June 24, 2021	CE Workshop	Structuring Effective Personal Tax Strategies

Report of the Board of Governor (cont'd)

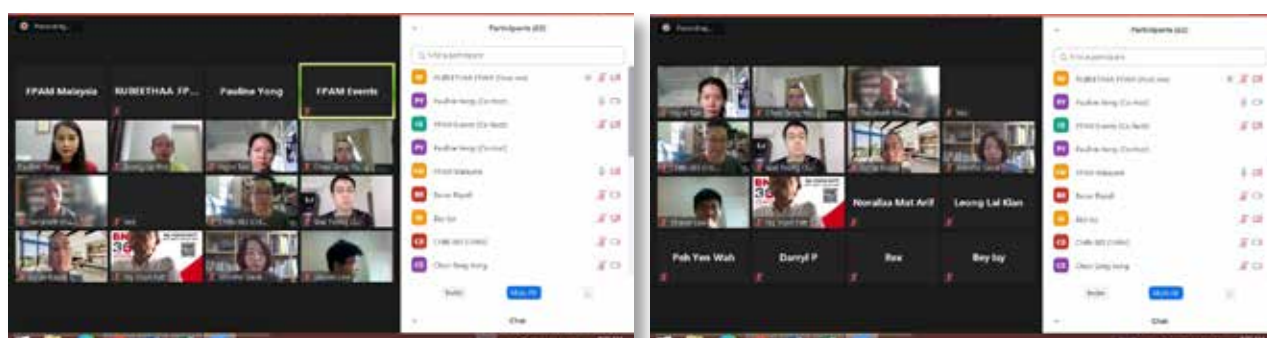
Date	Event	Program Title
June 25, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Plannig For The Next Gen\$
June 25, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
June 26, 2021	FPAM Annual Event	21th Annual General Meeting 2021
June 28, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
June 28, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
June 30, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
June 30, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
July 1, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
July 9, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
July 16, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
July 22, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
July 29, 2021	CE Workshop	Financial Planning for Millennials & Gen-Zs
August 9, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
August 12, 2021	CE Workshop	My Estate: Administration Of An Estate/Trust And Plannig For The Next Gen\$
August 17, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
August 19, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
August 20, 2021	CE Workshop	Applying Technical Analysis to Enhance your Investment
August 23, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
August 23, 2021	CE Workshop	Using Behavioral Finance to Shape Financial Planning
August 24, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
August 26, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
September 1, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
September 2, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
September 8, 2021	CE Workshop	My Estate: Administration Of An Estate / Trust And Planning For The Next Gen\$
September 9, 2021	CE Workshop	Equity Portfolio Management – An Application Approach
September 13, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
September 14, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
September 21, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
September 29 - October 1, 2021	CE Workshop	Analysing Company Performance and Securities Valuation
October 4, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
October 5, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
October 13, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
October 13, 2021	CE Workshop	Equity Portfolio Management – An Application Approach
October 14, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
October 20, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them

Report of the Board of Governor (cont'd)

Date	Event	Program Title
October 21, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
October 27, 2021	CE Workshop	Using Behavioral Finance to Shape Financial Planning
November 9, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
November 9, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
November 16, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
November 18, 2021	FPAM Annual Event	Interplay of Ethics & Sustainability for Greater Growth Annual Signature Financial Planning Symposium 2021
November 23, 2021	CE Workshop	Applying Behavioral Finance in Your Financial Planning Practice
November 23, 2021	CE Workshop	Measuring Unit Trust Performance & How Can We Use Them
November 25, 2021	CE Workshop	Structuring Effective Personal Tax Strategies
December 9, 2021	CE Workshop	Ageing Well Financially & Growing Old With Dignity
December 7, 2021	FPAM Annual Event	BOG - Chapter Meeting
December 16, 2021	CE Workshop	Investing for Life Goals - A Portfolio Perspective
December 20, 2021	CE Workshop	Using Behavioral Finance to Shape Financial Planning
Penang		
April 30, 2021	FPAM Annual Event	Penang Chapter General Meeting
June 29, 2021	Online Tea-Talk	Investing in Digital Assets
August 13, 2021	Online Tea-Talk	Market Outlook - Navigating The Market In Biden's Era
October 9, 2021	CE Workshop	You Already Have Estate Planning - so What's Next?
November 5, 2021	Online Tea-Talk	Dynamic Wealth Planning For HNWIs
December 10, 2021	Online Tea-Talk	Budget 2022 Key Highlight
Perak		
April 24, 2021	FPAM Annual Event	Perak Chapter General Meeting
Melaka		
April 23, 2021	FPAM Annual Event	Melaka Chapter General Meeting
July 3, 2021	CE Workshop	Financial Planning for Millennials & Gen-Zs
Johor		
January 22, 2021	Online Tea-Talk	Financial Literacy Talk
February 25, 2021	Online Tea-Talk	Online Financial Literacy Talk: Risk Mgmt Planning/ Insurance planning
April 30, 2021	FPAM Annual Event	Johor Chapter General Meeting
4-10 June 2021	FL Camp	Financial Literacy Camp For Kids
July 4, 2021	FL Talk	How To Be A Licensed Financial Planner
July 31, 2021	CE Workshop	Estate Planning for Business Succession Planning
September 5, 2021	Online Tea-Talk	LEAVING A LEGACY - Estate Planning At Its Best!
October 17, 2021	Online Tea-Talk	Tax Planning For Individuals and SMEs
December 13, 2021	FL Camp	Financial Literacy Camp (9-12yo)
December 14, 2021	FL Camp	Financial Literacy Camp (13-17yo)
Sabah		
April 24, 2021	FPAM Annual Event	Sabah Chapter General Meeting

