aftaas®

PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)

Registration No. : PPM-028-10-29082018

(Registered in Malaysia under Societies Act, 1966)

Reports and Financial Statements
For The Year Ended 31 December 2021

Parker Randall®

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

CONTENTS

	PAGES
Management Committee Information	
Management Committee's Report	1
Statement by The Management Committee Representatives	2
Independent Auditors' Report	3
Statement of Income and Expenditure	6
Statement of Financial Position	8
Statement of Changes In Fund	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

MANAGEMENT COMMITTEE INFORMATION

Committee Members

Chairman	:	Mohd Luqmanul Hakim Bin Mohd Redzuan
Deputy Chairman	:	Muhammad Nur Hafizzudin Bin Dzulkarnain
Secretary	:	Muhamad Basil Bin Isharudin
Assistant Secretary	:	Mohd Mahyuddin Bin Mohd Yusoff
Treasurer	:	Muhammad Muadz Bin Adnan
Committee Member	:	Khairul Azmi Bin Ismail
Committee Member	:	Mohd Idrus Bin Ahmad @ AB Kadir
Principal Place of Business	:	38, Jalan Bola Tampar 13/14 Seksyen 13, 40100 Shah Alam Selangor Darul Ehsan
Auditors	:	Afrizan Tarmili Khairul Azhar PLT (LLP0031255-LCA) (AF1300) 4-04-2, Persint Alami Pusat Perniagaan Worldwide 40100 Seksyen 13 Shah Alam Selangor
Principal Bankers	:	Maybank Berhad CIMB Bank Berhad Bank Islam Malaysia

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

MANAGEMENT COMMITTEE'S REPORT

The Management Committee hereby submit their report together with the audited financial statements of the Society for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Society is non-profit organisation registered under the Societies Act, 1966. The organisation have been established for humanitarian support and assistance in Syria, Lebanon and Turkey.

The Society is located at 38, Jalan Bola Tampar 13/14, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

FINANCIAL RESULTS

	RM
Accumulated surplus	13,943
Surplus for the year	42,938
Total accumulated fund	56,881

AUDITORS' REMENURATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:-

	RM
Statutory audit	10,000

MANAGEMENT COMMITTEE MEMBERS

Chairman	:	Mohd Luqmanul Hakim Bin Mohd Redzuan
Deputy Chairman	:	Muhammad Nur Hafizzudin Bin Dzulkarnain
Secretary	:	Muhamad Basil Bin Isharudin
Assistant Secretary	:	Mohd Mahyuddin Bin Mohd Yusoff
Treasurer	:	Muhammad Muadz Bin Adnan
Committee Member	:	Khairul Azmi Bin Ismail
Committee Member	:	Mohd Idrus Bin Ahmad @ AB Kadir

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT BY THE MANAGEMENT COMMITTEE REPRESENTATIVES

We, being the management Committee members of **PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)**, do hereby state that, in the opinion of the Committee, the accompanying statement of financial position of **PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)** as at **31 December 2021** and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the financial year then ended, together with the notes thereto, are properly drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Society Act, 1966 in Malaysia so as to give a true and fair view of the state of affairs of the Society as of **31 December 2021** and of its financial performance for the year then ended.

MOHD LUQMANUL HAKIM BIN MOHD REDZUAN
Chairman

MUHAMAD BASIL BIN ISHARUDIN
Secretary

MUHAMMAD MUADZ BIN ADNAN
Treasurer

Date: 17 AUG 2022

Before me,

PESURUHJAYA SUMPAH
NO. PJS: B 191
MOHD KHAMDAN BIN MOHD MAT TORAI
BC/M/633
01-01-2022 - 31-12-2024
MALAYSIA

ALAMAT PESURUHJAYA SUMPAH PEGUAMBELA DAN PEGUAMCARA
TETUAN KHAMDAN & CO
NO 27 JALAN KELULI AM/7AM,
PUSAT PERNIAGAAN BUKIT RAJA SEKSYEN
40000 SHAH ALAM SELANGOR
TEL:03-33413511 H/P:019-3139178

