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**THE ACADEMY OF RISK MANAGEMENT
MALAYSIA BERHAD**

Company No: 201901031206 (1340536-T)
(A Company Limited by Guarantee)
(Incorporated in Malaysia)

Reports and Financial Statements
For The Financial Year Ended 31 December 2021



 **Parker Randall[®]**

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

(Incorporated in Malaysia)

CORPORATE INFORMATION

Board of Directors	:	Ir. Anuar Bin Abd Shukur Assoc. Prof. Dr. Arpah Binti Abu Bakar Abdul Halim Bin Jantan Ranjit Singh A/L Taram Singh Mohamad Bin Mohamad Zain Datuk Ir. Lim Tong Kang Prof. Dr. Taipor Bin Mohd Suhadah Dzulkifly Bin Mohd Yusof
Company Secretary	:	Satvinder Singh Gill (MIA 22130)
Registered Office	:	Unit 805, 8th Floor, Block F Pusat Dagangan Phileo Damansara 1 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor
Principal Place of Business	:	EL-11-11 Amcorp Menara Melawangi No. 18, Jalan Persiaran Barat 46050 Petaling Jaya Selangor
Auditors	:	Afrizan Tarmili Khairul Azhar PLT (LLP0031255-LCA)(AF:1300) No. 2, Jalan Rampai Niaga 2 Rampai Business Park 53300 Kuala Lumpur
Principal banker	:	RHB Bank Berhad

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Academy for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Academy are to promote and further interest of and advancement of the profession of risk management.

The Academy is incorporated in Malaysia as a company limited by guarantee and does not have a share capital.

FINANCIAL RESULTS

	RM
Net profit for the financial year	<u>10,255</u>

In the opinion of the Directors, the results of the operations of the Academy during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS

The Directors of the Academy in office since the date of last report to the date of this report are:-

Ir. Anuar Bin Abd Shukur	
Assoc. Prof. Dr. Arpah Binti Abu Bakar	
Abdul Halim Bin Jantan	(Appointed w.e.f 25 March 2021)
Ranjit Singh A/L Taram Singh	(Appointed w.e.f 25 March 2021)
Mohamad Bin Mohamad Zain	(Appointed w.e.f 25 March 2021)
Datuk Ir. Lim Tong Kang	(Appointed w.e.f 10 January 2022)
Prof. Dr. Taipor Bin Mohd Suhadah	(Appointed w.e.f 10 January 2022)
Dzulkifly Bin Mohd Yusof	(Appointed w.e.f 10 January 2022)
Zalina Binti Jaflus	(Resigned w.e.f 25 March 2021)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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DIRECTORS' BENEFITS

During and at the end of the financial year, there is no arrangement subsisted to which the Academy is a party with the object or objects of enabling the Directors of the Academy to acquire benefits by means of the acquisition of shares in or debentures of the Academy or any other body corporate.

No Directors has received or become entitled to receive any benefit (other than Director's remuneration disclosed in the notes to the financial statements) by reason of a contract made by the Academy or a related corporation with the Directors or with a firm of which the Directors is a member, or with a company in which the Directors has a substantial financial interest.

DIRECTORS' REMUNERATION

None of the directors or past Directors of the Academy have received any remunerations from the Academy during the financial year.

None of the Directors or past Directors of the Academy have received any other benefits otherwise than in cash from the Academy during financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Academy by the Directors or past Directors of the Academy during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Academy.

OTHER STATUTORY INFORMATION

Before the financial statements of the Academy were made out, the Directors too reasonable steps: -

- (a) To ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- (b) To ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Academy have been written down to an amount which they might be expected so to realise.

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

- (a) Which would render the amounts of written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Academy inadequate to any substantial extent; and
- (b) Which would render the values attributed to current assets in the financial statement of the Academy misleading; and
- (c) Which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Academy misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable or is likely to become enforceable within the year of twelve months after the end of financial year which, in the opinion of the Directors, will or may affect the ability of the Academy to meet its obligations as and when they fall due.