Report of the Board of Governor (cont'd)

Date	Event	Program Title
August 27, 2021	IFP Promo	Introduction of IFP
August 28, 2021	Networking Event	Sabah Chapter's Networking Events
September 6, 2021	CE Workshop	Applying Technical Analysis to Enhance your investment
November 27, 2021	Networking Event	2nd Sabah Chapter's Networking Event
Sarawak		
April 24, 2021	FPAM Annual Event	Sarawak Chapter General Meeting



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 will be available online via FPAM's members portal.



Report of the Board of Governor (cont'd)

Exams, Education & Renewals (EER)

EER manage the learning design and delivery of the CFP CERT[™] Certification Program and overall management and oversight on assessment development for CFP Certification in line with FPSB requirements to meet with FPAM licencing rights for Malaysia.

It also markets and manages the membership of the IFP® Certification Programme which is jointly developed with IBFIM.

Services Provided:

1. Learners support for exams and renewals
2. Administer the members disciplinary framework
3. Support Corporate & Charter members in their management of staff & agents recertification
4. Provide certifications promotion talks for Education Providers, Collaborating Universities, Corporate and Charter members
5. Curate CE micro-learning for its Members on targeted topics
6. Work with CEE in organization of annual events

The table below shows the summary of events held by EER from the year 2019 to 2021 against the set budget.

NO	EVENT	2019	Budget 2019	ACHIEVE- MENT (%)	2020	Budget 2020	ACHIEVE- MENT (%)	2021	Budget 2021	ACHIEVE- MENT (%)
1	CFP Excellence Awards Ceremony	1	1	100	0*	0	0	0*	1	0
2	CFP Promotion (booths/talks)	1	1	100	5	12	42	21	12	175
3	Advertisements	14	13	117	8	12	67	8	6	133

* Unable to achieve due to pandemic and government restriction

1.0 Education and Examination

1.1 Updates for 2021

FPAM continued with the automation of its membership and examination system in 2021. 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.

FPAM signed up a learning management system in 2021 to run the online exam as well as to roll out micro-learning topics in 2022.

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's degree.

A total of 71 candidates passed the assessment in 2021 compared to 35 in 2020 and went on to register for the CFP certification program. We foresee that eventually PLRA will be phased out as more Malaysians are now graduate with a Bachelors Degree.

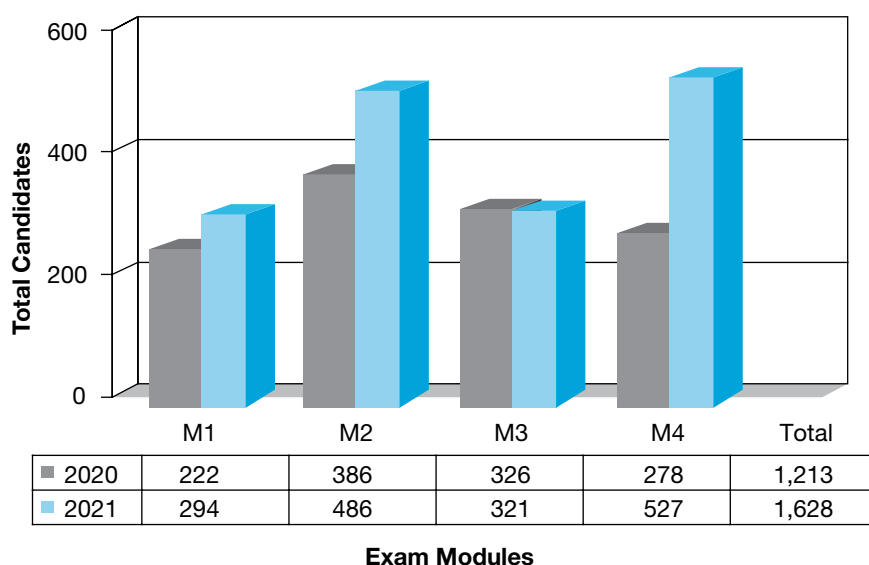
Report of the Board of Governor (cont'd)

