



# Annual Report 2016



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# LIFE'S BETTER WITH A CERTIFIED FINANCIAL PLANNER PROFESSIONAL



People who work with a  
CERTIFIED FINANCIAL  
PLANNER professional are

## HIGHLY CONFIDENT

they will achieve their  
financial goals

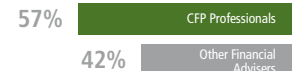
### CLIENT CONFIDENCE



People who work with a  
CERTIFIED FINANCIAL  
PLANNER professional are

## VERY SATISFIED

### CLIENT SATISFACTION



FP&B Ltd.'s global research is based on input from over 19,000 consumers surveyed online by GfK during June and July 2015, in 19 territories.

### CLIENTS RATE CFP PROFESSIONALS HIGHEST ON:

- ☒ Honesty and integrity
- ☒ Understanding clients' needs and goals
- ☒ Placing clients' interests first

## Why People Prefer to Work with a CERTIFIED FINANCIAL PLANNER Professional



### CFP PROFESSIONALS KNOW THEIR CLIENTS

Compared to other financial advisers, CFP professionals spend almost **twice as much time working directly with clients**, which helps them understand their clients' financial and life goals



### CFP PROFESSIONALS HELP THEIR CLIENTS STAY ON TRACK

People who work with a CFP professional are **48% more likely** to consider themselves **very successful** at sticking with financial strategies



### CFP PROFESSIONALS EDUCATE THEIR CLIENTS

People who work with a CFP professional are **63% more likely** to feel **very knowledgeable** about financial matters



### BENEFITS OF WORKING WITH A FINANCIAL PROFESSIONAL



58% say they are a **trusted source of advice**



58% say they show how **financial planning helps save money**



56% say they **simplify and explain financial matters**



56% say they develop a **long-term plan tailored to their needs that helps achieve financial goals**



55% say they adhere to a **rigorous code of ethics**



CERTIFIED FINANCIAL PLANNER



FINANCIAL PLANNING STANDARDS BOARD LTD. OWNS THESE MARKS OUTSIDE THE U.S. AND PERMITS QUALIFIED INDIVIDUALS TO USE THESE MARKS TO INDICATE THEY HAVE MET FPSB'S INITIAL AND ONGOING CERTIFICATION REQUIREMENTS.



[www.fpam.org.my](http://www.fpam.org.my)

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 17th Annual General Meeting of the Financial Planning Association of Malaysia (FPAM) will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Saturday, 17 June 2017 at 11.00 a.m. for the following purposes:

1. To receive the President's Statement and Board of Governor's report on the activities of the Association for the year ending 31 December 2016.
2. To receive the audited accounts of the Association for the year ending 31 December 2016.
3. To re-appoint Baker Tilly Monteiro Heng as the auditors and to authorize the Board to determine their remuneration.
4. To elect members of the Board of Governors
  - 4.1 To elect the following Charter Member Representatives to the Board of Governors:
    - 4.1.1 Ms. Eunice Chan Chun Hei (representing Malayan Banking Berhad)
    - 4.1.2 Mr. Paul Low Hong Ceong (representing Manulife Insurance Berhad)

5. Notification of increase in Financial Planning Standards Board (FPSB) Royalty Fees from RM150 to RM160 effective January 2018.

6. To consider and if thought fit, pass the following Resolution:

Resolution 1: Constitution Clause 4.1

To revise the annual recertification fee from RM250 to RM260 with effect from January 2018.

7. To consider and if thought fit, pass the following Resolution:

Resolution 2: Constitution Clause 3.2

THAT the Constitution of the Association be altered from five to six categories as follows:

- 3.2 There shall be six (6) categories of members of the Association:

- (i) Certified Member - shall be open to all individuals who are:
  - a) Certified Financial Planner (CFP) professionals only.
  - b) those who hold both Certified Financial Planner (CFP) mark **and** the Islamic Financial Planner (IFP) Certification.
- (ii) **iCertified Member – shall be open to all individuals who are qualified Islamic Financial Planner (IFP) licensee only.**
- (iii) Associate Member - shall be open to all individuals who are Associate Financial Planner (AFP) licensee.
- (iv) Trade Member - shall be open to all students who are pursuing either, the Certified Financial Planner (CFP), AFP or IFP programmes sanctioned by the Association.
- (v) Corporate Member - shall be open to all firms, companies institutions and associations dealing with financial planning services, financial products and/or related services in the financial sectors.
- (vi) Charter Member - shall be open to all firms, companies institutions and associations dealing with financial planning services, financial products and or related services in the financial sectors that are willing to opt for this type of membership.

