

**PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)
(Registered under the Societies Act 1966)
(ROS Registration No: PPM-016-14-13101967)**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**RAKI CS TAN & RAMANAN (NO. AF 0190)
CHARTERED ACCOUNTANTS**

**PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)
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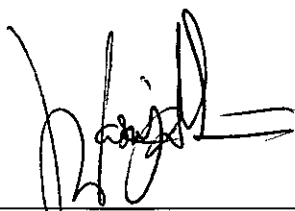
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**PERSATUAN PERUBATAN MALAYSIA
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STATEMENT BY THE COUNCIL OF THE ASSOCIATION

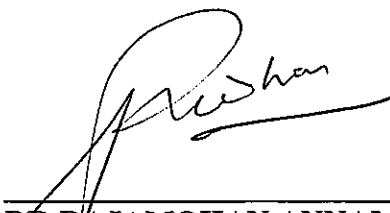
In the opinion of the Council of the Association, the accompanying financial statements set out on pages 6 to 85 are drawn up in accordance with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association so as to give a true and fair view of the financial positions of the Association, its Funds and its Societies as at 31 December 2020 and of their financial performance and cash flows of the Association, its Funds and its Societies for the financial year then ended.

Signed at Kuala Lumpur on behalf of the Council of the Association on 26 July 2021


DR THIRUNAVUKARASU A/L RAJOO
Honorary General Secretary
DR VASU PILLAI A/L LETCHUMANAN
Honorary General Treasurer

STATEMENT OF HONORARY AUDITORS

In our opinion, the financial statements set out on pages 6 to 85 are drawn up in accordance with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association so as to give a true and fair view of the financial positions of the Association, its Funds and its Societies as at 31 December 2020 and of their financial performance and cash flows of the Association, its Funds and its Societies for the financial year then ended.


PROF. DATUK DR LEKHRAJ RAMPAL
DR RAJAMOHAN ANNAMALAI

Signed at Kuala Lumpur 26 July 2021

RAKI CS TAN & RAMANAN (NO. AF:0190)
CHARTERED ACCOUNTANTS
16-03A, Q Sentral, Jalan Stesen 2, 50470 Kuala Lumpur.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)**
(Registered under the Societies Act 1966)
(ROS Registration No: PPM-016-14-13101967)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MALAYSIAN MEDICAL ASSOCIATION, (MMA) AND THE FUNDS AND SOCIETIES OF MMA** (as listed below), which comprise the statement of financial position as at 31 December 2020, and the 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 6 to 85:

- a. MMA Emergency Reserve Fund;
- b. MMA Special Savings (Life Investment) Fund;
- c. MMA Society of Occupational and Environmental Medicine;
- d. MMA Society of Malaysian Medical Students; and
- e. MMA Public Health Society.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with the significant accounting policies set out in Notes to the financial statements and the requirements of The Constitution of the Association.

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 Association 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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(ROS Registration No: PPM-016-14-13101967) (Cont'd)**

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 report of the Council Members but does not include the financial statements of the Association and our auditor's report thereon.

Our opinion on the financial statements of the Association does not cover the other information 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 other information and, in doing so, consider whether the other information 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 other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council Members for the Financial Statements

The Council members of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with significant accounting policies set out in Notes to the financial statements and the requirements of The Constitution of the Association. The Council members are also responsible for such internal controls as the Council Members 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 Members 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 members either intend to liquidate the Association 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)**

(Registered under the Societies Act 1966)

(ROS Registration No: PPM-016-14-13101967) (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Association, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- Conclude on the appropriateness of the Council 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Association or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Association, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERSATUAN PERUBATAN MALAYSIA
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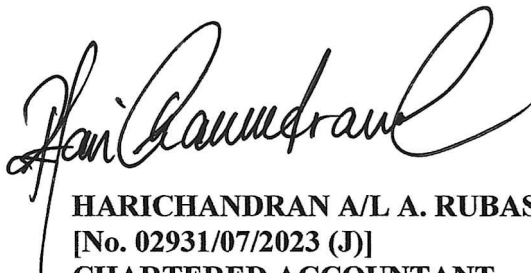
Other Matters

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

Signed at Kuala Lumpur on 26 July 2021.



**RAKI CS TAN & RAMANAN
(NO.AF 0190)
CHARTERED ACCOUNTANTS**



**HARICHANDRAN A/L A. RUBASUNDRAM
[No. 02931/07/2023 (J)]
CHARTERED ACCOUNTANT
PARTNER**

PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)
(Registered under the Societies Act 1966)
(ROS Registration No: PPM-016-14-13101967)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	NOTES	2020 RM	2019 RM
NON-CURRENT ASSETS			
Plant and equipment	6	568,697	471,752
Investment property	7	704,730	720,384
		<u>1,273,427</u>	<u>1,192,136</u>
CURRENT ASSETS			
Inventories	8	20,448	27,028
Commissions receivable		297,625	310,997
Sundry receivables, deposits and prepayments	9	310,475	248,671
Amount owing by MMA Societies / Funds / Branches	10	104,665	74,021
Fixed deposits with licensed banks	11	8,993,176	7,287,328
Cash and bank balances		1,923,560	624,835
		<u>11,649,949</u>	<u>8,572,880</u>
TOTAL ASSETS		<u><u>12,923,376</u></u>	<u><u>9,765,016</u></u>
FUNDS AND LIABILITIES			
Accumulated fund			
As at 1 January		7,977,203	6,885,516
Fund from 57th AGM		-	1,119
Surplus for the financial year		2,689,108	1,090,568
As at 31 December		<u>10,666,311</u>	<u>7,977,203</u>
General reserves	12	24,299	24,299
Current liabilities			
Sundry payables and accruals	13	798,291	804,193
Utilities and rental deposits received	14	139,076	138,893
Subscriptions received in advance	15	509,100	460,750
Amount owing to MMA Societies / Funds / Branches	10	242,946	35,750
Taxation		543,353	323,928
Total liabilities		<u>2,232,766</u>	<u>1,763,514</u>
TOTAL FUNDS AND LIABILITIES		<u><u>12,923,376</u></u>	<u><u>9,765,016</u></u>

The annexed notes form an integral part of these financial statements

PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 RM	2019 RM
INCOME			
Commission from insurance	16	3,502,006	2,789,984
Fixed deposit interest		305,849	251,978
Rental income	17	626,639	630,568
Subscriptions	18	1,012,666	1,033,795
Publications	19	281	-
Continuous Professional Development	20	1,214,535	245,465
Affinity rebate		62,804	78,940
Other income	21	72,780	68,295
Annual General Meeting	23	28,835	-
Sub-Committee Activities	28	106,230	23,117
		<u>6,932,625</u>	<u>5,122,142</u>
LESS : EXPENDITURE			
MMA activities and expenses	A	335,719	1,017,070
Grants to branches	B	402,952	477,798
Other operating expenses	C	1,021,013	830,939
Personnel costs	D	1,416,229	1,301,562
Finance costs		29,678	26,452
		<u>(3,205,591)</u>	<u>(3,653,821)</u>
Surplus before donations and taxation		3,727,034	1,468,321
Less: Donation to MMA Foundation		<u>(100,000)</u>	<u>(100,000)</u>
		3,627,034	1,368,321
Tax expenses	22	<u>(937,926)</u>	<u>(277,753)</u>
Net surplus for the year		<u><u>2,689,108</u></u>	<u><u>1,090,568</u></u>

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PERSATUAN PERUBATAN MALAYSIA
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 RM	2019 RM
A . MMA ACTIVITIES AND EXPENSES			
Annual General Meeting	23	14,050	120,996
Council and Exco Expenses	24	169,207	247,859
International Conference Expenses	25	1,249	158,492
PA Protection (Sponsor)		-	30
Private Practitioners Section	26	19,252	64,804
SCHOMOS Meetings	27	70,265	108,238
Sub-Committee Meeting Expenses	28	61,696	197,351
Publication expenses	19	-	119,300
		<u>335,719</u>	<u>1,017,070</u>

B . GRANTS TO BRANCHES

Johor	25,910	26,105
Kedah	22,460	33,390
Kelantan	21,935	22,615
Melaka	22,245	23,055
Negeri Sembilan	22,730	23,445
Pahang	21,975	22,740
Perak	25,575	26,310
Perlis	20,400	21,360
Penang	24,990	25,615
Sabah	33,505	33,080
Sarawak	45,835	58,405
Selangor	33,400	36,365
Terengganu	20,810	21,645
Wilayah Persekutuan	30,540	30,225
	<u>372,310</u>	<u>404,355</u>
Grants for Annual General Meeting (Perak)	(50,000)	50,000
Other Grants and sponsorship	<u>80,642</u>	<u>23,443</u>
	<u>402,952</u>	<u>477,798</u>

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PERSATUAN PERUBATAN MALAYSIA
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 RM	2019 RM
C . OTHER OPERATING EXPENSES			
Auditors' remuneration		20,100	18,500
Loss on disposal of plant and equipment		5,963	4,614
Depreciation of plant and equipment		77,280	84,855
Depreciation of investment property		15,654	15,654
Donations		-	6,500
Insurance		18,010	18,288
MMA Building Expenses	29	550,692	300,175
Professional fees		70,088	79,014
Sales and services tax		22,501	23,369
Secretariat Operating Expenses	30	167,080	198,150
Subscriptions to affiliated bodies		22,628	18,610
Upkeep of building		5,123	19,556
Upkeep of motor vehicles		12,502	9,381
Web hosting and IT		33,392	34,273
		1,021,013	830,939
D. PERSONNEL COST			
Salaries and allowances		1,194,270	1,027,147
Less: Subsidy received from Perkeso		(108,000)	-
Bonus		114,705	80,285
EPF		191,010	171,167
Socso and EIS		19,624	18,061
Staff expenses		4,620	4,902
		1,416,229	1,301,562