At the date of this report, there does not exist: -

- (a) Any change on the assets of the Academy which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) Any contingent liability of the Academy which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion;-

- (a) The results of the Academy's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely to affect substantially the results of the operations of the Academy for the financial year in which this report is made.

AUDITORS' REMUNERATION

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

	RM
Statutory Audit	<u>2,000</u>

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD
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AUDITORS

The auditors, AFRIZAN TARMILI KHAIRUL AZHAR, have expressed their willingness to continue in office.

Signed on behalf the Board in accordance with a resolution of the Directors,



MOHAMAD BIN MOHAMAD ZAIN
Director



ABDUL HALIM BIN JANTAN
Director

Kuala Lumpur, Malaysia

Date: 28 APR 2022

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD
(A Company Limited by Guarantee)
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**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

We, MOHAMAD BIN MOHAMAD ZAIN and ABDUL HALIM BIN JANTAN being two of the Directors of THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD, do hereby state that in our opinion, the accompanying financial statements are drawn up in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Academy as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf the Board in accordance with a resolution of the Directors,



MOHAMAD BIN MOHAMAD ZAIN
Director



ABDUL HALIM BIN JANTAN
Director

Kuala Lumpur, Malaysia

Date: 28 APR 2022

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, MOHAMAD BIN MOHAMAD ZAIN, being the Director primarily responsible for the financial management of THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above named MOHAMAD BIN MOHAMAD
ZAIN at Kuala Lumpur in Federal Territory
on 28 APR 2022

}
}
}
}


MOHAMAD BIN MOHAMAD ZAIN

Before me,

Commissioner for Oaths

Kuala Lumpur, Malaysia



d/a TETUAN N. BALQIS GUZALI & CO.
No. 3-1 (1) Jalan Rampai Niaga 3
Rampai Business Park
53300 Kuala Lumpur

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AFRIZAN TARMILI KHAIRUL AZHAR PLT

Chartered Accountants (AF1300) (LLP0031255-LCA)

Aftaas, 2, Jalan Rampai Niaga 2, Rampai Business Park, 53300, Kuala Lumpur

☎ (603) 4143 9330

☎ (603) 4142 9330

✉ aftaas@aftaas.com



Company No: 201901031206 (1340536-T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

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Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of fund changes and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Academy as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statement and Auditors' Report Thereon

The Directors of the Academy are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Academy and our auditors' report thereon. Our opinion on the financial statements of the Academy does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

Member of Parker Randall International



• Kuala Lumpur

• Shah Alam

• Kuantan

• Ipoh

• Kota Bharu

• Labuan

Company No: 201901031206 (1340536-T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD (CONT'D)

(A Company Limited by Guarantee)
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Information Other than the Financial Statement and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Academy, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Academy 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 Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Academy are responsible for the preparation of financial statements of the Academy that give a true and fair view in accordance with MFRS, IFRS and the requirements of Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Academy that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Academy, the Directors are responsible for assessing the Academy'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 Directors either intend to liquidate the Academy 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 Academy 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. Misstatement 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 skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Academy, 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.

Member of Parker Randall International



Company No: 201901031206 (1340536-T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD (CONT'D)

(A Company Limited by Guarantee)
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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (iv) Conclude on the appropriateness of the Directors' 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 Academy'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 Academy 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 Academy to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Academy, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

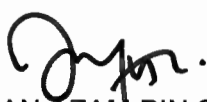
Other Matters

This report is made solely to the members of the Academy, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


AFRIZAN TARMILI KHAIRUL AZHAR PLT
(LLP0031255-LCA)(AF: 1300)
Chartered Accountants (Malaysia)

Kuala Lumpur, Malaysia

Date: 28 APR 2022


IMRAN AZAM BIN SAFAR
03323/09/2023 J
Chartered Accountant
Partner

Member of Parker Randall International



Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Revenue	5	66,900	10,000
Activities expenses		(4,327)	-
Gross profit		62,573	10,000
Administrative expenses		(43,773)	(9,634)
Operating expenses		(8,309)	(7,568)
Profit/(loss) before taxation	6	10,491	(7,202)
Taxation	7	(236)	-
Net profit/(loss) for the financial year		10,255	(7,202)

