

Make-A-Wish Malaysia Welfare Association

(Registration No. 2228-10-WKL)

(Registered in Malaysia)

**Financial statements for the year
ended 31 December 2021**

Make-A-Wish Malaysia Welfare Association

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Statement of financial position as at 31 December 2021

	Note	2021 RM	2020 RM
Assets			
Plant and equipment	3	<u>6,179</u>	<u>18,670</u>
Total non-current asset		<u>6,179</u>	<u>18,670</u>
Donation receivables		45,950	53,424
Other receivables, deposits and prepayments	4	30,793	26,658
Current tax assets		-	50
Cash and bank balances	5	<u>1,465,983</u>	<u>1,110,867</u>
Total current assets		<u>1,542,726</u>	<u>1,190,999</u>
Total assets		<u>1,548,905</u>	<u>1,209,669</u>
Equity			
Accumulated fund		<u>1,489,997</u>	<u>1,111,302</u>
Liabilities			
Donation advanced		40,547	-
Other payables and accruals	6	<u>18,361</u>	<u>98,367</u>
Total current liabilities		<u>58,908</u>	<u>98,367</u>
Total liabilities		<u>58,908</u>	<u>98,367</u>
Total equity and liabilities		<u>1,548,905</u>	<u>1,209,669</u>

The notes on pages 4 to 11 are an integral part of these financial statements.

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Statement of income and expenditure for the year ended 31 December 2021

	Note	2021 RM	2020 RM
Income			
Donations income		815,613	272,006
Interest income		52,570	23,674
		<u>868,183</u>	<u>295,680</u>
Expenditure			
Operating expenses		(401,404)	(423,985)
Administrative expenses		(88,034)	(121,732)
		<u>(489,438)</u>	<u>(545,717)</u>
Surplus/(deficit) before tax	7	378,745	(250,037)
Tax expense	8	(50)	-
Surplus/(deficit) after tax		378,695	(250,037)
Accumulated fund brought forward		<u>1,111,302</u>	<u>1,361,339</u>
Accumulated fund carried forward		<u>1,489,997</u>	<u>1,111,302</u>

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Statement of cash flows for the year ended 31 December 2021

	Note	2021 RM	2020 RM
Cash flows from operating activities			
Surplus/(deficit) before tax		378,745	(250,037)
<i>Adjustments for:</i>			
Depreciation of plant and equipment		12,491	17,934
Interest income		(52,570)	(23,674)
		338,666	(255,777)
Changes in working capital:			
Other receivables, deposits and prepayments		10,509	62,392
Other payables and accruals		(39,459)	(1,272)
Cash generated from/(used in) operations		309,716	(194,657)
Interest received		45,400	23,674
Net cash generated from/(used in) operating activities		355,116	(170,983)
Cash flows from investing activity			
Proceeds from withdrawal of/(placement in) fixed deposits with more than 3 months to maturity		71,655	(563,496)
Net cash generated from/(used in) investing activity		71,655	(563,496)
Net increase/(decrease) in cash and cash equivalents			
		426,771	(734,479)
Cash and cash equivalents at 1 January		87,578	822,057
Cash and cash equivalents at 31 December	(i)	514,349	87,578

(i) Cash and cash equivalents

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

		2021 RM	2020 RM
Deposits with licensed bank		951,634	1,023,289
Less: Deposits with more than 3 months to maturity	5	(951,634)	(1,023,289)
		-	-
Cash and bank balances	5	514,349	87,578
		514,349	87,578

The notes on pages 4 to 11 are an integral part of these financial statements.

Make-A-Wish Malaysia Welfare Association

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Notes to the financial statements

Make-A-Wish Malaysia Welfare Association (“the Society”) is a society registered in Malaysia under the Societies Act, 1966. The Society is a non-profit organisation.

The objective of the Society is to grant magical wishes to children and young people fighting life-threatening illnesses and enrich the human experience with hope, strength and joy and related activities.

The Society’s registered place of business is situated at Unit 7-02, Level 7, Menara MBMR, No. 1 Jalan Syed Putra, 58000 Kuala Lumpur.

The Board of Committee comprises seven (7) committee members as at 31 December 2021.

There were no changes in the nature of the principal activities during the financial year.

These financial statements were authorised for issue by the committee members on 11 April 2022.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Society have been prepared in accordance with Malaysian Private Entities Reporting Standard (“MPERS”).

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Society’s functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Financial instruments

(i) Initial recognition and measurement

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

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(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;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current year or prior periods; and
- (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.

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

- 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.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimated of the amount that would be received for the asset if it were to be sold at the reporting date.

2. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Subsequent measurement (continued)

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in the statement of income and expenditure.

(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 expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in the statement of income and expenditure.

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 the 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 the statement of income and expenditure.

(b) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "administrative expenses" in the statement of income and expenditure.

2. Significant accounting policies (continued)

(b) Plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Society, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to the statement of income and expenditure. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of income and expenditure as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the statement of income and expenditure on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

The estimated depreciation rates are as follows:

• Computer and software	50%
• Furniture and fittings	15%
• Office equipment	20%
• Renovation	20%

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits, the Society would review its present depreciation method and, if current expectations differ, the Society would amend the residual value, depreciation method or useful life to reflect the new pattern.