1.2 Enrollment Trend

A total of 1,628 candidates registered for the certification examinations in 2021 compared to 1,213 in 2020, recording an increase of 13%.

The increase in examination registrations for 2021 is a result of market demand for financial professionals. The economic downfall created awareness of the importance of managing their personal financial well.

Comparison of Candidates by CFP Certification Exam Modules 2020 vs 2021



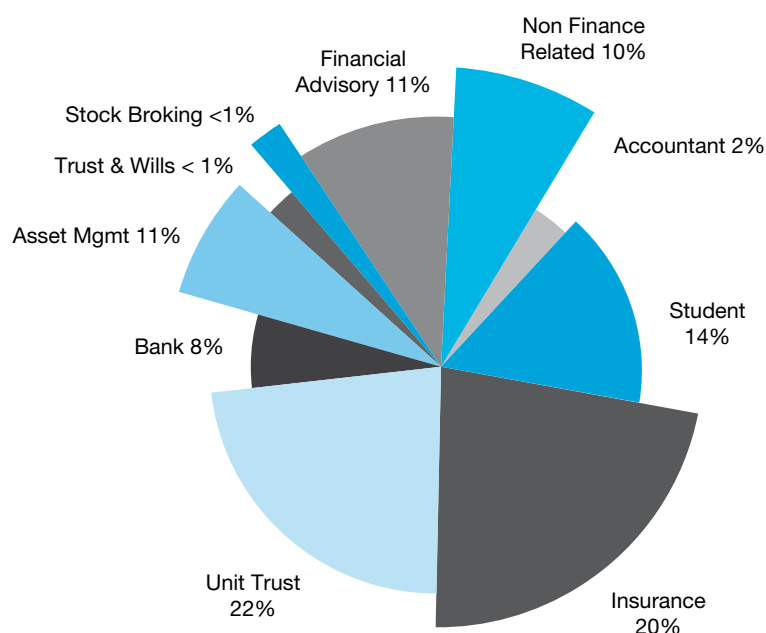
An analysis of registrations by the industry for 2021 shows an increase in registrations from the major sectors like banking and asset management. The increase in registrations was also due to pandemics and the market's demand for financial planning services.

These pillars of the financial services continue to be the major contributors to examination revenue for 2021 accounting for 61% of total registrations, which includes banks, unit trust, insurance, and financial advisory. Though cost compression exercises still continued in 2021, the demand for professional, ethical, and knowledgeable professionals able to serve the needs of more sophisticated consumers remains, hence the registrations for the program.

During the pandemic, exam registrations from university students experienced a slight decline from 22% to 14% in 2021 due to delay in education ,exams and graduation by the universities.

Report of the Board of Governor (cont'd)

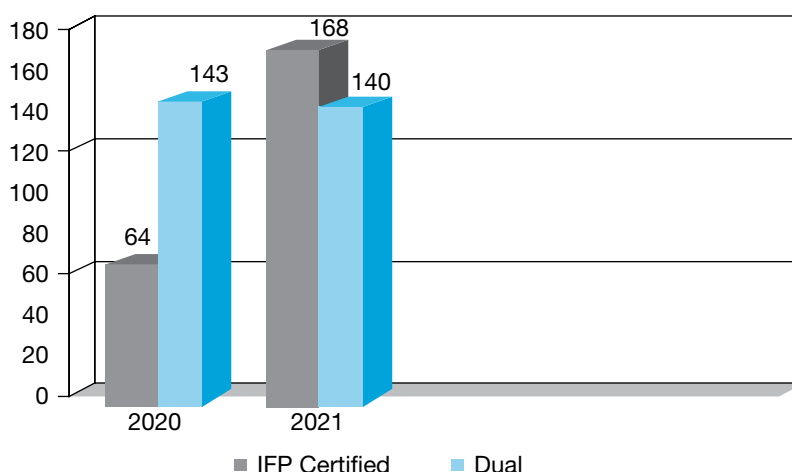
Analysis of Exam Candidates by Industry for 2021



The Islamic Financial Planner (IFP®) is a certification programme designed especially for professionals and executives serving the retail segment of the Islamic financial market. IFP® is a 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 joint collaboration between IBFIM and Financial Planning Association of Malaysia (FPAM), and receives full accreditation from Finance Accreditation Agency (FAA).

