

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN
JOHOR**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 <u>RM</u>	2018 <u>RM</u>
ASSETS			
NON-CURRENT ASSET			
Plant and equipment	4	<u>600</u>	<u>735</u>
CURRENT ASSETS			
Tax recoverable		1,847	1,972
Fixed deposits with licensed banks	5	497,391	488,932
Bank balance		<u>94,818</u>	<u>86,134</u>
		<u>594,056</u>	<u>577,038</u>
TOTAL ASSETS		<u><u>594,656</u></u>	<u><u>577,773</u></u>
RESERVE AND LIABILITY			
SURPLUS BROUGHT FORWARD			
		567,032	496,865
SURPLUS FOR THE YEAR			
		<u>23,804</u>	<u>70,167</u>
ACCUMULATED FUND		<u>590,836</u>	<u>567,032</u>
CURRENT LIABILITY			
Other payables, deposits received and accruals	6	<u>3,820</u>	<u>10,741</u>
TOTAL RESERVE AND LIABILITY		<u><u>594,656</u></u>	<u><u>577,773</u></u>

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

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	<u>RM</u>	<u>RM</u>
INCOME		
Annual dinner	11,334	73,010
Annual grant	24,881	78,803
CPD talks and seminars	40,210	10,525
Membership fee	3,135	-
	<u>79,560</u>	<u>162,338</u>
ADD : OTHER OPERATING INCOME		
Fixed deposits interest income	16,572	14,699
Rental income	11,200	1,400
Treasure hunt event income	3,900	-
	<u>111,232</u>	<u>178,437</u>
LESS : EXPENDITURE		
Accountancy fee	2,110	2,147
AGM expenses	2,803	-
Annual dinner	3,000	3,180
Annual dinner expenses	-	70,168
Annual futsal tournament expenses	3,860	2,888
Audit fee	2,100	2,100
Bank charges	153	131
Career day expenses	2,173	1,451
CPD talks and seminars expenses	34,436	4,932
Depreciation	135	183
Donation	5,376	1,000
General expenses	666	1,911
Meeting expenses	998	461
Members gathering expenses	3,233	3,600
Membership fee	1,380	-
Printing, postage and stationery	1,043	1,706
	<u>63,466</u>	<u>95,858</u>
Balance carried forward	<u>63,466</u>	<u>95,858</u>

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

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 <u>RM</u>	2018 <u>RM</u>
LESS : EXPENDITURE (CONTINUED)			
Balance brought forward		63,466	95,858
Quit rent and assessment		469	469
Repair and maintenance		187	350
Technical visit expenses		8,444	4,365
Treasure hunt expenses		8,160	-
Uniform		950	1,900
Water and electricity		350	62
Young achievers award expenses		<u>5,126</u>	<u>4,065</u>
		<u>87,152</u>	<u>107,069</u>
SURPLUS BEFORE TAXATION		24,080	71,368
LESS : TAXATION	7	<u>276</u>	<u>1,201</u>
SURPLUS FOR THE YEAR		<u><u>23,804</u></u>	<u><u>70,167</u></u>

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

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	(Non-distributable)
	Accumulated Fund RM
As at 1 January 2018	496,865
Surplus for the year	<u>70,167</u>
As at 31 December 2018	567,032
Surplus for the year	<u>23,804</u>
As at 31 December 2019	<u><u>590,836</u></u>

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

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 <u>RM</u>	2018 <u>RM</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		24,080	71,368
Adjustments for :			
Depreciation		135	183
Interest income		<u>(16,572)</u>	<u>(14,699)</u>
Operating surplus before working capital changes		7,643	56,852
Decrease in receivables		-	12,052
(Decrease) in payables, deposits received and accruals		<u>(6,921)</u>	<u>(411)</u>
Cash from operations		722	68,493
Tax paid		<u>(151)</u>	<u>(789)</u>
Net cash from operating activities		<u>571</u>	<u>67,704</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest received		<u>16,572</u>	<u>14,699</u>
Net cash from investing activity		<u>16,572</u>	<u>14,699</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		17,143	82,403
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>575,066</u>	<u>492,663</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	<u><u>592,209</u></u>	<u><u>575,066</u></u>

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

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

The registered office and principal address of Royal Institution of Surveyors Malaysia (RISM), Cawangan Johor is No. 39-02, Susur Larkin Perdana 1, Larkin Perdana, 80350 Johor Bahru, Johor.

