

PERSATUAN KASIH SEJATI (PPM-021-10-01072013)
(Registered under the Societies Act, 1966)

FINANCIAL STATEMENTS
31 DECEMBER 2021

PERSATUAN KASIH SEJATI
(Registered under the Societies Act, 1966)
(Society No: PPM-021-10-01072013)

THE COUNCIL MEMBERS INFORMATION FOR 2021

President	: Mr. See Swee Choy
Vice President	: Mr. Tan Chee Aik : Ms.Lai Ai Fuen
Secretary	: Ms.See Swee Poh : Mr.Kamarul Farid Bin Kamaruddin
Treasurer	: Ms.Chua Chin Ching : Mr.Gan Yee Chuan
Councillors	: Mr.Eddy Shan Rush : Mr.Law Yew Foo : Mr.Ng Chie Huing : Mr.Teoh Ka Hooi
Auditors	: S. F. Lee & Co. (AF: 0670) No.5-3, Udarama Complex, Jalan 1/64A, Off Jalan Ipoh, 50350 Kuala Lumpur. Tel: 03-40410540 Fax: 03-40410586
Principal Banker	: OCBC Bank Berhad
Registered Office	: Block N-7-03, The Gamuda Biz Suites, Persiaran Anggerik Vanilla, 40460 Shah Alam, Selangor Tel: 03-51316107
Principal Place of Operation	: Block N-7-03, The Gamuda Biz Suites, Persiaran Anggerik Vanilla, 40460 Shah Alam, Selangor Tel: 03-51316107

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PERSATUAN KASIH SEJATI
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STATEMENT BY THE COUNCIL

We, See Swee Choy and Chua Chin Ching, being two of the Council Members of Persatuan Kasih Sejati do hereby state that, in our opinion, the financial statements set out pages 10 to 19 are drawn up in accordance with Malaysian Financial Reporting Standard International Financial Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia so as to give a true and fair view of the state of affairs of the Association as at 31 December 2021 and financial performance and cash flows of the Association for the year then ended.

Signed on behalf of the Council with a resolution of Council dated **27 APR 2022**


See Swee Choy
President


Chua Chin Ching
Treasurer

Kuala Lumpur

STATUTORY DECLARATION BY TREASURER

I, Chua Chin Ching, being the Treasurer primarily responsible for the financial management of Persatuan Kasih Sejati, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 19 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Chua Chin Ching at Kuala Lumpur in the Federal Territory on
27 APR 2022



Chua Chin Ching

Before me:

Kuala Lumpur





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSATUAN KASIH SEJATI

Report on the Financial Statements

Opinion

We have audited the financial statements of **Persatuan Kasih Sejati** (the Association), which comprise the statement of financial position of the Association as at 31 December 2021, the statement of income and expenditure, statement of changes in general fund and statement of cash flows of the Association for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 19.

In our opinion, the financial statements of the Association give a true and fair view of the financial position of the Association as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act 1966 in Malaysia.

Basis for opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The council members of the Association are responsible for the other information. The other information comprises the Council's Report but does not include the financial statements of the Association and our auditors' report thereon.

Our opinion on the financial statements of the Association does not cover the Council's Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Association, our responsibility is to read the Council's Report and, in doing so, consider whether the Council's Report is materially inconsistent with the financial statements of the Association or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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



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Responsibilities of the Council for the Financial Statements

The council of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act 1966 in Malaysia. The council are also responsible for such internal control as council 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 council 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 council either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Association, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



S.F. LEE & CO (AF : 0670)

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- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the members of the Society, as a body, in accordance with Societies Act 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



S.F. LEE & CO.

AF 0670

CHARTERED ACCOUNTANTS



LEE SIEW FATT

01179/09/2022 (J)

CHARTERED ACCOUNTANT

Kuala Lumpur

Dated: 27 APR 2022

PERSATUAN KASIH SEJATI

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
GENERAL FUND	5	<u>3,709,848</u>	<u>3,285,588</u>
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,644,013	1,230,315
		<u>1,644,013</u>	<u>1,230,315</u>
CURRENT ASSETS			
Other receivables, deposits and prepayment	7	35,675	11,220
Fixed deposits with licensed bank		1,569,571	1,543,483
Cash and bank balances		480,847	530,882
		<u>2,086,093</u>	<u>2,085,585</u>
LESS: CURRENT LIABILITIES			
Accrued expenses		20,236	21,525
Current tax liabilities		22	8,787
		<u>20,258</u>	<u>30,312</u>
NET CURRENT ASSETS		2,065,835	2,055,273
		<u>3,709,848</u>	<u>3,285,588</u>

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

PERSATUAN KASIH SEJATI
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STATEMENT OF INCOME AND EXPENDITURE
For the financial year ended 31 December 2021