(c) Operating leases

Leases, where the Society does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in the statement of income and expenditure on a straight-line basis over the term of the lease.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Society in the management of their short-term commitments.

2. Significant accounting policies (continued)

(e) Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 statement of income and expenditure.

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 the statement of income and expenditure in the financial year in which the reversals are recognised.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Society's contributions to statutory pension funds are charged to the statement of income and expenditure in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. Significant accounting policies (continued)

(g) Donations income

Donations income are recognised in the statement of income and expenditure based on amount pledged by the donors.

(h) Interest income

Interest income is recognised as it accrues using the effective interest method in the statement of income and expenditure.

(i) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of income and expenditure.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. Plant and equipment

	Computer and software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost					
At 1 January 2020/ 31 December 2020/ 1 January 2021/ 31 December 2021	20,594	27,419	4,615	60,656	113,284
Accumulated depreciation					
At 1 January 2020	18,727	14,644	2,871	40,438	76,680
Charge for the year	1,600	3,725	478	12,131	17,934
At 31 December 2020/ 1 January 2021	20,327	18,369	3,349	52,569	94,614
Charge for the year	267	3,726	411	8,087	12,491
At 31 December 2021	20,594	22,095	3,760	60,656	107,105
Carrying amounts					
At 1 January 2020	1,867	12,775	1,744	20,218	36,604
At 31 December 2020/ 1 January 2021	267	9,050	1,266	8,087	18,670
At 31 December 2021	-	5,324	855	-	6,179

4. Other receivables, deposits and prepayments

	2021 RM	2020 RM
Other receivables	13,640	8,427
Deposits	11,510	11,510
Prepayments	5,643	6,721
	<u>30,793</u>	<u>26,658</u>

5. Cash and bank balances

	2021 RM	2020 RM
Deposits with licensed bank - more than 3 months to maturity	951,634	1,023,289
Cash and bank balances	514,349	87,578
	<u>1,465,983</u>	<u>1,110,867</u>

6. Other payables and accruals

	2021 RM	2020 RM
Other payables	10,500	58,315
Staff costs payables	7,275	39,021
Accruals	586	1,031
	<u>18,361</u>	<u>98,367</u>

7. Surplus/(deficit) before tax

	2021 RM	2020 RM
Surplus/(deficit) before tax is arrived at after charging/(crediting):		
Depreciation of plant and equipment	12,491	17,934
Personnel expenses (including key management personnel):		
- Wages, salaries and others	248,000	273,397
- Contributions to Employees Provident Fund	35,758	44,628
Rental expense of office premise	42,000	44,000
Interest income	(52,570)	(23,674)
	<u>(52,570)</u>	<u>(23,674)</u>

8. Tax expense

There is no tax expense in the current and previous financial year as the Society is at tax loss position.

9. Financial instruments

9.1 Categories of financial instruments

The table below shows the carrying amount of financial instruments as at 31 December 2021 and 31 December 2020 categorised as amortised cost ("AC").

	Note	2021 RM	2020 RM
Financial assets			
Donation receivables		45,950	53,424
Other receivables and deposits	4	25,150	19,937
Cash and bank balances	5	1,465,983	1,110,867
		<u>1,537,083</u>	<u>1,184,228</u>
Financial liabilities			
Donation advanced		(40,547)	-
Other payables and accruals	6	(18,361)	(98,367)
		<u>(58,908)</u>	<u>(98,367)</u>

9.2 Net gains and losses arising from financial instruments

	2021 RM	2020 RM
Net gains on:		
Financial assets measured at amortised cost	<u>52,570</u>	<u>23,674</u>

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Statement by Committee Members

We, the under-signed being three of Committee Members of Make-A-Wish Malaysia Welfare Association, hereby certify to the best of our knowledge and belief that the financial statements as set out on pages 1 to 11 are drawn up in accordance with Malaysian Private Entities Reporting Standard in Malaysia so as to give a true and fair view of the financial position of the Society as of 31 December 2021 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Committee in accordance with a resolution of the Committee Members dated 11 April 2022.



.....
Chow Mei Mei
Chairman



.....
Datin Ngiam Pick Ngoh, Linda
Vice Chairman



.....
Ho Say Keng
Treasurer



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAKE-A-WISH MALAYSIA WELFARE ASSOCIATION

(Registration No. 2228-10-WKL)
(Registered in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Make-A-Wish Malaysia Welfare Association ("the Society") which comprise the statement of financial position as at 31 December 2021, statement of income and expenditure 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 11.

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



Responsibilities of the Management and Treasurer for the Financial Statements

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

In preparing the financial statements of the Society, the management and treasurer are responsible for assessing the Society'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 management and treasurer either intend to liquidate the Society 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 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 internal control of the Society.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and treasurer.



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

- Conclude on the appropriateness of the management and treasurer'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 ability of the Society 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 of the Society represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the 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 Matter

This report is made solely to the members of the Society, as a body, in accordance with Paragraph 26 of Societies Act 1966 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 11 April 2022