Comparison of IFP Certificants for 2020 and 2021



Year	IFP Certified	Dual	Total
2020	64	143	207
2021	168	140	308

Report of the Board of Governor (cont'd)

2.0 Membership

2.1 Individual Members

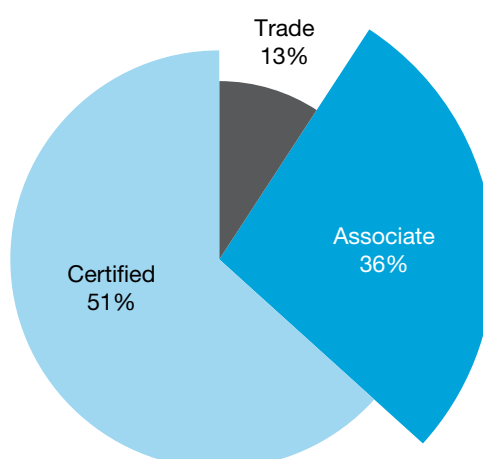
2.1.1 Membership by Category

The total number of members who have completed or are undergoing the CFP certification program as of 31 December 2021 stands at 4,953. For the year ended 2021 as per previous years, only members who paid their dues in 2021 are recognized as members.

Overall, there was a 13% increase in total members for 2021. This was due to a demand on the market due to pandemics and increase awareness of the importance of financial planning.

The number of Certified Members remained the same considering the challenging environment in 2021. It is encouraging that these members value the CFP Mark and continue with their recertification. They also kept abreast with the everchanging financial landscape through continuing education activities.

Membership as at 31 December 2021



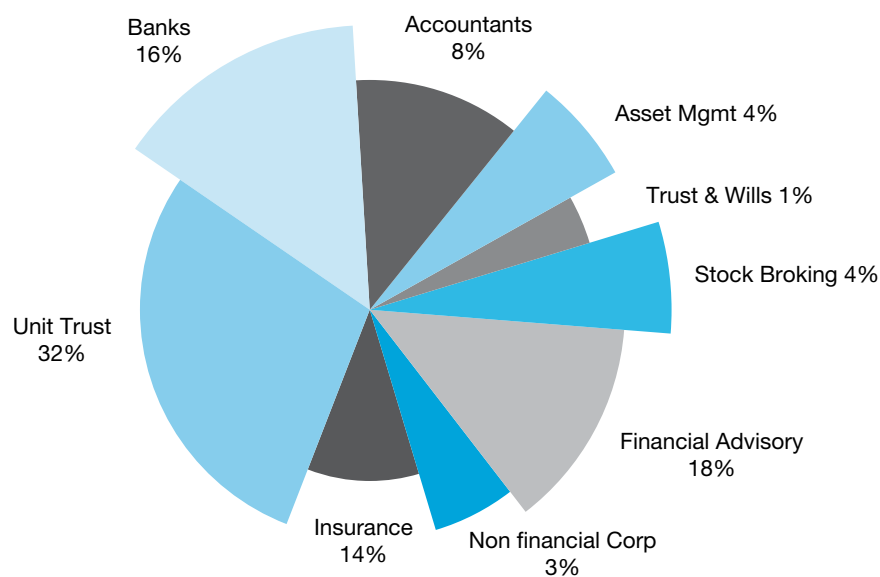
2.1.2 CFP Professionals by Industry

An analysis of the 2,534 Certified members as of 31 December 2021 by industry indicates that the majority of Certified members are in the unit trust, banking, financial consultancy, and advisory and insurance sectors. Members working in the unit trust sector and the financial advisory sector form the 2 largest groups, each had recorded 32% and 18% respectively.

Report of the Board of Governor (cont'd)

Members working in these sectors continue to form the largest groups of Certified members. Following closely behind is the banking sector with 16% and insurance with 14%. The current economic environment is still challenging but competition in these two sectors remains 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 certification that many companies continue to invest in to stay ahead in the industry.