The annexed notes form an integral part of these financial statements

PERSATUAN PERUBATAN MALAYSIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	3,627,034	1,368,321
Adjustments for:		
Loss on disposal of plant and equipment	5,963	4,614
Depreciation of plant and equipment	77,280	84,855
Depreciation of investment property	15,654	15,654
Interest income	(305,849)	(251,798)
Operating surplus before working capital changes	3,420,082	1,221,646
Decrease in inventories	6,580	2,987
Increase in receivables	(48,432)	(217,654)
Decrease/(increase) in amount due to/from MMA Societies, Funds and Branches	176,552	(117,519)
Increase in payables	42,631	566,459
Cash generated from operations	3,597,413	1,455,919
Tax paid	(1,097,879)	(521,350)
Tax received from Branches / Funds	379,378	276,458
Interest income	305,849	251,798
Net cash generated from operating activities	3,184,761	1,462,825
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of plant and equipment	(219,188)	(25,522)
Sales proceed from disposal of plant and equipment	39,000	-
Net cash used in investing activities	(180,188)	(25,522)
CASH FLOWS FROM FINANCING ACTIVITY		
Fund from 57th AGM	-	1,119
Net cash generated from financing activity	-	1,119
Net increase in cash and cash equivalents	3,004,573	1,438,422
Cash and cash equivalents brought forward	7,912,163	6,473,741
Cash and cash equivalents carried forward	10,916,736	7,912,163
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	8,993,176	7,287,328
Cash and bank balances	1,923,560	624,835
	10,916,736	7,912,163

The annexed notes form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

The principal activities of the Association are the promotion and maintenance of the honour and interests of the medical profession and helping to sustain the professional standards and medical ethics in Malaysia. There has been no change in these activities during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The Council Members of the Association are as follows:

Prof Dato' Dr Subramaniam	President
Dr Koh Kar Chai	President-Elect
Datuk Dr N Ganabaskaran	Immediate Past President
Dr Thirunavukarasu A/L Rajoo	Honorary General Secretary
Dr Vasu Pillai A/L Letchumanan	Honorary General Treasurer
Dr Arvindran A/L Alaga	Honorary Deputy Secretary
Dr Kevin Ng Wei Shan	Honorary Deputy Secretary
Dr Vijay A/L Ganasan	Chairman, SCHOMOS
Dr Sivanaesan Letchumanan	Chairman, PPS

The financial statements of the Association were authorised for issue by Council of the Association on 26 July 2021 .

2. LEGAL CONSTITUTION

- (a) Malaysian Medical Association is a registered society registered under the Societies Act, 1966.
- (b) The following Funds are part of and under the purview of Malaysian Medical Association:
 - (i) MMA Emergency Reserve Fund
 - (ii) MMA Special Savings (Life Investment) Fund
- (c) The following Societies are part of and under the purview of Malaysian Medical Association:
 - (i) MMA Society of Occupational and Environmental Medicine
 - (ii) MMA Society of Medical Students
 - (iii) MMA Public Health Society

2. LEGAL CONSTITUTION (CONT'D)

(d) The Branches which are listed below are under the purview of the Association and operate autonomously and have the responsibility to prepare separate financial statements which are required to be audited.

- (i) Perlis
- (ii) Kedah
- (iii) Selangor
- (iv) Wilayah Persekutuan
- (v) Negeri Sembilan
- (vi) Sabah
- (vii) Terengganu
- (viii) Sarawak
- (ix) Perak
- (x) Penang
- (xi) Pahang
- (xii) Melaka
- (xiii) Kelantan
- (xiv) Johor

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Association have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements of the branches have not been Consolidated with the financial statements of Malaysian Medical Association.

The accounts in respect of the Funds detailed in Note 2(b) and the Societies detailed in Notes 2(c) have been audited and are appended to the financial statements of the Association.

The financial statements have been prepared on the historical cost basis, other than as disclosed in Note 4 to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any (Note 4(j)). Subsequent cost is only recognised when there are future economic benefits that will flow to the Association and when it can be measured reliably. The carrying amount of replaced parts are derecognised. All repair and maintenance costs are charged to the income statement in the period in which they are recognised.

Depreciation of plant and equipment is provided on the straight line basis calculated to write off the cost of the assets over their estimated useful lives. The principal annual rates of depreciation used are:

	<u>%</u>
Air-conditioners and computers	10 - 40
Electrical equipment and furniture and fittings	10
Lift	4
Motor vehicles and office equipment	10
Signboard and renovation	10

Residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(b) INVESTMENT PROPERTY

Investment property, consist of a leasehold office building, and is held for long term rental yields or for capital appreciation or both.

Investment property is measured at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) INVESTMENT PROPERTY (CONT'D)

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

	<u>%</u>	<u>Rate</u>
Leasehold building	2	97 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

(c) INVENTORIES

Inventories consist of books and MMA souvenirs valued at the lower of cost (determined on a first in, first out basis) and net realisable value after adequate provision has been made for damaged, obsolete and slow moving items.

(d) FUNDS

(i) Accumulated fund

This represents the accumulated funds arising from surplus / (deficit) of income over expenditure from the activities of the Association. The annual operating surplus / (deficit) is credited / (charged) to this account.

(ii) General reserves

This represents funds arising from surplus / (deficit) of income over expenditure from the activities of the anti-smoking health committee. The annual operating surplus / (deficit) is credited / (charged) to this account.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(f) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the council has become a party to the contractual provisions of the instruments.

Initial recognition and measurement

On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

Subsequent Measurement

After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets are subject to review for impairment. [Note 4(k)].

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Council retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) FINANCIAL INSTRUMENTS (CONT'D)

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

Fair value measurement

The fair value of a financial asset or a financial liability is determined by references to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

(g) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) REVENUE RECOGNITION

(i) Membership subscription is payable at the beginning of the financial year and is recognised on a receipt basis. Only those subscriptions which are attributable to the current financial year are recognised as income. Subscription relating to periods beyond the current financial year is taken up in the balance sheet as subscription in advance under the heading of current liabilities.

(ii) Income from commission, rental and interest are recognised on accrual basis.

(iii) Revenue from sales of inventories is recognised as and when the goods are sold.

(iv) Income from training is recognised on accrual basis.

(i) EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Association. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, if any, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) EMPLOYEE BENEFITS (CONT'D)

(ii) Defined contribution plans

Obligation for contributions to defined contribution plans are recognised as an expense in the income statement as they are incurred.

(j) IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment loss arises when the carrying amount of the Association's asset exceeds its recoverable amount.

At the end of each reporting date, the Association assesses whether there is any indication that an asset may be impaired by using external and internal sources of information. If any such indication exists, the Association estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and the value in use.

Impairment loss is recognised immediately in the profit or loss, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation decrease.

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised immediately in the profit and loss account to the extent of impairment losses previously recognised, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation increase.

(k) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Association assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost are impaired. If there is objective evidence of impairment, the entity shall recognise an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised immediately in the profit and loss account to the extent of impairment losses previously recognised.

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Council in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

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6. PLANT AND EQUIPMENT

	Balance at 01.01.2020	Additions	Disposals	Balance at 31.12.2020
Cost	RM	RM	RM	RM
Air conditioners	31,395	-	-	31,395
Computers	412,206	53,622	-	465,828
Electrical equipment	7,937	-	-	7,937
Furniture and fittings	85,624	440	-	86,064
Lift	262,000	-	-	262,000
Motor vehicles	154,114	162,700	149,876	166,938
Office equipment	165,228	2,426	-	167,654
Signboard	17,800	-	-	17,800
Renovation	143,488	-	-	143,488
	1,279,792	219,188	149,876	1,349,104

Accumulated Depreciation

Air conditioners	22,653	2,574	-	25,227
Computers	340,336	23,705	-	364,041
Electrical equipment	5,564	538	-	6,102
Furniture and fittings	70,768	2,571	-	73,339
Lift	73,170	10,480	-	83,650
Motor vehicles	108,302	11,270	104,913	14,659
Office equipment	116,300	10,444	-	126,744
Signboard	9,812	1,349	-	11,161
Renovation	61,135	14,349	-	75,484
	808,040	77,280	104,913	780,407

	Carrying Amount		Depreciation	
	2020	2019	2020	2019
	RM	RM	RM	RM
Air conditioners	6,168	8,742	2,574	2,550
Computers	101,787	71,870	23,705	26,256
Electrical equipment	1,835	2,373	538	538
Furniture and fittings	12,725	14,856	2,571	3,531
Lift	178,350	188,830	10,480	10,480
Motor vehicles	152,279	45,812	11,270	15,411
Office equipment	40,910	48,928	10,444	9,960
Signboard	6,639	7,988	1,349	1,780
Renovation	68,004	82,353	14,349	14,349
	568,697	471,752	77,280	84,855

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7. INVESTMENT PROPERTY

	Leasehold Building RM
COST	
At 1 January 2020/ 31 December 2020	<u><u>782,693</u></u>
ACCUMULATED DEPRECIATION	
At 1 January 2020	62,309
Change for the year	<u>15,654</u>
At 31 December 2020	<u><u>77,963</u></u>
NET BOOK VALUE	
At 31 December 2020	<u><u>704,730</u></u>
At 31 December 2019	<u><u>720,384</u></u>
Depreciation charge for the year ended 31 December 2019	<u><u>15,654</u></u>
The tenure of the lease expires in 2066.	