	<u>2021</u> RM	<u>2020</u> RM
INCOME		
Donation received	3,041,005	1,604,156
Members fees	-	1,020
Sales of merchandise	1,276	2,043
Interest income	26,431	51,233
Wage subsidy	-	54,000
Gain on disposal of property, plant and equipment	4,999	-
	<u>3,073,711</u>	<u>1,712,452</u>
EXPENDITURE		
Auditors' remuneration	2,000	2,000
Accounting fee	1,406	400
Advertisement and promotion fees	10,185	753
Bank charges	6,107	2,687
Branding and Social Media expenses	52,071	36,071
Cleaning expenses	-	67
Depreciation on property, plant and equipment	53,640	33,599
Design fee	5,000	-
Disaster relief	137,104	-
Donation and contribution to:-		
- Dialysis	211,867	198,499
- Orphanage	49,145	900
- Old folks home	21,119	500
- Disabled people home	1,800	29,000
- Reading event	-	449
- Individual and family	221,149	184,459
- Orang Asli Project	49,926	34,261
- GHCC Love & Caring Community Project	463,642	418,687
- You & Me Educational Program	11,145	40,861
- Earth warrior project	-	878
- Great heart COVID-19 relief aid	71,400	103,400
Electricity and water	9,769	10,710
Events and promotional campaign	-	5,560
EPF and Socso for staff	66,753	65,199
Gift and merchandise	1,873	-
Road tax insurance	3,272	-
Licence fee	1,201	-
Medical fee	3,398	1,237
Medical equipment project	606,560	-
Newspaper and periodicals	-	3
Printing and stationery	10,870	4,559
Charity fund raising banquet	5,686	1,002
Administrative staff salaries	489,967	470,961
Balance brought down	<u>2,568,055</u>	<u>1,646,702</u>

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STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 December 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
Balance carried down		2,568,055	1,646,702
Postages		2,254	1,006
Professionals fee		1,250	1,250
Petrol, toll and parking		14,777	14,456
Quit rent and assessment		1,190	570
Rental of premises		18,600	16,950
Staff refreshment		6,664	4,554
SST expenses		281	324
Stamp duty		87	-
Thanksgiving dinner		-	2,289
Telephone and internet		9,188	10,027
Training expenses		11,081	2,705
Upkeep of office equipment		21,433	7,724
Upkeep motor vehicles		71	-
Website maintenance		1,443	1,147
		<u>2,656,374</u>	<u>1,709,704</u>
Surplus of income over expenditure before taxation		417,337	2,748
Tax credit / (expense)	8	6,923	(19,612)
Net surplus / (deficit) for the year		<u>424,260</u>	<u>(16,864)</u>

The accompanying notes are an integral part of the financial statements

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

	RM
At 1 January 2020	3,302,452
Deficit of income over expenditure for the year	(16,864)
At 31 December 2020	<u>3,285,588</u>
Surplus of income over expenditure for the year	405,489
At 31 December 2021	<u><u>3,691,077</u></u>

The accompanying notes are an integral part of the financial statements

PERSATUAN KASIH SEJATI
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STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	<u>2021</u> RM	<u>2020</u> RM
Cash flows from operating activities		
(Deficit) / surplus of income over expenditure for the year		
- Members	(117,479)	1,533
- Non-members	516,045	1,215
	<u>398,566</u>	<u>2,748</u>
Adjustments for:-		
Depreciation on property, plant and equipment	53,640	33,599
Gain on disposal of property, plant and equipment	(4,999)	-
	<u>447,207</u>	<u>36,347</u>
Surplus before working capital changes		
Increase / (decrease) in receivables	(5,685)	106,980
(Decrease) / increase in payables	(1,289)	165
	<u>440,233</u>	<u>143,492</u>
Cash generated from operation		
Tax paid	(1,841)	(13,276)
	<u>438,392</u>	<u>130,216</u>
Net generated from cash operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	5,000	-
Purchase of property, plant and equipment	(467,339)	(1,201,242)
	<u>(462,339)</u>	<u>(1,201,242)</u>
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,947)	(1,071,026)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,074,365	3,145,391
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>2,050,418</u></u>	<u><u>2,074,365</u></u>

Analysis of cash and cash equivalents: -

	<u>2021</u> RM	<u>2020</u> RM
Cash in hand	1,665	2,165
Bank balances	458,300	506,943
Fixed deposits with licensed bank	1,569,571	1,543,483
Paypal account	20,882	21,774
	<u><u>2,050,418</u></u>	<u><u>2,074,365</u></u>

NOTES TO THE FINANCIAL STATEMENTS –31 DECEMBER 2021

1. CORPORATE INFORMATION

The principal activity of the Association is to assist and provide support for the less fortunate communities in Malaysia. There has been no significant changes in the nature of this activity during the year.

The Association is registered in Malaysia. The registered office of the Association is located at Blok N-7-03, the Gamuda Biz Suites, Persiaran Anggerik Vanilla, Kota Kemuning, 40460 Shah Alam, Selangor.