CFP Professionals By Industry as at 31 December 2021



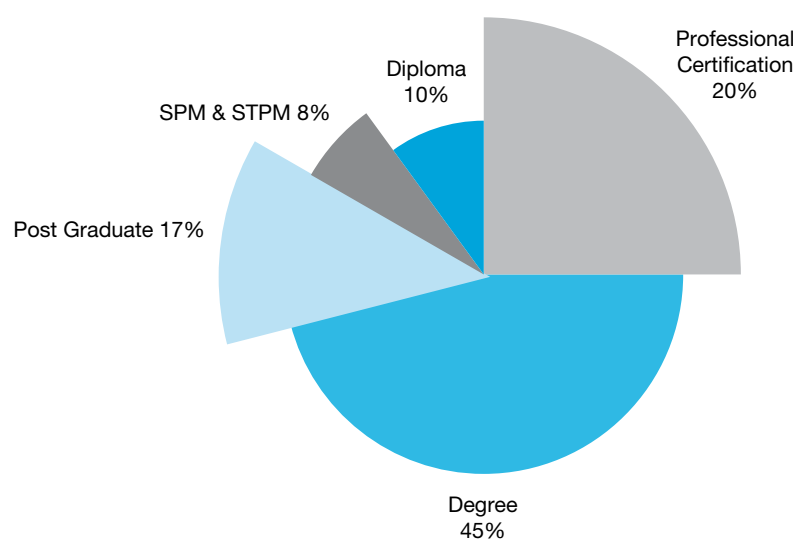
2.1.3 CFP Professionals by Qualification

The CFP designation continues to be sought after by professionals in 2021. This is due to it being recognized globally in 26 territories and locally by the relevant regulatory bodies.

56% of Certified members possess at least a degree and for those working in the financial services industry, the certification is relevant to their career and able to provide opportunities for career enhancement and growth. The prerequisite of a Bachelor's Degree has also added to the prestige of the program.

Report of the Board of Governor (cont'd)

CFP Professionals By Qualifications as at 31 December 2021

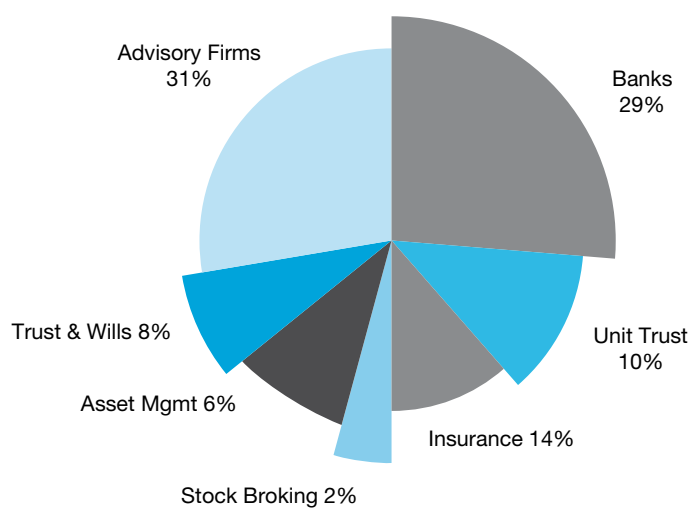


2.2 Charter and Corporate Members

FPAM now has a total of 53 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 2021



Report of the Board of Governor (cont'd)

Pillar 2 Reporting Year 2021

Industry Development (ID)

ID was set up specifically to work with industry stakeholders, especially regulators, government bodies and other financial planning associations to continue building the industry and taking it to the next level.

Piloted in 2021 under Pillar 2, it is inclusive of Charter & Corporate Members engagements.

Summary of Industry Development Engagements 2021

No	Event	Baseline 2021	2021 Budget	Achievement
1	Media	3	12	25%
3	Meetings & Discussions*	513	500	103%
4	Events	5	12	42%

Attended CMP Masterplan Launch



Online APAC Meeting 28.7.2021



Services provided:

1. Curation of LFP Code of Ethics and Best Practices, working with FP Associations
2. Secretariat support to the CEO and BOG in Charter and Corporate Members engagement and liaison with all departments within the Association
3. Provide secretariat support for the activities undertaken by ID department with regulators and other stakeholders
4. Work with FL department on annual national financial literacy programmes by regulators
5. Administer the CFP/IFP Opportunities Listing on FPAM website.

Report of the Board of Governor (cont'd)

Pillar 3 Reporting Year 2021

Financial Literacy (FL)

FL is responsible for promoting financial literacy through public engagement, workshops and Smart Finance initiatives.

Financial literacy in 2019 and 2020 was tracked under Membership Liaison and piloted in 2021.