8. INVENTORIES

	2020 RM	2019 RM
Books	3,595	3,631
Car badges	-	5,796
Stickers	513	349
Blazer badge	595	595
Cotton caps	138	238
Cufflinks	62	62
Foldable sunshades	320	320
I-plate laptop	1,540	1,540
MMA T-shirts	4,728	5,420
Name card holders	22	22
Registered clinic plaque	1,105	800
Shawls	7,550	7,950
Window decal	280	305
Total	<u><u>20,448</u></u>	<u><u>27,028</u></u>

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9. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	RM	RM
Rental receivable	14,278	43,265
Prepayments	23,512	1,000
Deposits	10,665	8,665
CSR sponsorship receivables	-	47,000
CPD	134,725	6,500
Compensation from staff	2,250	-
Stamp duty receivables	-	31,400
Iheed (promotional activities)	40,857	22,620
Subscription receivables	38,817	88,221
Profit sharing from Berita	33,971	-
Others	11,400	-
Total	310,475	248,671

10. AMOUNT OWING TO/BY MMA SOCIETIES/ FUNDS/ BRANCHES

	2020	2019
	RM	RM
MMA Funds		
Emergency Reserve Fund	104,665	54,021
Special Savings (Life Investment) Fund	(17,825)	(34,250)
	86,840	19,771
MMA Branches		
Johor Branch	(12,955)	-
Kedah Branch	(11,230)	-
Kelantan Branch	(10,968)	-
Melaka Branch	(11,122)	(1,500)
Negeri Sembilan Branch	(11,365)	-
Pahang Branch	(10,987)	-
Penang Branch	(12,495)	-
Perak Branch	(52,653)	-
Perlis Branch	(10,200)	-
Sabah Branch	(14,253)	-
Sarawak Branch	(22,918)	-
Selangor Branch	(16,700)	-
Terengganu Branch	(10,405)	-
Wilayah Branch	(16,870)	-
	(225,121)	(1,500)

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10. AMOUNT OWING TO/BY MMA SOCIETIES/ FUNDS/ BRANCHES

	2020	2019
	RM	RM
MMA Committee		
60th AGM	-	20,000
Total	(138,281)	38,271
Represented by:		
Amount due from mma societies/funds/branches	104,665	74,021
Amount due to mma societies/funds/branches	242,946	35,750
	138,281	38,271

11. FIXED DEPOSITS WITH LICENSED BANKS

	2020	2019
	RM	RM
Alliance Bank Malaysia Berhad	8,993,176	7,287,328

The weighted average interest rate effective during the year was 2.21.% (2019: 3.73%). These deposits have maturities of 30 to 366 days (2019: 30 to 365 days).

12. GENERAL RESERVES

	2020	2019
	RM	RM
Anti-Smoking Health Committee	24,299	24,299

13. SUNDRY PAYABLES AND ACCRUALS

	2020	2019
	RM	RM
(i) Grant from ministry for CSR Event	190,000	-
(ii) CSR Fund	244,550	-
(iii) Accruals	209,926	194,985
(iv) Sundry payables	152,815	108,438
(v) Sponsorship received in advance	1,000	500,770
Total	798,291	804,193

Grant from Ministry received in 2019, The Council is in the midst of applying extension from Ministry of Finance to utilise this balance.

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13. SUNDRY PAYABLES AND ACCRUALS (CONT'D)

	2020	2019
	RM	RM
(i) Grant from Ministry for CSR Event		
Branch reimbursement	77,811	-
Events expenditure	9,575	-
Food and refreshments	2,155	-
Travelling	650	-
Printing costs	14,971	-
Token of appreciation	22,410	-
Gift and souvenirs	150	-
Booths set up	6,011	-
PA system	9,000	-
T-shirts	500	-
Other expenses	1,767	-
	145,000	
Grant from ministry	(335,000)	-
Balance of grant from ministry	<u>190,000</u>	<u>-</u>
(ii) CSR Fund		
Branch reimbursement	16,000	-
Accommodation	378	-
Food and refreshments	1,502	-
T-shirts	100	-
Pre event meetings	490	-
Donation	85,480	-
	103,950	
Sponsorship received	(348,500)	-
Balance of CSR Fund	<u>244,550</u>	<u>-</u>

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14. UTILITIES AND RENTAL DEPOSITS RECEIVED

	2020	2019
	RM	RM
Rental deposits received	136,726	136,633
Utilities deposits received	2,350	2,260
Total	139,076	108,271

15. SUBSCRIPTIONS RECEIVED IN ADVANCE

	2020	2019
	RM	RM
2020	-	335,725
2021	377,200	50,925
2022 to 2030	131,900	74,100
Total	509,100	460,750

16. COMMISSION FROM INSURANCE

	2020	2019
	RM	RM
Medical Protection Society	1,511,800	1,532,650
Medical Protection Indemnity	1,991,082	1,259,334
Less:IT Expenses	(876)	(2,000)
Total	3,502,006	2,789,984

17. RENTAL INCOME

	2020	2019
	RM	RM
Daily paid rooms	-	700
Office-space and shop-lots	626,639	629,868
Total	626,639	630,568

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18. SUBSCRIPTIONS

	2020	2019
	RM	RM
Associate members	625	250
House Doctor Members	49,650	46,875
Joint ordinary members	17,938	20,750
Medical officers	178,725	175,125
Ordinary members	473,800	565,375
Overseas ordinary members	1,750	2,100
Student members	5,550	8,050
Current year subscription received in advance in prior year	330,828	273,170
Less: IT Expenses	(46,200)	(57,900)
Total	1,012,666	1,033,795

19. PUBLICATIONS

	2020	2019
	RM	RM
(i) MMA Newsletter and books	29,124	(43,348)
(ii) Medical Journal of Malaysia	4,257	(47,752)
(iii) MMA Website Advertisement Income	12,900	3,800
(iv) Other publication	-	(5,000)
(v) Press officer fee	(46,000)	(27,000)
Total	281	(119,300)

(i) MMA Newsletter and books

Food and refreshments	868	1,531
Printing cost	-	280,841
Travelling	3,779	5,520
Other expenses	200	500
	4,847	288,392
Income from advertisements	(33,971)	(245,044)
Total	29,124	(43,348)

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19. PUBLICATIONS (CONT'D)

(ii) Medical Journal of Malaysia (MJM)

	2020	2019
	RM	RM
INCOME		
Articles		
- Non member	55,744	21,139
- Member	79,790	82,200
Supplement	-	48,000
Ebsco	2,795	-
Advertisement	5,000	14,000
	143,329	165,339
EXPENDITURE		
Food and refreshments	68	268
Printing costs	47,230	63,692
Electronic version	14,826	14,176
AGM awards	-	2,750
Travelling and accommodation	340	4,428
Staff salaries	19,800	34,226
Website charges	15,608	22,721
Grammar and formatting	14,000	9,500
	(111,872)	(151,761)
MJM SEMINAR (MASEAN)		
Travelling claims	-	1,624
Accommodation	-	3,889
Subsistence Allowance	-	1,017
	-	(6,530)
	31,457	7,048
MMA subsidized its members for processing fees	(27,200)	(54,800)
Total	4,257	(47,752)

20. CONTINUOUS PROFESSIONAL DEVELOPMENT

	2020	2019
	RM	RM
Administration fee	1,256,535	286,105
Less: IT Expenses	(42,000)	(40,640)
Total	1,214,535	245,465

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21. OTHER INCOME

	2020	2019
	RM	RM
Administration fees	12,000	12,506
Promoting activities	40,961	37,620
Sales of inventories	5,687	5,216
Bank interest	9,867	8,596
Secretariat fees	3,600	3,600
Replacement cards and others	665	757
	<u>72,780</u>	<u>68,295</u>

22. TAXATION

	2020	2019
	RM	RM
<u>Tax charge for the financial year</u>		
Current year charge	937,926	603,759
Overprovision in prior years	-	(326,006)
	<u>937,926</u>	<u>277,753</u>

Income tax for trade associations is calculated at the Malaysian statutory tax rate of 30% (2019: 28%) on the income for the year except for the pre-determined staggered rates applicable for the first RM2,000,000 (2019: RM1,000,000) on taxable income given to the Association by the inland revenue board.