Commissioner for Oaths

Shah Alam, Selangor

aftaas®
AFRIZAN TARMILI KHAIRUL AZHAR PLT
Chartered Accountants (LLP0031255-LCA) (AF1300)
Aftaas, 2, Jalan Rampai Niaga 2, Rampai Business Park, 53300, Kuala Lumpur
(603) 4143 9330 (603) 4142 9330 aftaas@aftaas.com

Registration No: PPM-028-10-29082018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)
(Registered in Malaysia under Societies Act, 1966)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)**, which comprise the statement of financial position as at **31 December 2021**, and the statement of income and expenditure, statement of changes in fund 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 6 to 18.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at **31 December 2021**, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of Society Act, 1966 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

Our opinion on the financial statements of the Society does not cover any other report that may accompany the financial statement and we do not express any form of assurance conclusion thereon.

Registration No: PPM-028-10-29082018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)
(Registered in Malaysia under Societies Act, 1966)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Society, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee of the Society.

- Conclude on the appropriateness of the Management Committee of the Society 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Society or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Society, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

aftaas®

Registration No: PPM-028-10-29082018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERTUBUHAN PEDULI INSAN MALAYSIA (INSAN CARE)
(Registered in Malaysia under Societies Act, 1966)

Other Matters

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

AFRIZAN TARMILI KHAIRUL AZHAR PLT
(LLP0031255-LCA) (AF1300)
Chartered Accountants (Malaysia)

HAJI TAMILI DULAH KUSNI
1735/01/2024 (J)
Chartered Accountants (M)
Partner

Shah Alam, Selangor

Date: 17 AUG 2022

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Income			
Donation - Project Ramadan		**13,087,649**	4,827,985
Donation - Project Qurban		**4,408,262**	1,748,321
Donation - Project Winter		**3,766,707**	4,223,980
Donation - Project Save Our Souls		**4,378,016**	53,547
Cash donation		**47,837**	172,160
		25,688,471	11,025,993
Expenditure			
Project Ramadan		**(9,295,465)**	(4,434,400)
Project Qurban		**(3,022,775)**	(1,412,969)
Project Winter		**(6,952,134)**	(4,283,422)
Project Save Our Souls		**(3,531,067)**	(51,675)
Durus		**(138,582)**	-
Local Assistant		**(1,412,715)**	-
		(24,352,738)	(10,182,466)
Gross surplus		**1,335,733**	843,527
Other income			
Hibah		**1,455**	188
Overprovision on tax (prior year)		**28,444**	-
Less : Administrative expenses			
Project - Penang		-	149,259
Salary & wages		**866,384**	379,482
Travelling allowance		**11,744**	3,437
Allowance		-	4,855
Rental expenses		**73,250**	41,208
Utility		**29,184**	23,499
Car rental		-	1,000
Audit fee		**10,000**	10,000
Accounting fee		**4,000**	4,000
NGO expenses		**19,887**	-
Service & maintenance		**4,450**	8,657
Balance b/f		**1,018,899**	625,397

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	Note	2021 RM	2020 RM
Less : Administrative expenses			
Balance c/f		**1,018,899**	625,397
Printing & stationery		-	7,652
Other office expenses		-	11,867
Other expenses		**36,808**	-
Bank charges		**5,579**	7,567
Office equipment		-	18,239
Car maintenance		**2,335**	5,642
Public relation		-	4,152
Advertisement		**245,513**	170,435
		1,309,134	850,951
Surplus/ (deficit) before taxation		**56,498**	(7,236)
Taxation	**3**	**(13,560)**	-
Profit/(Loss) for the financial year		**42,938**	(7,236)

The accompanying notes from an integral part of the audited financial statements

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
ASSETS			
Current assets			
Other receivables and deposits		11,903	13,704
Cash and bank balances	4	2,008,511	1,319,883
Total current assets		2,020,414	1,333,587
Total assets		2,020,414	1,333,587
ACCUMULATED FUND AND LIABILITY			
Accumulated fund			
Net surplus from operations		56,881	13,943
Total accumulated fund		56,881	13,943
Current liabilities			
Other payables and accruals	5	1,947,200	1,288,426
Tax payable		16,333	31,218
Total current liabilities		1,963,533	1,319,644
Total accumulated funds and liabilities		2,020,414	1,333,587