Summary of Financial Literacy Programmes 2019-2021

No	Event	2019	2019 Budget	Achievement	2020	2020 Budget	Achievement	2021	2021 Budget	Achievement
1	Complimentary Consultation	1	1	100%	3	1	300%	5	2	250%
2	Financial Literacy Media Engagement	60	36	167%	52	100	52%	107	100	107%
3	SmartFinance Listed LFPs (201890LFPs)	98	100	98%	106	110	96%	138	130	106%
4	Workshops, Webinars & Talks	14	12	117%	83	64	130%	75	60	125%
5	Fee-Based Consultation							1	1	100%

BFM Ringgit & Sense pre-recording , Sim, Rajen & Linnet



Services provided:

1. Smart Finance content on its website, social media and blog
2. Media interviews and writing articles by Licensed Financial Planner
3. Promote Employee Financial Wellness workshops
4. Collaborate with other organizations to run workshops
5. Coordinate with the FPSB Communications Advisory Panel in financial literacy areas
6. Jointly administer the annual Malaysian Financial Literacy Month activities with the Industry Development Department with regulators.

Report of the Board of Governor (cont'd)

Finance, Administration and IT (FAIT)

FAIT provides shared services to all departments in the Management Office and financial activities to Chapters within FPAM with the advice and guidance from the Honorary Treasurer.

Services provided:

1. manage financial activities and resources of FPAM serving members, internal and external customers and authorities.
2. manage the general office administration matter.
3. general IT support for our internal customers at FPAM to ensure operation efficiency.
4. Annual General Meeting filing to Registrar of Societies.
5. Any internal audits when required.

Statement by the Board of Governors

We, **PAUL LOW HONG CEONG** and **EUNICE CHAN CHUN HEI**, 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 2021 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Board of Governors,


.....
PAUL LOW HONG CEONG
President
.....
EUNICE CHAN CHUN HEI
Treasurer

Selangor

Date: 9 May 2022

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 2021, 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 2021, 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 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.

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.

Independent Auditor's Report (cont'd)

To The Board of Governors of Financial Planning Association of Malaysia

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.

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.

Independent Auditor's Report (cont'd)

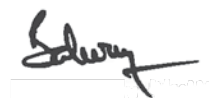
To The Board of Governors of Financial Planning Association of Malaysia

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 PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants



Heng Fu Joe
No. 02966/11/2022 J
Chartered Accountant

Kuala Lumpur

Date: 9 May 2022

Statement of Financial Position

as at 31 December 2021

	Note	2021 RM	2020 RM
ASSETS			
Non-current asset			
Plant and equipment	5	22,984	17,476
Total non-current asset		22,984	17,476
Current assets			
Trade receivables	6	336,690	18,626
Other receivable, deposits and prepayments	7	60,128	30,061
Cash and cash equivalents	8	4,483,079	3,801,808
Total current assets		4,879,897	3,850,495
TOTAL ASSETS		4,902,881	3,867,971
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds		2,653,023	1,899,532
Non-current liability			
Sponsorship deposits received from charter members		58,500	76,500
Total non-current liability		58,500	76,500
Current liabilities			
Other payables, deposits and accruals	9	1,740,891	1,479,138
Grants	10	2,606	12,606
Advance membership fees	11	447,861	400,195
Total current liabilities		2,191,358	1,891,939
TOTAL LIABILITIES		2,249,858	1,968,439
TOTAL ACCUMULATED FUNDS AND LIABILITIES		4,902,881	3,867,971

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 2021

	Note	2021 RM	2020 RM
Income			
Membership fees		1,450,346	1,350,360
Sponsorship income		24,000	18,000
Surplus from conference		6,173	37,582
Surplus from continuing education courses	12	76,233	42,705
Surplus from continuing professional education courses		368,050	113,400
Surplus from examination	13	864,525	374,056
Surplus from manual project		124,753	62,986
Grant income	14	-	108,167
Interest income		40,843	65,807
Other income		16,617	10,634
		<u>2,971,540</u>	<u>2,183,697</u>
Less : Expenditure			
Auditors' remuneration			
- current year		16,800	17,000
- prior year		(1,000)	(3,500)
Chapter development expenses		17,769	18,461
Depreciation of plant and equipment		8,585	13,942
Financial Planning Standard Board and Board meeting expenses		-	239
License fee		383,719	375,423
Marketing and promotional expenses		18,705	15,227
Other expenses	15	457,885	519,221
Rental expenses		63,517	59,880
Staff cost			
- salaries and bonus		1,082,260	923,380
- defined contribution plan		169,809	142,912
		<u>2,218,049</u>	<u>2,082,185</u>
Surplus Before Taxation		753,491	101,512
Income tax expense	16	<u>-</u>	<u>-</u>
Surplus After Taxation		753,491	101,512
Accumulated funds brought forward		<u>1,899,532</u>	<u>1,798,020</u>
Accumulated funds carried forward		<u>2,653,023</u>	<u>1,899,532</u>