Statutory income from subscription fees is not subject to tax.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Association is as follow:

	2020	2019
	RM	RM
Surplus before taxation	<u>3,627,034</u>	<u>1,368,321</u>
Tax at statutory tax rate of 30% (2019: 28%)	1,088,110	383,130
Expenses not deductible	59,128	35,047
Income not subject to tax	(209,312)	-
Reduction in statutory rate	-	(42,350)
Tax charge for Society and Fund	-	227,932
	<u>937,926</u>	<u>603,759</u>
Effective taxation rate	25.86%	44.12%

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23. ANNUAL GENERAL MEETING

	2020	2019
	RM	RM
(i) Virtual National Annual General Meeting	(28,835)	120,966
(ii) Branch Virtual Annual General Meeting	14,050	-
Total	(14,785)	120,966

(i) Virtual National Annual General Meeting

Zoom platform	388	-
Allowance	-	7,695
Accommodation	1,643	44,044
SMS Blast	8,388	-
Awards and engraving	26,540	10,600
Food and refreshments	-	27,590
Gift and souvenir	-	300
Evoting sytem	36,000	13,450
Perak branch expenditure	11,367	-
Printing charges	-	850
Rebate for registration fees	-	4,900
Travelling	2,039	10,515
Other expenses	500	1,052
Audio Expenses	2,300	-
	89,165	120,996
Less: Virtual advertisement income	(118,000)	-
Total	(28,835)	120,996

(ii) Branch Virtual Annual General Meeting

Food and refreshments	2,505	-
Token of appreciation	4,400	-
Travelling and virtual allowance	7,145	-
Total	14,050	-

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24. COUNCIL AND EXCO EXPENSES

	2020	2019
	RM	RM
COUNCIL AND EXCO EXPENSES		
Accommodation	7,962	20,328
Blazer	3,615	2,699
Gift and souvenirs	18,000	18,000
Other expenses	6,980	1,927
Food and refreshments	5,033	4,601
Meeting room rental	3,560	-
Printing and stationery	1,815	827
Telephone expenses	21,600	21,600
Traveling	26,415	37,727
	<u>94,980</u>	<u>107,709</u>

MMA OFFICE BEARER EXPENSES

Accommodation	1,330	4,476
Food and refreshments	120	274
Travelling claims	23,388	33,493
	<u>24,838</u>	<u>38,243</u>

MMA REPRESENTATIVE EXPENSES

Meeting registration fees	-	600
Accommodation	4,648	15,690
Food and refreshments	9,550	5,609
Travelling claims	33,991	80,008
Other expenses	1,200	-
	<u>49,389</u>	<u>101,907</u>
Total	<u><u>169,207</u></u>	<u><u>247,859</u></u>

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25. INTERNATIONAL CONFERENCE EXPENSES

	2020	2019
	RM	RM
SINGAPORE MEDICAL ASSOCIATION		
Travelling claims	-	678
Subsistence allowance	-	414
	<hr/>	<hr/>
	-	1,092
ASIA-PASIFIC ECONOMIC COOPERATION		
Travelling claims	-	1,220
Accommodation	-	837
Subsistence allowance	-	2,055
	<hr/>	<hr/>
	-	4,112
WORLD HEALTH ORGANIZATION - WHO		
Travelling claims	-	1,200
BRITISH MEDICAL ASSOCIATION		
Subsistence allowance	-	2,054
Accommodation	-	4,168
Travelling claims	-	6,019
	<hr/>	<hr/>
	-	12,241
CONFEDERATION OF MEDICAL ASSOCIATIONS IN ASIA AND OCEANIA		
Accommodation	-	8,240
Gift and souvenirs	-	759
Registration fees	-	5,035
Subsistence allowance	-	4,590
Travelling claims	-	9,495
Travel insurance	-	1,206
Photography	-	300
	<hr/>	<hr/>
	-	29,625

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25. INTERNATIONAL CONFERENCE EXPENSES (CONT'D)

COMMONWEALTH MEDICAL ASSOCIATION

Travelling	-	4,788
Accommodation	-	57
Subsistence allowance	-	2,889
Other expenses	-	572
	<hr/>	<hr/>
	-	8,306

WORLD MEDICAL ASSOCIATION COUNCIL

Subsistence allowance	-	2,897
Travelling claims	500	8,351
Accommodation	-	5,925
Registration fees	(151)	6,056
	<hr/>	<hr/>
	349	23,229

WORLD MEDICAL ASSOCIATION ASSEMBLY

Virtual allowance	900	-
Subsistence allowance	-	5,024
Travelling claims	-	14,013
Travel insurance	-	470
Accommodation	-	7,666
Registration fee	-	8,359
	<hr/>	<hr/>
	900	35,532

WORLD MEDICAL ASSOCIATION LEADERSHIP COURSE

Annual travel insurance	-	2,167
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MASEAN MEETINGS

Accommodation	-	23,163
Food and refreshments	-	504
Gifts and souvenirs	-	900
Travelling claims	-	10,523
Subsistence allowance	-	5,898
Total	<hr/>	<hr/>
	-	40,988

Total	<hr/>	<hr/>
	1,249	158,492

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26. PRIVATE PRACTITIONERS SECTION (PPS)

	2020	2019
	RM	RM
Accommodation	2,284	4,670
Covid test training	7,200	-
Food and refreshments	1,247	2,682
Gift and souvenirs	870	13,224
Legal fees	-	30,375
Sponsorship given to branches	773	2,480
Travelling claims	6,878	11,373
	<u>19,252</u>	<u>64,804</u>

**27. SECTION CONCERNING HOUSE OFFICERS, MEDICAL OFFICERS AND
SPECIALIST (SCHOMOS) MEETING**

	2020	2019
	RM	RM
SCHOMOS MEETING EXPENSES		
Accommodation	171	3,818
Food and refreshments	199	1,315
Stationaries	220	-
Travelling claims	2,516	12,392
Others	649	-
	<u>3,755</u>	<u>17,525</u>

SCHOMOS ANNUAL GENERAL MEETING

Accommodation	1,131	-
Corporate shirt	-	1,510
Gift and souvenirs	27,470	26,966
Travelling	1,902	-
Others	-	18
	<u>30,503</u>	<u>28,494</u>

SCHOMOS MINISTERIAL MEETING

Accommodation	178	2,688
Gift and souvenirs	315	-
Travelling	2,701	6,531
Others	300	-
	<u>3,494</u>	<u>9,219</u>

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**27. SECTION CONCERNING HOUSE OFFICERS, MEDICAL OFFICERS AND
 SPECIALIST (SCHOMOS) MEETING (CONT'D)**

	2020	2019
	RM	RM
SCHOMOS MEMBERSHIP DRIVE		
Accommodation	-	525
Travelling	-	655
Food and refreshment	-	38
	<hr/>	<hr/>
	-	1,218
SCHOMOS INTERNATIONAL EXPENSES		
Traveling	4,228	2,620
Subsistence allowance	-	617
	<hr/>	<hr/>
	4,228	3,237
SCHOMOS NATIONAL WORKING COMMITTEE MEETING		
Traveling	8,813	21,023
Accommodation	1,719	5,590
Food and refreshment	273	987
	<hr/>	<hr/>
	10,805	27,600
SCHOMOS CYBERSPORTS TOURNAMENT		
Accommodation	-	498
Food and refreshments	-	695
Gifts and souvenirs	-	8,700
Event package	-	1,866
Shirts for participants	-	2,587
Travelling claims	-	1,135
Other expenses	-	856
	<hr/>	<hr/>
	-	16,337
Less: Sponsorship received	-	(6,000)
Registration fees	-	(3,520)
	<hr/>	<hr/>
	-	6,817

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**27. SECTION CONCERNING HOUSE OFFICERS, MEDICAL OFFICERS AND
 SPECIALIST (SCHOMOS) MEETING (CONT'D)**

	2020	2019
	RM	RM
SCHOMOS - MBK		
Accommodation	482	230
Travelling	1,754	833
Subscription fee	3,000	3,000
	<u>5,236</u>	<u>4,063</u>
SCHOMOS - RIGHTS AND RESPONSIBILITIES		
Accommodation	-	1,866
Travelling claims	-	4,526
Gift and souvenirs	-	1,400
Food and refreshments	-	2,416
Printing and stationery	-	506
Seminar package	-	2,400
	<u>-</u>	<u>13,114</u>
Less: Sponsorship received	-	(500)
	<u>-</u>	<u>12,614</u>
SCHOMOS BRANCH EVENTS		
Grants given to branches	11,244	31,071
SCHOMOS - JDN MEETING		
Others	1,000	-
SCHOMOS – CHARITY RUN EXPENSES		
Registration fees	-	(33,620)
Total	<u>70,265</u>	<u>108,238</u>

PERSATUAN PERUBATAN MALAYSIA
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(ROS Registration No: PPM-016-14-13101967)

28. SUB-COMMITTEE MEETINGS

	2020	2019
	RM	RM
(i) Sub-Committee Meetings Activities	(106,230)	(23,117)
(ii) Sub-Committee Meetings Expenses	61,696	197,351
Total	<u>(42,514)</u>	<u>174,234</u>

(i) Sub-Committee Meetings Activities

	2020	2019
	RM	RM
FEES SCHEDULE COMMITTEE		
Food and refreshments	30	66
Travelling claims	780	920
Professional fees	3,850	-
IT expenses	10,517	-
	<u>15,177</u>	<u>986</u>
Less: Income	<u>(116,900)</u>	<u>-</u>
	<u>(101,723)</u>	<u>986</u>

ADOLESCENT HEALTH COMMITTEE

Accommodation	921	1,118
Gifts and souvenirs	-	250
Food and refreshment	2,846	7,240
Rental of auditorium	-	1,150
Printing and stationery	444	1,014
Travelling claims	3,522	5,366
Token of appreciation	360	-
Others	100	-
	<u>8,193</u>	<u>16,138</u>
Less: Registration fees	<u>(9,700)</u>	<u>(40,241)</u>
Sponsorship	<u>(3,000)</u>	<u>-</u>
	<u>(4,507)</u>	<u>(24,103)</u>

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses

	2020	2019
	RM	RM
CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE		
Accommodation	2,639	4,294
Food and refreshments	263	386
Travelling claims	7,096	12,211
	<u>9,998</u>	<u>16,891</u>
ETHICS COMMITTEE		
Accommodation	611	1,067
Food and refreshments	297	585
Travelling claims	3,350	9,018
Postage and courier	20	8
Printing and stationery	-	1,400
	<u>4,278</u>	<u>12,078</u>
MMA ELECTION COMMITTEE		
Travelling claims	3,321	6,149
Food and refreshments	130	689
Accommodation	-	396
Printing and stationery	19	169
	<u>3,470</u>	<u>7,403</u>
CARDIOPULMONARY RESUSCITATION (CPR) COMMITTEE		
Travelling claims	940	1,760
Food and refreshments	75	85
Accommodation	-	836
Corporate shirt	350	-
	<u>1,365</u>	<u>2,681</u>
Less: Income	<u>(267)</u>	<u>(150)</u>
	<u>1,098</u>	<u>2,531</u>