Registration No: PPM-028-10-29082018

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Accumulated funds RM	Total RM
As at 1 January 2020	21,179	21,179
Deficit for the financial year	(7,236)	(7,236)
As at 31 December 2020	13,943	13,943
As at 1 January 2021	**13,943**	**13,943**
Surplus for the financial year	**42,938**	**42,938**
As at 31 December 2021	**56,881**	**56,881**

The accompanying notes from an integral part of the audited financial statements

PERTUBUHAN PEDULI INSAN MALAYSIA
(Registered in Malaysia under Societies Act, 1966)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the year		**56,498**	(7,236)
Adjustments for:-			
Overprovision on tax (prior year)		**(28,445)**	-
Operating profit before working capital changes		**28,053**	(7,236)
Changes in working capital			
Other receivables and deposits		**1,801**	-
Other payables and accruals		**658,774**	761,024
Tax paid		**-**	(2,657)
Net cash flows generated from operating activities		**688,628**	751,131
Net increase in cash and cash equivalents		**688,628**	751,131
Cash and cash equivalents at the beginning of financial year		**1,319,883**	568,752
Cash and cash equivalents at the end of financial year	**4**	**2,008,511**	1,319,883

1. GENERAL INFORMATION

The Society is non-profit organisation registered under the Societies Act, 1966.

The organisation have been established for humanitarian support and assistance in Syria, Lebanon and Turkey.

The registered address of the Society is located at 38, Jalan Bola Tampar 13/14 Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Society are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Society is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Society Act, 1966.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities.

The principal accounting policies adopted are set out below.

(a) Income tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial position date. Deferred tax is recognized in the comprehensive income, except when it arises from a transaction which is recognized directly in equity, in which case the deferred tax is also charged or credited directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the entities operate (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the exchange rates prevailing on the date of the transactions. Monetary items denominated in foreign currencies at the reporting date are to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary item in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Financial assets

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial assets (cont'd)

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of five categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, financial assets that are equity instruments measured at cost less impairment, impairment of financial assets and derecognition of financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in statement of comprehensive income.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial assets that are debt instruments measured at amortised cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial assets (cont'd)

(iii) Financial assets that are equity instruments measured at cost less impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

(iv) *Impairment of financial assets*

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:-

- Significant financial difficulty of the issuer; or
- A breach of contract; or
- The lender granting to the borrower a concession that the lender would not otherwise consider; or
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial assets (cont'd)

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

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in statement of comprehensive income immediately.

(v) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in comprehensive income in the period of the transfer.

(d) Receivables

Receivables are carried at net realizable value. Bad debts are written-off in the period in which they are identified. An estimate is made for doubtful debts based on review of all outstanding amounts at year-end.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short term bank deposit and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial liabilities

Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are classified into one of four categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, loan commitments measured at cost less impairment or derecognition of financial liabilities.

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial liabilities measured at amortised cost

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in comprehensive income when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial liabilities (cont'd)

(iii) Loan commitments measured at cost less impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

(iv) Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in comprehensive income.

(g) Provisions for liabilities

Provisions for liabilities are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3. TAXATION

	2021	2020
	RM	RM
Taxation based on result of the financial year:-		
Malaysian taxation	**13,560**	-

3. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to surplus before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Society are as follows:-

	2021 RM	2020 RM
Surplus before taxation	**56,498**	(7,236)
Taxation at statutory tax rate 24% (2020: 24%)	**13,560**	(1,737)
Tax effects on:-		
Expenses not deductible for tax purposes	**-**	1,737
Tax expense for the year	**13,560**	-

4. CASH AND BANK BALANCES

	2021 RM	2020 RM
Cash in hand	**463,670**	100,677
Cash at bank	**1,544,841**	1,219,206
	2,008,511	1,319,883

5. OTHER PAYABLES AND ACCRUALS

	2021 RM	2020 RM
Other payables	**1,929,200**	1,245,926
Accruals	**18,000**	42,500
	1,947,200	1,288,426

6. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Management Committee Members on the date of these financial statements.