The financial statements of the Institution are presented in Ringgit Malaysia, which is the Institution's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS").

The financial statements have been prepared on the historical cost basis, unless otherwise stated in significant accounting policies.

The principal accounting policies adopted are set out below:

(a) Plant and equipment

The cost of an item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. After recognition as an asset, an item of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

Computer	50%
Electrical installation	10%
Equipment	10%
Furniture and fittings	10%
Signboard	10%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Plant and equipment (continued)

The carrying amounts of items of plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

(b) Impairment of assets other than financial assets

At each reporting date, the Institution assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Institution estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and 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.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less to sell, value in use and zero.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment of assets other than financial assets (continued)

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

(c) Financial assets

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

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 three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

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 profit or loss.

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.

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.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets (continued)

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

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.

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.

Impairment of financial assets

At the end of each reporting period, the Institution 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.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets (continued)

Impairment of financial assets (continued)

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 Institution would receive for the asset if it were to be sold at the reporting date.

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 profit or loss immediately.

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 Society 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 profit or loss in the period of the transfer.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand and at banks, deposit at call which are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(e) Liabilities and equity

Classification of liabilities and equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Liabilities and equity (continued)

Equity instruments

The Institution does not have equity instruments.

(f) Leases

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(g) Financial liabilities

Financial liabilities are recognised in the statement of financial position when the Society 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 Society to the arrangement.

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

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.

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 profit or loss when the financial liabilities are derecognised or impaired.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial liabilities (continued)

Financial liabilities measured at amortised cost (continued)

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.

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.

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 profit or loss.

(h) Income

Income from activities

Income from annual dinner tickets, sponsorship, seminar conference, tournament, other activities organised by the Institution and grant from Kuala Lumpur are recognised in the accrual basis.

Interest income

Interest income is recognised on the receipt basis.

Rental income

Revenue from rental income is recognised on accrual basis.

(i) Income tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income tax (continued)

Current tax liabilities and assets are offset if, and only if the Society has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Institution's accounting policies, reported amounts of assets, liabilities, income and expenses, and relevant made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under circumstances.

The key assumption concerning the future, and key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are disclosed below.

(a) Depreciation 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 benefit of the assets over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economics benefits of the plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of plant and equipment.

(b) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Income taxes

Significant judgement is involved in determining the Institution's provision for income taxes. The Institution recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. PLANT AND EQUIPMENT

	Balance at 1.1.2019	Additions	Disposals	Balance at 31.12.2019
2019	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Cost</u>				
Computer	2,100	-	-	2,100
Electrical installation	480	-	-	480
Equipment	1,116	-	-	1,116
Furniture and fittings	350	-	-	350
Signboard	233	-	-	233
	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>4,279</u>

	Balance at 1.1.2019	Additions for the year	Disposals	Balance at 31.12.2019
2019	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Accumulated depreciation</u>				
Computer	2,100	-	-	2,100
Electrical installation	480	-	-	480
Equipment	530	112	-	642
Furniture and fittings	350	-	-	350
Signboard	84	23	-	107
	<u>3,544</u>	<u>135</u>	<u>-</u>	<u>3,679</u>

	2019	2018
	<u>RM</u>	<u>RM</u>
<u>Net carrying amount</u>		
Computer	-	-
Electrical installation	-	-
Equipment	474	586
Furniture and fittings	-	-
Signboard	<u>126</u>	<u>149</u>
	<u>600</u>	<u>735</u>

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. PLANT AND EQUIPMENT (CONTINUED)

Included in the plant and equipment are the costs of fully depreciated assets which are still in use at the end of the reporting period as follows :

	2019	2018
	RM	RM
Computer	2,100	2,100
Electrical installation	480	480
Furniture and fittings	350	350
	<u>2,930</u>	<u>2,930</u>

5. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks are registered under the name of the Institution. The effective interest rates and the maturity periods of the fixed deposits with licensed banks at the end of the reporting period were 3.00% to 3.55% (2018 : 3.05% to 3.55%) per annum, and 9 days to 262 days (2018 : 9 days to 262 days) respectively.

6. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	2019	2018
	RM	RM
Other payables	220	610
Deposits received	-	4,200
Accruals	3,600	5,931
	<u>3,820</u>	<u>10,741</u>

7. TAXATION

	2019	2018
	RM	RM
Income tax :		
Current tax expense	650	525
(Over)underprovided in prior year	(374)	676
Tax expense for the year	<u>276</u>	<u>1,201</u>

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. TAXATION (CONTINUED)

Pursuant to Section 53 of the Income Tax Act, 1967, other than statutory income derived from annual grant income from the Institution's Headquarters that is tax exempt, the Institution is taxed on all amount receivable on revenue account such as net surplus derived from annual dinner, CPD talks and other activities organised by the Institution; as well as interest income derived from fixed deposits and rental income.

During the current year, the Institution was taxed at scale rates of up to 8%, and the income tax expense was calculated based on the fixed deposits interest income, rental income and net surplus derived from the annual dinner, CPD talks and seminars organised by the Institution.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following :

	2019	2018
	<u>RM</u>	<u>RM</u>
Fixed deposits with licensed banks (Note 5)	497,391	488,932
Bank balance	<u>94,818</u>	<u>86,134</u>
	<u>592,209</u>	<u>575,066</u>

9. RENTAL COMMITMENT

	2019	2018
	<u>RM</u>	<u>RM</u>
Future minimum rental receivable		
Not later than 1 year	<u>-</u>	<u>15,400</u>

10. FINANCIAL INSTRUMENTS

	2019	2018
	<u>RM</u>	<u>RM</u>
Financial assets (debt instruments) at amortised cost	592,209	575,066
Financial liabilities at amortised cost	<u>3,820</u>	<u>10,741</u>

**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. NUMBER OF EMPLOYEES AND STAFF COSTS

The number of employees of the Institution as at 31 December 2019 is NIL (2018 : NIL) and staff costs are RM NIL (2018 : RM NIL).

12. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Institution were authorised for issue by the Members of the Committee on 16 February 2020.

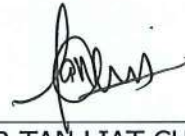
**ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

STATEMENT BY THE MEMBERS OF THE COMMITTEE

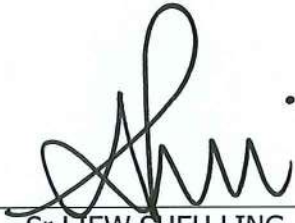
We, the undersigned, being four of the Committee members of **ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR**, do hereby state on behalf of the board of Committee that, in our opinion, the financial statements of the Institution set out on pages 1 to 17, are drawn up in accordance with Malaysian Private Entities Reporting Standard so as to give a true and fair view of the state of affairs of the Institution as at 31 December 2019 and of the results and the cash flows of the Institution for the year then ended.



Sr DR KAMALAHASAN A/L ACHU
(CHAIRMAN)



Sr DR TAN LIAT CHOON
(HONORARY TREASURER)



Sr LIEW SHEU LING
(HONORARY AUDITOR)



Sr CHAN AN NEE
(HONORARY AUDITOR)

Johor Bahru, Johor.

Date : 16/2/2020



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ING WANG & CO
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CHARTERED ACCOUNTANTS (M)

No. 23A, Jalan Sulam, Taman Sentosa, 80150 Johor Bahru, Johor, Malaysia.
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR**, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in net assets to members and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 17.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institution as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with 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 Institution 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.

Responsibilities of the Committee Members for the Financial Statements

The Committee members of the Institution are responsible for the preparation of financial statements of the Institution that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard. The Committee members are also responsible for such internal control as the Committee members determine is necessary to enable the preparation of financial statements of the Institution that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR (CONTINUED) (Incorporated in Malaysia)

Responsibilities of the Committee Members for the Financial Statements (continued)

In preparing the financial statements of the Institution, the Committee members are responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institution 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 scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements of the Institution, 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 Institution's internal control.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ROYAL INSTITUTION OF SURVEYORS MALAYSIA (RISM), CAWANGAN JOHOR (CONTINUED) (Incorporated in Malaysia)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee members.
- Conclude on the appropriateness of the Committee members' 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 Institution'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 Institution 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 Institution, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

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

ING WANG & CO.
AF - 1499
Chartered Accountants

WANG ING MIN
2435/06/21 (J)
Partner

Johor Bahru, Johor.

Date : **16 FEB 2020**

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