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

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Current asset			
Trade receivables		6,700	-
Cash and bank balance	8	<u>118,589</u>	<u>94,798</u>
Total asset		<u>125,289</u>	<u>94,798</u>
Represented by:			
Fund and reserves			
Accumulated profits/(losses)		<u>3,053</u>	<u>(7,202)</u>
		<u>3,053</u>	<u>(7,202)</u>
Current liabilities			
Other payable and accrual	9	122,000	102,000
Taxation		<u>236</u>	<u>-</u>
		<u>122,236</u>	<u>102,000</u>
Total fund and liabilities		<u>125,289</u>	<u>94,798</u>

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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

	Accumulated Profits RM
As at 1 January 2020	-
Net loss for the financial year	(7,202)
As at 31 December 2020	<u>(7,202)</u>
As at 1 January 2021	(7,202)
Net profit for the financial year	10,255
As at 31 December 2021	<u>3,053</u>

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

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

(A Company Limited by Guarantee)

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

	Note	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Cash flows from operating activities			
Surplus/(deficit) before taxation		10,255	(7,202)
Changes in working capital changes			
Trade receivable		(6,700)	-
Other payable and accrual		20,236	2,000
Net cash used in operating activities		<u>23,791</u>	<u>(5,202)</u>
Cash flows from financing activity			
Advance loan		-	100,000
Net cash generated from financing activity		<u>-</u>	<u>100,000</u>
Net increase in cash and cash equivalents		23,791	94,798
Cash and cash equivalents at beginning of the year		94,798	-
Cash and cash equivalents at end of the year	8	<u>118,589</u>	<u>94,798</u>

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

The Academy Of Risk Management Malaysia Berhad (Academy) is a limited company by guarantee incorporated and domiciled in Malaysia.

The principal activity of the Academy is to promote and further the interest of, and advancement of the profession of risk management.

The registered office of the Academy is located at 57 Lorong Maarof, 59000 Bangsar, Kuala Lumpur and principal place of business of the Academy is located at EL-11-11 Amcorp, Menara Melawangi, No.18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Academy have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgment in the process of applying the Academy's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of Measurement

The financial statements have been prepared under the historical cost convention except as disclosed in the respective significant accounting policies.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Academy's functional currency.

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (cont'd)

(i) Classification of financial assets (cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

(ii) Amortised cost and effective interest method

For purchased or originated credit-impaired financial assets, the Academy recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) Debt instruments classified as at FVTOCI

Subsequent measurement of debt instruments depends on the Academy's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Academy classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (cont'd)

(iii) Debt instruments classified as at FVTOCI (Cont'd)

There are three measurement categories into which the Academy classifies its debt instruments (cont'd):

- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue and foreign exchange gains and losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the year in which it arises.

(iv) Equity instruments

The Academy subsequently measures all equity investments at fair value. Where the Academy's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Academy's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (cont'd)

(v) Financial assets at fair value through profit or loss ('FVTPL')

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Academy does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

(vi) Impairment of financial assets

The MFRS 9 impairment requirements are based on an Expected Credit Loss ("ECL") model. The ECL model applies to financial assets measured at amortised cost or at FVOCI, irrevocable financing commitments and financial guarantee contracts; which include financing and advances, as well as financial instruments held by the Academy. The ECL model also applies to contract assets under MFRS 15, *Revenue from Contracts with Customers*. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(vii) Derecognition of financial assets

The Academy derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Academy neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Academy enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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(A Company Limited by Guarantee)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(c) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised and profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Financial liabilities at FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Academy does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Academy does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(ii) Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings and the Academy's perpetual preference shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial liabilities (Cont'd)

(ii) Other financial liabilities (Cont'd)

Other financial liabilities include the following items (cont'd):

- Liability components of convertible loan notes are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Derecognition of financial liabilities

The Academy derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Academy also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) Provisions

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Contingent Liabilities and Contingent Assets

The Academy does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Academy or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Academy. The Academy does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(f) Revenue recognition

(i) Membership fee

Revenue is recognised on an accrual basis when the membership application approved by Committee.