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses (Cont'd)

	2020 RM	2019 RM
CONSTITUTION AND RESOLUTION REVIEW COMMITTEE		
Food and refreshment	399	255
Travelling claims	3,348	3,793
Accommodation	648	1,181
	<u>4,395</u>	<u>5,229</u>
NATIONAL HEALTH POLICY COMMITTEE		
Accommodation	-	910
Food and refreshments	81	1,444
Gift and souvenirs	-	900
Travelling claims	1,112	8,567
Research project	10,000	29,000
Seminar packages	-	13,500
Other expense	-	798
	<u>11,193</u>	<u>55,119</u>
COMMITTEE ON THE RIGHT TO HEALTH		
Food and refreshments	-	3,000
Travelling claims	-	1,225
Accommodation	-	353
Gifts and souvenirs	-	800
Printing and stationery	-	181
	<u>-</u>	<u>5,559</u>
Less: Registration fees received	-	(7,250)
Sponsorship received	-	(2,000)
	<u>-</u>	<u>(3,691)</u>
SECRETARIAT STAFF WELFARE AND DISCIPLINARY COMMITTEE (SSWDC)		
Accommodation	605	929
Food and refreshments	12	2,903
Travelling claims	412	2,326
	<u>1,029</u>	<u>6,158</u>

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses (Cont'd)

	2020 RM	2019 RM
INVESTIGATING COMMITTEE		
Food and refreshments	190	126
Travelling claims	857	2,793
	<u>1,047</u>	<u>2,919</u>
MMA INSURANCE COMMITTEE		
Accommodation	541	3,974
Food and refreshments	339	324
Travelling claims	2,713	11,296
	<u>3,593</u>	<u>15,594</u>
MMA HEALTH CARNIVAL 2020 (ORGANIZING COMMITTEE)		
Food and refreshments	-	360
Travelling claims	-	1,982
Accommodation	-	181
	<u>-</u>	<u>2,523</u>
PLANTATION HEALTH COMMITTEE		
Accommodation	-	1,512
Food and refreshments	-	111
Travelling claims	-	4,140
	<u>-</u>	<u>5,763</u>
COMPUTER TECHNICAL COMMITTEE		
Accommodation	133	1,231
Food and refreshments	95	160
Travelling claims	7,325	4,232
	<u>7,553</u>	<u>5,623</u>

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses (Cont'd)

	2020 RM	2019 RM
COMMITTEE FOR THE HEALTH OF THE OLDER PERSON		
Accommodation	-	22,501
Food and refreshments	-	1,745
Travelling claims	-	8,730
Gift and souvenirs	-	697
Seminar package	-	58,508
Purchase of t-shirts	-	1,200
Promotional video	-	4,500
Printing and stationery	-	8,370
Other expenses	450	30
	<u>450</u>	<u>106,281</u>
Less: Registration fees	-	(52,350)
Sponsorship received	-	(22,516)
	<u>450</u>	<u>31,415</u>
COMMITTEE ON INTEGRATIVE MEDICINE		
Seminar package	-	10,200
Accommodation	803	5,162
Food and refreshments	165	385
Travelling claims	4,212	14,682
Gift and souvenirs	-	2,255
	<u>5,180</u>	<u>32,684</u>
Less: Seminar registration fees	-	(6,145)
Booth income	-	(2,700)
Sponsorship received	-	(5,000)
	<u>-</u>	<u>-13,845</u>
	<u>5,180</u>	<u>18,839</u>
Conference registration fees	-	1,100
Conference travelling claims	-	1,125
	<u>-</u>	<u>2,225</u>
Total	<u>5,180</u>	<u>21,064</u>

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses (Cont'd)

	2020 RM	2019 RM
MPS ROAD SHOW		
Food and refreshments	-	(750)
	<hr/> -	<hr/> (750)
MMA TASK FORCE COMMITTEE		
Travelling claims	-	2,021
Accommodation	-	318
Telephone expenses	-	1,140
Food and refreshment	-	114
	<hr/> -	<hr/> 3,593
MMA VOLUNTEER CORPS (VOC) COMMITTEE		
Printing and stationery	-	560
Food and refreshments	70	90
Accommodation	226	198
Travelling claims	1,243	1,390
	<hr/> 1,539	<hr/> 2,238
AIDS/STI'S COMMITTEE		
Food and refreshments	-	70
Travelling claims	-	400
	<hr/> -	<hr/> 470
TENDER COMMITTEE MEETING		
Travelling claims	400	-
Food and refreshment	16	-
	<hr/> 416	<hr/> -
MMA BUILDING COMMITTEE		
Accommodation	319	189
Travelling claims	4,068	539
Food and refreshment	109	-
	<hr/> 4,496	<hr/> 728

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28. SUB-COMMITTEE MEETINGS (CONT'D)

(ii) Sub-Committee Meetings Expenses (Cont'd)

	2020 RM	2019 RM
DINNER WITH PRIME MINISTER		
Photography	-	-49
Food and refreshments (Appreciation dinner for Exco/staffs)	-	3,313
Event package and accommodation	-	-362
Travelling claims	-	363
	<u>-</u>	<u>3,265</u>
ACCIDENT PREVENTION COMMITTEE		
Seminar expenditure	861	-
Travelling claims	600	3,140
Accommodation	-	790
Food and refreshments	-	1,558
Honorarium	500	-
Other expenses	-	700
	<u>1,961</u>	<u>6,188</u>
Less: Sponsorship	<u>-</u>	<u>-5,000</u>
	<u>1,961</u>	<u>1,188</u>
 Total	 <u><u>61,696</u></u>	 <u><u>197,351</u></u>

29. MMA BUILDING EXPENSES

	2020 RM	2019 RM
Assessment	33,930	33,930
Quit rent	11,454	11,454
Auto gate maintenance	2,580	-
Cleaning expenses	36,840	30,174
Electrical maintenance	49	196
Electrical inspection	2,100	4,600
Fire protection system	-	15,187
Balance b/f	<u>86,953</u>	<u>95,541</u>

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29. MMA BUILDING EXPENSES (CONT'D)

	2020	2019
	RM	RM
Balance c/f	86,953	95,541
Fire fighter	630	1,365
Laundry for guestroom	124	263
Insurance	25,440	23,873
Lift maintenance	22,097	20,928
Pest control	2,420	6,000
Plumbing	-	900
Renovation	251,231	-
Security charges	152,805	142,740
Water	8,992	8,565
Total	<u>550,692</u>	<u>300,175</u>

30. SECRETARIAT OPERATING EXPENSES

	2020	2019
	RM	RM
Courier services	7,143	433
Electricity	46,223	56,934
Honorary auditors expenses	543	734
Hospitalisation and insurance	24,910	15,957
Food and refreshments	-	85
Medical fees	8,952	14,377
MMA trade mark	-	650
Office supply	3,806	5,894
Outstation allowance	375	700
Periodical	658	658
Postages	5,119	16,112
Printing	37,168	38,266
Staff - uniform/blazer	845	785
Staff refreshments	3,608	2,127
Stamping fee	(87)	172
Stationery	2,276	17,812
Telephone	20,481	20,798
Travelling claims	859	855
Upkeep of office	3,901	4,023
Wreath and bouquet	300	778
Total	<u>167,080</u>	<u>198,150</u>

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31. RELATED PARTY TRANSACTIONS

i. Transactions with societies

	2020	2019
	RM	RM
Society of Occupational and Environmental Medicine		
Secretarial Fees	<u>(3,600)</u>	<u>(3,600)</u>
MMA Society of Malaysian Medical Students		
MMA Grant	<u>8,000</u>	<u>5,500</u>

ii. Remuneration of key management personnel

The Association is managed by the Council members, none of whom received any compensation from the Association.

32. CAPITAL COMMITMENT

	2020	2019
	RM	RM
Purchase of properties:		
Approved and authorised	<u>5,355,000</u>	<u>-</u>

The capital commitment is in respect of a purchase of two freehold office units and 3 storey terraced shophouses.

33. SUBSEQUENT EVENT

The Association entered into sale and purchase agreements to acquire properties (Note 32) consideration of RM5,355,00 by way of cash.

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
NON-CURRENT ASSETS			
Investment properties	5	1,298,333	1,323,108
CURRENT ASSETS			
Fixed deposits with licensed bank	7	7,010,084	6,767,247
Bank balance		13,654	13,704
		7,023,738	6,780,951
TOTAL ASSETS		8,322,071	8,104,059
FUNDS AND LIABILITIES			
Accumulated fund			
As at 1 January		7,701,758	7,607,242
Surplus for the financial year		196,467	94,516
As at 31 December		7,898,225	7,701,758
Building fund		274,000	274,000
Current liabilities			
Amount owing to MMA	6	104,665	54,022
Tax payable		45,181	74,279
Total liabilities		149,846	128,301
TOTAL FUNDS AND LIABILITIES		8,322,071	8,104,059

The annexed notes form an integral part of these financial statements

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
INCOME			
Fixed deposit interest		242,837	265,281
LESS : EXPENDITURE			
Depreciation of investment properties		(24,775)	(24,775)
Bank charges		<u>(50)</u>	<u>(31)</u>
		(24,825)	(24,806)
Surplus before taxation		<u>218,012</u>	<u>240,475</u>
Taxation	8	(21,545)	(145,959)
NET SURPLUS FOR THE YEAR		<u><u>196,467</u></u>	<u><u>94,516</u></u>

The annexed notes form an integral part of these financial statements

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	218,012	240,475
Adjustment for:		
Interest income	242,837	265,281
Depreciation of investment properties	24,775	24,775
Operating surplus before working capital changes	485,624	530,531
Decrease in receivables	-	17,659
Increase in payables	50,643	54,022
Cash generated from operating activities	536,267	602,212
Interest income	(242,837)	(265,281)
Tax paid	(50,643)	(71,680)
Net cash generated from operating activities	242,787	265,251
CASH FLOWS FROM INVESTING ACTIVITY	-	-
CASH FLOWS FROM FINANCING ACTIVITY	-	-
Net increase in cash and cash equivalents	242,787	265,251
Cash and cash equivalents brought forward	6,780,951	6,515,700
Cash and cash equivalents carried forward	7,023,738	6,780,951
Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	7,010,084	6,767,247
Bank balance	13,654	13,704
	7,023,738	6,780,951

The annexed notes form an integral part of these financial statements

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Fund is a non-profit organisation incorporated and domiciled in Malaysia.