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

Statement of Cash Flows

for the Financial Year Ended 31 December 2021

	2021 RM	2020 RM
Cash Flows From Operating Activities		
Surplus before taxation	753,491	101,512
Adjustments for:		
Depreciation of plant and equipment	8,585	13,942
Interest income	(40,843)	(65,807)
Reversal of impairment loss on trade receivables	(439)	-
	<hr/>	<hr/>
Operating surplus before working capital changes	720,794	49,647
Changes in working capital:		
Decrease in receivables	(347,692)	854,154
Increase in payables	261,753	93,214
Utilisation of grant	(10,000)	(453,293)
Increase in advance membership fees	47,666	20,471
Increase in sponsorship deposits received from charter members	(18,000)	(18,000)
	<hr/>	<hr/>
Net cash flows from operations	654,521	546,193
Cash Flows From Investing Activities		
Purchase of plant and equipment	(14,093)	(11,389)
Interest received	40,843	65,807
	<hr/>	<hr/>
Net cash flows from investing activities	26,750	54,418
Net changes in cash and cash equivalents	681,271	600,611
Cash and cash equivalents at the beginning of the financial year	3,801,808	3,201,197
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4,483,079	3,801,808
	<hr/>	<hr/>
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	2,407,949	2,371,680
Cash at bank and in hand	2,075,130	1,430,128
	<hr/>	<hr/>
	4,483,079	3,801,808
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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 9 May 2022.

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.

(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.

Notes to the Financial Statements (cont'd)

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

(b) Financial instruments (cont'd)

(i) Subsequent measurement (cont'd)

- Financial assets (cont'd)

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.

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.

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)

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.

(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.

Notes to the Financial Statements (cont'd)

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

(e) Revenue recognition (cont'd)

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.

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.

Notes to the Financial Statements (cont'd)

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

(g) Employee benefits (cont'd)

(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

Government grants are recognised as follows:

- (a) A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are receivable.
- (b) A grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met.
- (c) Grants received before the revenue recognition criteria are satisfied are recognised as a liability

Government grants are measured at fair value of the asset received or receivable.

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 are 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.

(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
2021					
Cost					
At 1 January 2021	75,556	15,590	54,969	516,984	663,099
Additions	2,553	-	-	11,540	14,093
At 31 December 2021	78,109	15,590	54,969	528,524	677,192
Accumulated depreciation					
At 1 January 2021	62,696	15,590	54,794	512,543	645,623
Charge for the year	2,407	-	131	6,047	8,585
At 31 December 2021	65,103	15,590	54,925	518,590	654,208
Carrying amount					
At 31 December 2021	13,006	-	44	9,934	22,984
2020					
Cost					
At 1 January 2020	73,557	15,590	54,969	507,594	651,710
Additions	1,999	-	-	9,390	11,389
At 31 December 2020	75,556	15,590	54,969	516,984	663,099
Accumulated depreciation					
At 1 January 2020	60,550	15,590	54,663	500,878	631,681
Charge for the year	2,146	-	131	11,665	13,942
At 31 December 2020	62,696	15,590	54,794	512,543	645,623
Carrying amount					
At 31 December 2020	12,860	-	175	4,441	17,476

Notes to the Financial Statements (cont'd)

6. TRADE RECEIVABLES

	2021 RM	2020 RM
Trade receivables	336,690	19,065
Less: Accumulated impairment losses	-	(439)
	<u>336,690</u>	<u>18,626</u>

The Association's normal credit term range from 60 to 90 days (2020: 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:

	2021 RM	2020 RM
At 1 January	439	439
Reversal of impairment loss	(439)	-
At 31 December	<u>-</u>	<u>439</u>

7. DEPOSITS AND PREPAYMENTS

	2021 RM	2020 RM
Deposits	22,070	22,070
Prepayments	<u>38,058</u>	<u>7,991</u>
	<u>60,128</u>	<u>30,061</u>

8. CASH AND CASH EQUIVALENTS

		2021 RM	2020 RM
Fixed deposits with licensed banks	(i)	2,407,949	2,371,680
Cash at bank and on hand	(ii)	<u>2,075,130</u>	<u>1,430,128</u>
		<u>4,483,079</u>	<u>3,801,808</u>

(i) The fixed deposits placed with a licensed bank bears interest at the rate of 1.55% to 3.00% (2020: 1.7% to 3.15%) per annum and have maturity period of 365 days (2020: 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 RM2,606/- (2020: RM12,606/-).