The financial statements were authorised for issue in accordance with a resolution by the Council on **27 APR 2022**

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Accounting estimates and judgements

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

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

3. SUMMARY OF ACCOUNTING POLICIES

(a) Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is computed on a straight line basis to write-off the cost to its residual value over the estimated useful lives of the assets at following annual rates:-

Building	2%
Building extension	15%
Electrical installation	15%
Furniture and fittings	20%
Information technology equipments	10%
Motor vehicle	20%
Office equipment	10%
Signboard	10%

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

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

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

(b) Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(c) Financial instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through the 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 the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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(ii) Subsequent measurement

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

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

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

Financial assets or financial liabilities not measured at amortised at cost or cost less impairment are measured at fair value changes recognised in profit or loss.

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

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

(iii) Derecognition

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

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

(d) Employee benefits

(i) Short term employee benefits

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

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

(ii) Defined contribution plans

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

(e) Revenue recognition

Donations from members and non-members are recognised in income statement when the Association is entitled to the donations.

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

(a) Financial risk management

The financial risk management of the Association is carried out under policies approved by the Council. Financial risk management is carried out through risk reviews, internal control system and adherence to Association policies. The Council regularly reviews the risks and approves the policies covering the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's income and operating cash flows are substantially independent of changes in market interest rates.

Fair value of the financial instruments

The carrying amounts of the financial assets and liabilities as at end of reporting period approximated their fair values.

(b) Capital risk management

The Association considers its general funds as its capital. The Association manages its capital by following the Association policies and guidelines. Presently, the Association's activities are funded by donations. As at 31 December 2021, the Association is not exposed to any capital risk as there are no outstanding borrowings made with financial institutions.

5. GENERAL FUND

	<u>2021</u> RM	<u>2020</u> RM
At 1 January	3,285,588	3,302,452
Surplus / (deficit) of income over expenditure	405,489	(16,864)
At 31 December	<u>3,691,077</u>	<u>3,285,588</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building	Building extension	Electrical installation	Furniture and fittings	Information technology equipment	Motor vehicles	Office equipment	Signboard	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<i>Cost</i>										
At 1 January 2021	650,000	535,580	70,920	7,250	18,056	33,592	12,000	15,208	9,960	1,352,566
Additions	-	350,000	-	-	1,420	5,311	98,159	2,699	9,750	467,339
Disposal and deletion	-	-	-	-	-	-	(12,000)	-	-	(12,000)
At 31 December 2021	650,000	885,580	70,920	7,250	19,476	38,903	98,159	17,907	19,710	1,807,905
<i>Accumulated depreciation and impairment losses</i>										
At 1 January 2021	-	10,712	63,828	5,438	11,420	9,055	11,999	5,071	4,728	122,251
Charge for the year	-	15,257	7,091	1,087	2,922	3,890	19,632	1,790	1,971	53,640
Disposal and deletion	-	-	-	-	-	-	(11,999)	-	-	(11,999)
At 31 December 2021	-	25,969	70,919	6,525	14,342	12,945	19,632	6,861	6,699	163,892
Carrying amounts at 1 January 2021	650,000	524,868	7,092	1,812	6,636	24,537	1	10,137	5,232	1,230,315
Carrying amounts at 31 December 2021	650,000	859,611	1	725	5,134	25,958	78,527	11,046	13,011	1,644,013

Included in the above are property, plant and equipment which are fully depreciated but still in use costing RM 12,000/- (2020: NIL)

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7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	<u>2021</u> RM	<u>2020</u> RM
Other receivables	440	-
Deposits	16,465	11,220
Prepayment	18,770	-
	<u>35,675</u>	<u>11,220</u>

8. TAX (CREDIT) / EXPENSE

Income tax if any, is charged on surplus arising from transactions with non-members.

	<u>2021</u> RM	<u>2020</u> RM
Current tax:		
On result for the year	23	8,787
(Over) / under provision in prior years	(6,946)	10,825
	<u>(6,923)</u>	<u>19,612</u>

9. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Association if the Association has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

There were no related party transactions during the year.

(b) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Council member (whether executive or otherwise) of the Association.

There were no compensation paid to key management personnel during the year.

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10. FINANCIAL INSTRUMENTS

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

	<u>2021</u> RM	<u>2020</u> RM
Financial assets measured at amortised cost less impairment		
Fixed deposits with licensed bank	1,569,571	1,543,483
Cash and bank balances	480,847	530,882
	<u>2,050,418</u>	<u>2,074,365</u>
Financial liabilities carried at amortised cost		
Accrued expenses	<u>18,236</u>	<u>21,525</u>

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's operations are subject to the following risks:-

(a) Liquidity risk

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

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

Maturity analysis

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

	Less than 1 financial year RM	1 to 5 financial years RM	More than 5 financial years RM	Total RM
<u>As at 31 December 2021</u>				
Accruals	20,236	-	-	<u>20,236</u>
<u>As at 31 December 2020</u>				
Accruals	21,525	-	-	<u>21,525</u>

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(b) Fair value of financial instruments

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

12. CAPITAL MANAGEMENT

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

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

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

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

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

14. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

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