The principal activities of the Emergency Reserve Fund are to meet any emergency, repairs or calamities that may occur to the investment properties of MMA and also redevelopment of these properties when the present lease is extended. There has been no change in these activities during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements of the Fund were authorised for issue by Council of the Association on 26 July 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Fund have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) INCOME RECOGNITION

Interest income is recognised on an accrual basis.

(b) INCOME TAXES

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) INVESTMENT PROPERTIES

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses, (Note 3(d)) if any.

Except for freehold land, depreciation is provided on a straight line method so as to write off the cost of the assets over their estimated remaining useful lives, as follows:

	<u>Rate</u>
Freehold building	2%
Leasehold land	47 years
Leasehold building	32 - 36 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

(d) IMPAIRMENT OF NON FINANCIAL ASSETS

An impairment loss arises when the carrying amount of the Fund's asset exceeds its recoverable amount.

At the end of each reporting date, the Fund assesses whether there is any indication that an asset may be impaired by using external and internal sources of information. If any such indication exists, the Fund estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and the value in use.

Impairment loss is recognised immediately in the profit or loss, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation decrease.

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) IMPAIRMENT OF NON FINANCIAL ASSETS (CONT'D)

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised immediately in the profit and loss account to the extent of impairment losses previously recognised, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation increase.

(e) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Fund has become a party to the contractual provisions of the instrument.

Initial recognition and measurement

On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

Subsequent measurement

After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using, the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets, except for equity instruments, are subject to review for impairment (Note 3(f)).

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Fund retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (CONT'D)

Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

(f) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Fund assess whether there is any objective evidence that financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, than the reversal shall be recognised as a gain in the profit and loss account to the extent of impairment losses previously recognised.

(g) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) ACCUMULATED FUND

This represents the accumulated funds arising from surplus / (deficit) of income over expenditure from the activities of the fund. The annual operating surplus / (deficit) is credited / (charged) to this account.

(i) BUILDING FUND

This fund is used to finance the renewal of the lease and or the redevelopment of the MMA's investment properties.

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Fund in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

5. INVESTMENT PROPERTIES

	Freehold building RM	Leasehold land RM	Leasehold building RM	Total RM
COST				
At 1 January 2020	403,409	469,487	551,474	1,424,370
ACCUMULATED DEPRECIATION				
At 1 January 2020	32,272	17,478	51,512	101,262
Charge for the year	8,068	2,413	14,294	24,775
At 31 December 2020	40,340	19,891	65,806	126,037
NET BOOK VALUE				
At 31 December 2020	363,069	449,596	485,668	1,298,333
At 31 December 2019	371,137	452,009	499,962	1,323,108

The tenure of the lease in respect of leasehold land expires in 2064.

6. AMOUNT OWING TO MMA

	2020 RM	2019 RM
Amount due to MMA (Tax charge from prior years)	104,665	54,022

7. FIXED DEPOSITS WITH LICENSED BANK

	2020 RM	2019 RM
Alliance Bank Malaysia Berhad	7,010,084	6,767,247

The weighted average interest rate effective during the year was 2.32% (2019: 3.85%).
The deposits have maturities of 366 days (2019: 365 days).

MMA EMERGENCY RESERVE FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

8. TAX EXPENSE

	2020	2019
	RM	RM
Tax charge:		
Current year charge	45,181	74,279
(Over)/under provision in prior years	<u>(23,636)</u>	<u>71,680</u>
	<u>21,545</u>	<u>145,959</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Fund is as follow:

	2020	2019
	RM	RM
Surplus before taxation	<u>218,012</u>	<u>240,475</u>
Tax at statutory tax rate of 30% (2019: 28%)	65,404	67,333
Expenses not deductible	7,447	6,946
Reduction in statutory rate	<u>(27,670)</u>	<u>-</u>
Charge for the year	<u>45,181</u>	<u>74,279</u>

MMA and its Funds and Societies are treated as a “Trade Association” under Section 53(3) of the Income Tax Act, 1967 and are taxed at a scale rates.

Income tax for trade associations is calculated at the Malaysian statutory tax rate of 30% (2019: 28%) on the income for the year except for the pre- determined staggered rates applicable for the first RM2,000,000 (2019: RM1,000,000) on taxable income given to the Association by the inland revenue board.

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
CURRENT ASSETS			
Sundry receivables	5	17,825	24,365
Investment	6	250,000	-
Fixed deposits with licensed bank	7	14,724,449	14,188,891
Bank balance		864,238	307,648
TOTAL ASSETS		15,856,512	14,520,904
FUNDS AND LIABILITIES			
Accumulated fund			
As at 1 January		3,707,308	3,462,505
Surplus for the financial year		440,329	244,803
As at 31 December		4,147,637	3,707,308
Life Investment Fund	8	11,563,259	10,652,759
Current liabilities			
Sundry payables		15,600	7,850
Tax payable		130,016	152,987
Total liabilities		145,616	160,837
TOTAL FUNDS AND LIABILITIES		15,856,512	14,520,904

The annexed notes form an integral part of these financial statements

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
INCOME			
Fixed deposit interest		535,558	536,208
Bank interest		2,187	10,173
		<u>537,745</u>	<u>546,381</u>
LESS : EXPENDITURE			
Bank charges		(141)	(36)
		<u>537,604</u>	<u>546,345</u>
Surplus before taxation			
Tax expense	9	(97,275)	(301,542)
NET SURPLUS FOR THE YEAR		<u><u>440,329</u></u>	<u><u>244,803</u></u>

The annexed notes form an integral part of these financial statements

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus before working capital changes	537,604	546,345
Decrease in receivables	6,540	56,490
Increase/(decrease) in payables	7,750	(21,236)
Cash generated from operating activities	<u>551,894</u>	<u>581,599</u>
Tax paid	(120,246)	(301,542)
Net cash generated from operating activities	<u>431,648</u>	<u>280,057</u>
CASH FLOW USED IN INVESTING ACTIVITY		
Purchase of investment	(250,000)	-
Net cash used in investing activity	<u>(250,000)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITY		
Subscription received for Life Investment Fund	<u>910,500</u>	<u>973,500</u>
Net cash generated from financing activity	<u>910,500</u>	<u>973,500</u>
Net increase in cash and cash equivalents	1,092,148	1,406,544
Cash and cash equivalents brought forward	<u>14,496,539</u>	<u>13,089,995</u>
Cash and cash equivalents carried forward	<u><u>15,588,687</u></u>	<u><u>14,496,539</u></u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	14,724,449	14,188,891
Bank balance	864,238	307,648
	<u><u>15,588,687</u></u>	<u><u>14,496,539</u></u>

The annexed notes form an integral part of these financial statements

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Fund is a non-profit organisation incorporated and domiciled in Malaysia.

The principal activity of the Fund is to reinvest the life members subscription for the purpose of generating income. There has been no change in this activity during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements of the Fund were authorised for issue by Council of the Association on 26 July 2021 .

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

Interest income is recognised on accrual basis.

(b) LIFE INVESTMENT FUND

This fund consists of subscriptions received from life members which are directly credited to this fund. This fund is to be used for investment purposes only.

Life Membership of the Association shall be opened to Ordinary Members who in place of annual subscription to the Association, shall have contributed to the Capital of the MMA Special Savings (Life Investment) Fund established by the Fund, an amount determined by the Annual General Meeting from time to time. The annual income, generated by investment of the Accumulated Capital contributions of each member to the Fund shall be irrevocably assigned in perpetuity by the contributor to the Council of the Association to disburse as it deems fit.

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(d) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Fund has become a party to the contractual provisions of the instrument.

Initial recognition and measurement

On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

Subsequent Measurement

After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets are subject to review for impairment [Note 3(e)].

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Fund retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL INSTRUMENTS (CONT'D)

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

(e) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Fund assess whether there is any objective evidence that financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognise an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, than the reversal shall be recognised as a gain in the profit and loss account to the extent of impairment losses previously recognised.

(f) ACCUMULATED FUND

This represents the accumulated fund arising from surplus/(deficit) of income over expenditure from the activities of the Fund. The annual operating surplus/(deficit) is credited/(charged) to this account.

(g) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Fund in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

5. SUNDRY RECEIVABLES

	2020	2019
	RM	RM
Malaysian Medical Association	<u>17,825</u>	<u>24,365</u>

6. INVESTMENT IN EQUITY INSTRUMENTS

	2020	2019
	RM	RM
Income fund		
At 1 January	-	-
Addition	<u>250,000</u>	<u>-</u>
At 31 December	<u>250,000</u>	<u>-</u>

Fair value of the income fund is based on an observable market price.