Notes to the Financial Statements (cont'd)

9. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	2021 RM	2020 RM
Other payables	913,468	675,039
Deposits	55,234	54,771
Accruals	772,189	749,328
	<u>1,740,891</u>	<u>1,479,138</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	2021 RM	2020 RM
At 1 January		12,606	465,899
Utilisation of grants	14	(10,000)	(108,167)
Progress billing	14	-	(345,126)
		<u>2,606</u>	<u>12,606</u>
At 31 December			

Notes to the Financial Statements (cont'd)

11. ADVANCE MEMBERSHIP FEES

	2021 RM	2020 RM
Trade membership fees	250	50
Associate membership fees	30,500	28,200
Certified membership fees	391,580	362,600
Corporate membership fees	8,500	7,000
Charter membership fees	17,031	2,345
	<u>447,861</u>	<u>400,195</u>

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

12. SURPLUS FROM CONTINUING EDUCATION COURSES

	2021 RM	2020 RM
Continuing education course income	191,841	96,112
Seminar package expenses	-	(5,152)
Other expenses	(115,608)	(48,255)
	<u>76,233</u>	<u>42,705</u>

13. SURPLUS FROM EXAMINATION

	2021 RM	2020 RM
Examination fee income	1,055,806	612,625
Expenses incurred in relation to examination	(191,281)	(238,569)
	<u>864,525</u>	<u>374,056</u>

Notes to the Financial Statements (cont'd)

14. GRANT INCOME

	Note	2021 RM	2020 RM
Grant income			
- Islamic Financial Planners		-	108,167
- Growth of Licensed Financial Planners		-	-
	10	-	108,167

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.

15. OTHER EXPENSES

	Note	2021 RM	2020 RM
4E Journal expenses		93,800	74,000
Annual General Meeting expenses		29,710	39,000
Bank and credit card charges		33,578	25,246
Electricity and utilities		8,793	11,261
Reversal of impairment loss on trade receivables	6	(439)	-
General expenses		3,514	9,649
Allowance for Board of Governors and Committee Members		15,900	4,200
Insurance		12,714	9,701
Maintenance of premises and computers		68,443	45,603
Maintenance of website		53,614	17,356
Membership fees		3,000	-
Postage and courier		23,136	10,546
Printing and stationeries		9,276	3,635
Professional fees		7,500	10,700
Rental of photocopier		2,925	2,475
Staff training, recruitment and welfare		19,645	11,966
Telecommunication		11,490	9,583
Travelling		22,454	21,883
Withholding tax		38,832	44,147
Islamic Financial Planners expenses	14	-	108,167
One off project for 20th anniversary		-	60,103
		<u>457,885</u>	<u>519,221</u>

Notes to the Financial Statements (cont'd)

16. TAXATION

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.

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

	2021	2020
	RM	RM
Surplus before taxation	753,491	101,512
Tax at applicable tax rate of 24% (2020: 24%)	180,838	24,363
Tax effects arising from:		
- deferred tax assets not recognised in the financial statements	(180,838)	(24,363)
Tax expense for the financial year	-	-

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

	2021	2020
	RM	RM
Temporary differences	(153,052)	91,828
Unutilised tax losses	493,414	1,002,026
	340,362	1,093,854
Potential deferred tax assets not recognised at 24%	81,687	262,525

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

The unused tax losses are available for offset against future taxable profits of the Company which will expire in the following financial years:

	2021
	RM
2031	493,414

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
2021		
Financial assets		
Trade receivables	336,690	336,690
Other receivable and deposits *	22,070	22,070
Cash and cash equivalents	4,483,079	4,483,079
	<u>4,841,839</u>	<u>4,841,839</u>
Financial liability		
Other payables, deposits and accruals	1,740,891	1,740,891
	<u>1,740,891</u>	<u>1,740,891</u>
2020		
Financial assets		
Trade receivables	18,626	18,626
Other receivable and deposits *	22,070	22,070
Cash and cash equivalents	3,801,808	3,801,808
	<u>3,842,504</u>	<u>3,842,504</u>
Financial liability		
Other payables, deposits and accruals	1,479,138	1,479,138
	<u>1,479,138</u>	<u>1,479,138</u>

* Excludes prepayment.

Notes to the Financial Statements (cont'd)

18. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Company has performed assessments on the overall impact of the situation on the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Company is unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 December 2021 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Company will continuously monitor any material changes to future economic conditions that will affect the Company.

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