(ii) Training fee

Revenue is recognized when the services are transferred to the customer, at the transaction price.

(g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheets date

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Income tax (Cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in which at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity.

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheets date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in which at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

5. REVENUE

Revenue of the Academy represents invoiced value of the fee charged during the financial year.

	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Membership fee	11,900	5,000
Training fee	55,000	5,000
	<u>66,900</u>	<u>10,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

6. PROFIT/LOSS BEFORE TAX

Profit/loss before tax is stated after charging the following items: -

	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Auditors' remuneration	2,000	2,000
Annual general meeting expenses	9,000	324
Module development	7,000	6,111
Secretarial fee	4,106	3,475
Staff support allowance	28,000	-

7. TAXATION

	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Current taxation		
-Malaysian Income Tax	236	-

A reconciliation of income tax expenses applicable to loss before taxation at the statutory income tax rate expense and at the effective income tax rate of the Academy are as follows:

	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Loss before tax	10,491	(7,202)
Tax at Malaysia Statutory income tax rate of 17%	1,783	(1,224)
Tax effects on:		
Expenses not deductible for tax purpose	-	1,224
Utilisation of previously unrecognised tax losses	(1,547)	-
Tax expenses for the period	236	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. CASH AND BANK BALANCE

	2021	2020
	RM	RM
Cash at bank	118,518	94,719
Cash in hand	71	79
	<u>118,589</u>	<u>94,798</u>

9. OTHER PAYABLES AND ACCRUAL

	2021	2020
	RM	RM
Advance from MARIM	100,000	100,000
Accrual	2,000	2,000
Support staff allowance	20,000	-
	<u>122,000</u>	<u>102,000</u>

10. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Coronavirus outbreak

On 11 March 2021, the World Health Organization (“WHO”) declared Covid-19 outbreak as a pandemic as the virus spread around the globe. On 18 March 2021, the Government of Malaysia (“GOM”) imposed a Movement Control Order (“MCO”) which involves movement restrictions and closure of non-essential services. Subsequently, on 4 May 2021, GOM has imposed Conditional Movement Control Order (“CMCO”) which its main goal was to reopen the national economy in a controlled manner.

As the outbreak continues to evolve subsequent to the financial year, it is challenging to predict the full extent and duration of its impact on business and the economy. The Academy will continue to monitor closely the global developments of COVID-19 and respond accordingly.

11. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on the date of these financial statements.

Company No: 201901031206 (1340536-T)

THE ACADEMY OF RISK MANAGEMENT MALAYSIA BERHAD

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

	1.1.2021 to 31.12.2021 RM	30.8.2019 to 31.12.2020 RM
Revenue		
Membership fee	11,900	5,000
Training fee	55,000	5,000
	<u>66,900</u>	<u>10,000</u>
Less : Activities Expenses		
Training cost	2,327	-
Trainers allowance	2,000	-
	<u>4,327</u>	<u>-</u>
Gross Income	<u>62,573</u>	<u>10,000</u>
Less : Administrative Expenses		
Auditors' Remuneration	2,000	2,000
Bank Charges	70	15
Meeting expenses	9,000	324
Secretarial fees	4,106	3,475
Others	597	3,820
Support Staff Allowance	28,000	-
	<u>43,773</u>	<u>9,634</u>
Operating Expenses		
Office costs	-	891
Travelling Cost	1,044	-
Courier	-	22
Mileage	237	256
Module Development	7,000	6,111
Stationaries	28	288
	<u>8,309</u>	<u>7,568</u>
Total expenses	<u>52,082</u>	<u>17,202</u>
Profit/(loss) before taxation	<u>10,491</u>	<u>(7,202)</u>

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