7. FIXED DEPOSITS WITH LICENSED BANK

	2020	2019
	RM	RM
Alliance Bank Malaysia Berhad	<u>14,724,449</u>	<u>14,188,891</u>

The weighted average interest rate effective during the year was 2.28% (2019: 3.93%). These deposits have maturities of 366 days (2019: 365 days).

8. LIFE INVESTMENT FUND

	2020	2019
	RM	RM
As at 1 January	10,652,759	9,679,259
Contribution during the year	<u>910,500</u>	<u>973,500</u>
As at 31 December	<u>11,563,259</u>	<u>10,652,759</u>

MMA SPECIAL SAVINGS (LIFE INVESTMENT) FUND

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

9. TAX EXPENSE

	2020	2019
	RM	RM
Tax charge:		
Current year charge	130,016	152,987
(Over)/under provision in prior years	(32,741)	148,555
	<u>97,275</u>	<u>301,542</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Fund is as follow:

	2020	2019
	RM	RM
Profit before Taxation	<u>537,604</u>	<u>546,345</u>
Tax at statutory tax rate of 30% (2019: 28%)	161,281	152,977
Expenses not deductible	39	10
Reduction in statutory rate	(31,304)	-
Charge for the year	<u>130,016</u>	<u>152,987</u>

MMA and its Funds and Societies are treated as a “Trade Association” under Section 53(3) of the Income Tax Act, 1967 and are taxed at a scale rates.

Income tax for trade associations is calculated at the Malaysian statutory tax rate of 30% (2019: 28%) on the income for the year except for the pre- determined staggered rates applicable for the first RM2,000,000 (2019: RM1,000,000) on taxable income given to the Association by the inland revenue board.

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	NOTE	2020 RM	2019 RM
NON- CURRENT ASSETS			
Plant and equipment	5	169	208
CURRENT ASSETS			
Sundry receivables, deposits and prepayments	6	-	8,725
Fixed deposits with licensed bank		939,011	912,903
Cash and bank balances		117,070	96,458
		1,056,081	1,018,086
TOTAL ASSETS		<u>1,056,250</u>	<u>1,018,294</u>
FUNDS AND LIABILITIES			
Accumulated fund			
As at 1 January		999,671	946,871
Surplus for the financial year		47,004	52,800
As at 31 December		<u>1,046,675</u>	<u>999,671</u>
Current liabilities			
Taxation	7	7,875	16,751
Sundry payables		1,700	1,872
Total liabilities		9,575	18,623
TOTAL FUNDS AND LIABILITIES		<u>1,056,250</u>	<u>1,018,294</u>

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
INCOME		-	-
OTHER INCOME			
Interest income		26,383	31,586
Sponsorship		27,860	55,211
Subscriptions		11,850	11,250
Seminar income	8	28,200	94,250
Other income		11	-
		<u>94,304</u>	<u>192,297</u>
Less: Seminar costs	9	<u>(46,828)</u>	<u>(108,811)</u>
		47,476	83,486
LESS : EXPENDITURE			
Bank charges		54	44
Committee meeting expenses		1,210	4,581
Depreciation of plant and equipment		39	591
Printing and stationery		-	2,900
Secretariat fees		3,600	3,600
Website cost		1,210	580
Service tax		59	1,640
		<u>(6,172)</u>	<u>(13,936)</u>
Surplus before taxation		41,304	69,550
Tax expense	10	5,700	(16,750)
SURPLUS FOR THE YEAR		<u><u>47,004</u></u>	<u><u>52,800</u></u>

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	41,304	69,550
Adjustment for:		
Depreciation of plant and equipment	39	591
Operating surplus before working capital changes	41,343	70,141
Decrease/(increase) in receivables	8,725	(7,775)
Decrease in payables	(172)	(273)
Cash generated from operating activities	49,896	62,093
Tax (paid)/refund	(3,176)	1
Net cash generated from operating activities	46,720	62,094
CASH FLOWS FROM INVESTING ACTIVITY	-	-
CASH FLOWS FROM FINANCING ACTIVITY	-	-
Net increase in cash and cash equivalents	46,720	62,094
Cash and cash equivalents brought forward	1,009,361	947,267
Cash and cash equivalents carried forward	1,056,081	1,009,361
 Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	939,011	912,903
Cash and bank balances	117,070	96,458
	1,056,081	1,009,361

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Society is a non-profit organisation incorporated and domiciled in Malaysia.

The principal activities of the Society are to:-

- Promote Occupational and Environmental Health.
- Act as technical advisor to the National Council of Occupational Safety and Health, National Safety Council.
- Act as technical advisor to the Ministry of Human Resources, Ministry of Health and other agencies representing private Occupational Health practitioners.
- Promote capacity building of Occupational Health care providers.
- Provide training for employers and employees.

There have been no changes in these activities during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements of the Society were authorised for issue by Council of the Association on 26 July 2021 .

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Society have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any (Note 3(g)). Subsequent cost is only recognised when there are future economic benefits that will flow to the Society and when it can be measured reliably. The carrying amount of replaced parts are derecognised. All repair and maintenance costs are charged to the income statement in the period in which they are recognised.

Depreciation of plant and equipment is provided on the straight line basis calculated to write off the cost of the assets over their estimated useful lives. The principal annual rates of depreciation used are 20%.

Residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(b) ACCUMULATED FUND

This represents the accumulated funds arising from surplus / (deficit) of income over expenditure from the activities of the society. The annual operating surplus / (deficit) is credited / (charged) to this account.

(c) INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Society has become a party to the contractual provisions of the instrument.

Initial recognition and measurement

On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

Subsequent Measurement

After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets are subject to review for impairment [Note 3(h)].

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Society retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

(e) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) REVENUE RECOGNITION

- i) Membership subscription is payable at the beginning of the financial year and is recognised on receipt basis. Only those subscriptions which are attributable to the current financial year are recognised as income, subscription relating to periods beyond the current financial year is taken up in the balance sheet as subscriptions in advance under the heading of current liabilities.
- ii) Interest income and sponsorship income is recognised on accrual basis.
- iii) Seminar income is recognised as and when seminars are organised.

(g) IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment loss arises when the carrying amount of a Society's asset exceeds its recoverable amount.

At the end of each reporting date, the Society assesses whether there is any indication that an asset may be impaired by using external and internal sources of information.

If any such indication exists, the Society estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and the value in use.

Impairment loss is recognised immediately in the profit or loss, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation decrease.

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised immediately in the profit and loss account to the extent of impairment losses previously recognised, unless the asset is carried at revalued amounts, in which case it is treated as a revaluation increase.

(h) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Society assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognise an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised immediately in the profit and loss account to the extent of impairment losses previously recognised.

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Society in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

5. PLANT AND EQUIPMENT

	Balance at 01.01.2020 RM	Additions RM	Disposal RM	Balance at 31.12.2020 RM
<u>Cost</u>				
Computer	13,298	-	-	13,298
Furniture and fittings	640	-	-	640
Seminar equipment	11,118	-	-	11,118
	<u>25,056</u>	<u>-</u>	<u>-</u>	<u>25,056</u>
<u>Accumulated Depreciation</u>				
Computer	13,293	-	-	13,293
Furniture and fittings	441	39	-	480
Seminar equipment	11,114	-	-	11,114
	<u>24,848</u>	<u>39</u>	<u>-</u>	<u>24,887</u>
	<u>Carrying Amount</u>		<u>Depreciation</u>	
	2020	2019	2020	2019
	RM	RM	RM	RM
Computer	5	5	-	552
Furniture and fittings	160	199	39	39
Seminar equipment	4	4	-	-
	<u>169</u>	<u>208</u>	<u>39</u>	<u>591</u>

6. FIXED DEPOSITS WITH LICENSED BANK

	2020 RM	2019 RM
Alliance Bank Malaysia Berhad	<u>939,011</u>	<u>912,903</u>

The weighted average interest rate effective during the period was 2.00% (2019: 3.43%).
These deposits have maturities of 180 days (2019: 180 days)

MMA SOCIETY OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

7. SUNDRY PAYABLES

	2020	2019
	RM	RM
Subscriptions in advance	1,700	1,700
Other payables	-	172
	<u>1,700</u>	<u>1,872</u>

8. SEMINAR INCOME

	2020	2019
	RM	RM
Annual Seminar	14,400	21,500
CPD Seminars on Occupational Medicine	13,800	72,750
	<u>28,200</u>	<u>94,250</u>

9. SEMINAR COST

	2020	2019
	RM	RM
Annual Seminar	23,634	29,618
CPD Seminars on Occupational Medicine	23,194	79,193
	<u>46,828</u>	<u>108,811</u>

10. TAX EXPENSE

	2020	2019
	RM	RM
Tax charge:		
Current year charge	7,875	16,751
Overprovision in prior years	(13,575)	(1)
	<u>(5,700)</u>	<u>16,750</u>

10. TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Fund is as follow:

	2020	2019
	RM	RM
Surplus before taxation	41,303	69,550
Tax at statutory tax rate of 30% (2019: 28%)	12,391	19,474
Expenses not deductible	1,852	165
Income not subject to tax	-	(2,888)
Reduction in statutory rate	(6,368)	-
Charge for the year	7,875	16,751

MMA and its Funds and Societies are treated as a “Trade Association” under Section 53(3) of the Income Tax Act, 1967 and are taxed at a scale rates.

Income tax for trade associations is calculated at the Malaysian statutory tax rate of 30% (2019: 28%) on the income for the year except for the pre- determined staggered rates applicable for the first RM2,000,000 (2019: RM1,000,000) on taxable income given to the Association by the inland revenue board.

11. RELATED PARTY TRANSACTIONS

	2020	2019
	RM	RM
Malaysian Medical Association		
Secretariat fees	3,600	3,600

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
CURRENT ASSETS			
Bank balances		6,641	4,253
TOTAL ASSETS		<u>6,641</u>	<u>4,253</u>
FUNDS AND LIABILITIES			
Accumulated fund			
As at 1 January		4,253	6,136
Surplus/(deficit) for the financial year		<u>2,388</u>	<u>(1,883)</u>
As at 31 December		6,641	4,253
TOTAL FUNDS AND LIABILITIES		<u>6,641</u>	<u>4,253</u>

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
INCOME			
MMA Grant		-	5,550
Event	5	2,791	-
		<u>2,791</u>	<u>5,550</u>
LESS : EXPENDITURE			
Accommodation		-	307
Bank charges		57	34
Food and refreshments		-	1,206
Travelling expenses		340	5,889
		(397)	(7,436)
		<u>2,394</u>	<u>(1,886)</u>
Surplus/(deficit) before taxation			
		2,394	(1,886)
Taxation	6	(6)	3
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>2,388</u>	<u>(1,883)</u>

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 RM	2019 RM
CASH FLOWS FROM/(USED) IN OPERATING ACTIVITIES		
Operating surplus/(deficit) before working capital changes representing cash generated from/(used in) operating activities	2,394	(1,886)
Tax paid	(6)	-
Tax refund	-	3
Net cash generated from/(used) in operating activities	<u>2,388</u>	<u>(1,883)</u>
CASH FLOW FROM INVESTING ACTIVITY	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITY	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	2,388	(1,883)
Cash and cash equivalents brought forward	<u>4,253</u>	<u>6,136</u>
Cash and cash equivalents carried forward	<u><u>6,641</u></u>	<u><u>4,253</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u><u>6,641</u></u>	<u><u>4,253</u></u>

The annexed notes form an integral part of these financial statements

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Society is a non-profit organisation incorporated and domiciled in Malaysia

The principal activities of the Society is to organize events, talks and other programmes in relation to Public Health. There has been no change in these activities during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements of the Society were authorised for issue by Council of the Association on 26 July 2021 .

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Society have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

Sponsorship and registration fees are recognised on receipt basis.

(b) INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss..

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Society has become a party to the contractual provisions of the instrument.

Initial Recognition and measurement

On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

Subsequent Measurement

After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets are subject to review for impairment [Note 3(d)].

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Society retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Society assess whether there is any objective evidence that financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognise an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, then the reversal shall be recognised as a gain in the profit and loss account to the extent of impairment losses previously recognised.

(e) ACCUMULATED FUND

This represents the accumulated fund arising from surplus/(deficit) of income over expenditure from activities of the Society. The annual operating surplus/(deficit) is credited/(charged) to this account.

(f) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Society in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

5. EVENTS

	2020 RM	2019 RM
(a) Gotgm	196	-
(b) Mental Health Conference	2,595	-
Total	<u>2,791</u>	<u>-</u>

(a) GOTGM

	2020 RM	2019 RM
Travelling	64	-
Printing and stationery	640	-
Gift and souvenirs	833	-
Advertisement	87	-
Food and refreshments	900	-
Event registration system and others	280	-
	<u>2,804</u>	<u>-</u>
Less: Grant from MMA	<u>(3,000)</u>	<u>-</u>
Total	<u>196</u>	<u>-</u>

(b) MENTAL HEALTH CONFERENCE

	2020 RM	2019 RM
Rental of venue	3,500	-
Food and refreshments	2,118	-
Printing and stationery	822	-
Advertisement	120	-
Souvenirs	315	-
Transport	180	-
	<u>7,055</u>	<u>-</u>
Less: Grant	<u>(5,000)</u>	<u>-</u>
Registration fees	<u>(4,650)</u>	<u>-</u>
Total	<u>2,595</u>	<u>-</u>

MMA SOCIETY OF MALAYSIAN MEDICAL STUDENTS

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

6. TAXATION

	2020 RM	2019 RM
Tax charge:		
Under/(over) provision in prior year	<u>6</u>	<u>(3)</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Society is as follow:

	2020 RM	2019 RM
Surplus/(deficit) before taxation	<u>2,394</u>	<u>(1,886)</u>
Tax at statutory tax rate of 30% (2019:28%)	718	528
Expenses not deductible	3,077	2,082
Income not taxable	<u>(3,795)</u>	<u>(1,554)</u>
Charge for the year	<u>-</u>	<u>-</u>

MMA and its Funds and Societies are treated as a “Trade Association” under Section 53(3) of the Income Tax Act, 1967 and are taxed at a scale rates.

Income tax for trade associations is calculated at the Malaysian statutory tax rate of 30% (2019: 28%) on the income for the year except for the pre- determined staggered rates applicable for the first RM2,000,000 (2019: RM1,000,000) on taxable income given to the Association by the inland revenue board.

7. RELATED PARTY TRANSACTIONS

	2020 RM	2019 RM
Malaysian Medical Association		
MMA Grant	<u>8,000</u>	<u>5,550</u>

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	2020 RM	2019 RM
CURRENT ASSETS		
Cash and bank balance	6,181	3,466
TOTAL ASSETS	<u>6,181</u>	<u>3,466</u>
FUNDS AND LIABILITIES		
Accumulated fund		
As at 1 January	3,466	3,016
Surplus for the financial year	<u>2,615</u>	<u>450</u>
As at 31 December	6,081	3,466
Current liabilities		
Sundry payables	100	-
TOTAL FUNDS AND LIABILITIES	<u>6,181</u>	<u>3,466</u>

The annexed notes form an integral part of these financial statements

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

	NOTES	2020 RM	2019 RM
INCOME			
Subscriptions		300	800
Other income		2,500	-
		2,800	800
LESS : EXPENDITURE			
Bank charges		50	30
Food and refreshments		135	80
Travelling expenses		-	240
		(185)	(350)
Surplus before taxation		2,615	450
Taxation	5	-	-
NET SURPLUS FOR THE YEAR		2,615	450

The annexed notes form an integral part of these financial statements

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 RM	2019 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITY		
Operating surplus before working capital changes	2,615	450
Increase/(decrease) in payables	100	(600)
Net cash generated from/(used in) operating activity	<u>2,715</u>	<u>(150)</u>
CASH FLOW FROM INVESTING ACTIVITY	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITY	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalent	2,715	(150)
Cash and cash equivalents brought forward	3,466	3,616
Cash and cash equivalents carried forward	<u><u>6,181</u></u>	<u><u>3,466</u></u>
Cash and cash equivalents comprise:		
Cash and bank balance	<u><u>6,181</u></u>	<u><u>3,466</u></u>

The annexed notes form an integral part of these financial statements

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The principal activities of the Society are to:-

- Promote health, prevent disease and prolong life through the organised efforts of society and community.
- Influence the way the public and policymakers think and act on public health issues.
- Organise and implement health promotion and community well-being strategies, initiatives and activities.
- Provide consultancy in matters related to Public Health.
- Serve as a catalyst in matters related to Public Health.

There has been no change in these activities during the financial year.

The registered office and principal place of business is located at 4th Floor, Bangunan MMA, 124, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements of the Society were authorised for issue by Council of the Association on 26 July 2021 .

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Society have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with the significant accounting policies set out in Notes to the financial statements and The Constitution of the Association.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

Membership subscription is payable annually at the beginning of the financial year and is recognised on receipt basis. Only those subscriptions which are attributable to the current financial year are recognised as income. Subscriptions relating to periods beyond the current financial year is taken up in the balance sheet as Subscription in Advance under the heading of Current Liabilities.

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using applicable statutory tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax where considered material is provided, using the liability method, using applicable statutory rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(c) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the statement of financial position when the Society has become a party to the contractual provisions of the instrument.

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On initial recognition, financial assets and liabilities are measured at transaction price including transaction cost.

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After initial recognition, financial assets/liabilities are subsequently measured at amortised cost using the effective interest method. Transaction cost is expensed to profit or loss when incurred.

Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

All financial assets are subject to review for impairment [Note 3(d)].

Derecognition

A financial asset is derecognised when the contractual rights expire or is transferred and the Society retains no significant risk or rewards of ownership and has no involvement in the control of financial assets transferred.

A financial liability is derecognised when the contractual rights is legally extinguished where the obligation specified in the contract is discharged, cancelled or expired.

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) FINANCIAL INSTRUMENTS (CONT'D)

Gain or loss from the derecognition of financial assets/liabilities is recognised in the profit or loss through the amortisation process of the instrument.

Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and other inputs based on an observable market, in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

There were no other more complex financial instruments transacted during the financial year.

(d) IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, the Society assess whether there is any objective evidence that financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity shall recognise an impairment loss in profit or loss immediately.

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, and are assessed either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the impairment loss reverses, than the reversal shall be recognised as a gain in the profit and loss account to the extent of impairment losses previously recognised.

(e) ACCUMULATED FUND

This represents the accumulated fund arising from surplus/(deficit) of income over expenditure from the activities of the Society. The annual operating surplus/(deficit) is credited/(charged) to this account.

(f) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

MMA PUBLIC HEALTH SOCIETY

(Formed pursuant to Clause 14 (iv) of the MMA constitution)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of preparing these financial statements there were no significant judgements made by the Society in applying the accounting policies, nor, any key assumptions concerning estimation uncertainty which may have significant effects on the amounts recognised in the financial statements.

5. TAX EXPENSE

There is no tax charge for the year as the Society does not have any chargeable income.

MMA and its Funds and Societies are treated as a “Trade Association” under Section 53(3) of the Income Tax Act, 1967 and are taxed at a scale rates.