# Notice of Annual General Meeting (cont'd)

4.1 The annual subscription fee payable shall be as follows:

<u>Type of Membership</u>	<u>Fee payable</u>
<u>Certified Member</u> Annual Subscription	RM260.00 (subject to approval of Resolution 1) (Ringgit Malaysia Two Hundred and Sixty only)
<u>iCertified Member</u> Annual Subscription	RM210.00 (Ringgit Malaysia Two Hundred and Ten only)
<u>Associate Member</u> Annual Subscription	RM150.00 (Ringgit Malaysia One Hundred and Fifty only)
<u>Trade Member</u> Annual Subscription	RM50.00 (Ringgit Malaysia Fifty only)
<u>Corporate Member</u> Annual Subscription	RM1,000.00 (Ringgit Malaysia One Thousand only)
<u>Charter Member</u> Sponsored sum	RM30,000.00 (Ringgit Malaysia Thirty Thousand only)
Annual Subscription	RM2,000.00 (Ringgit Malaysia Two Thousand only)

8. To seek approval to allow the Board to make future revisions to subscription fees.

Resolution 3: Constitution Clause 4.1 (insert after Paragraph 3)

To seek approval from members for the above resolution without having to change the Constitution, provided that the following process is adhered to:

- (a) Board to propose revision of future annual subscription fee when deemed necessary,
- (b) proposed revision must be put to vote at AGM by Certified Members for acceptance,
- (c) upon acceptance, changes to be minuted in the Board of Governors' meeting and announcement to be made to the members.

9. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

Paul Khoo Chuin Yuen  
Honorary Secretary  
Kuala Lumpur  
Date: 26 May 2017

# Board of Governors



## **Seated (L-R):**

- 1) Mr Paul Khoo
- 2) Mr Dennis Tan
- 3) Mr Ismitz Matthew (*President*)
- 4) Madam Koid Swee Lian (*CFEI Advisor*)
- 5) Ms Elena Chuah

## **Standing (L-R):**

- 1) Ms Tang Wee Hen
- 2) Ms Eunice Chan
- 3) Mr Nicholas Chu
- 4) Mr Steve Teoh
- 5) Ms Linnet Lee (*CEO*)

## **Not in picture:**

- 1) Mr Wong Loke Lim
- 2) Mr U Chen Hock
- 3) Puan Aida Daud
- 4) Ms Lor Ai Siew
- 5) Mr Kong Kim Heng
- 6) Mr David Mathew
- 7) Ms Say Sok Kwan
- 8) Mr Wong Boon Choy (*BOG Advisor*)

# Board Attendance in Year 2016-2017

## Board of Governors

- Responsible for all policy matters affecting the Association and the profession

	20 July 2016	28 September 2016	23 November 2016	25 January 2017	4 April 2017	Total
1 Sharifatul Hanizah Said Ali	•	Resigned 26 July 2016				
2 Ismitz Matthew De Alwis	•	•	•	•	•	5/5
3 Dennis Tan Yik Kuan	•	•	•		•	4/5
4 Elena Chuah Ai Ling		•	•	•		3/5
5 Paul Khoo Chuin Yuen		•	•	•	•	4/5
6 Wong Loke Lim	•	•		•	•	4/5
7 U Chen Hock				•	•	2/5
8 Steve Teoh Loon Heng	•	•	•	•	•	5/5
9 Aida Md Daud	•	•				2/5
10 Lor Ai Siew	•			•		2/5
11 Eunice Chan Chun Hei			•			1/5
12 Nicholas Chu Chee Khiang	•	•	•	•	•	5/5
13 Kong Kim Heng		•				1/5
14 Say Sok Kwan		•			•	2/5
15 David D Mathew	•				•	2/5
16 Tang Wee Hen		•	•		•	3/5



Present



Absent

# Profiles of Board of Governors



**Mr Ismitz Matthew, CFP CERT TM President**

**Mr Ismitz Matthew De Alwis** is the Chief Executive Officer for Kenanga Investors Berhad (KIB) responsible for the overall asset and investment management business of KIB and its subsidiaries. He joined Kenanga Investors in June 2013 upon the acquisition of ING Funds Berhad where he was the Executive Director and country head. He started as an Investment Analyst with a regional research & advisory firm, where he obtained vast regional exposure in Hong Kong, Philippines, Dubai and Singapore. He brings with him 23 years of experience, multiple expertise and several leadership roles in the fields of financial and investment management both regionally and locally.

Ismitz attended the Advanced Business Management Program (ABMP) by International Institute for Management Development (IMD), Lausanne, Switzerland, holds an MBA and a Bachelor Degree in Business Administration. He also holds the professional qualifications from the Chartered Institute of Marketing UK (CIM UK) and is a CFP Professional. He holds a Capital Markets Services Representative's License (CMSRL) from the Securities Commission for fund management and investment advice. Ismitz is also currently on the board of the Federation of Investment Managers Malaysia (FIMM).



**Dennis Tan Yik Kuan, CFP CERT TM Vice President**

**Mr Dennis Tan** is the Managing Director of iFAST Capital Sdn Bhd and Executive Director for iFAST Malaysia Sdn Bhd. He also oversees the iFAST Integrated Wealth Management Platform ("iFAST Platform") business in Malaysia which serves Corporate Unit Trust Advisers and financial institutions. He has over 10 years' experience in the unit trust industry.

Dennis joined iFAST Corp in 2002 as an IT Manager and was actively involved in the software development for end-user application. In 2004, he climbed the ranks to take on the position of Business Development Manager responsible for the growth of the software division business. In 2006, he was promoted to Managing Director of iFAST Service Centre Sdn Bhd and took on the role as the Managing Director of iFAST Capital Sdn Bhd in 2008. Dennis is a Computer Science graduate from University Putra Malaysia (UPM) and is a CFP Professional.



**Elena Chuah Ai Ling Vice-President**

**Ms Elena Chuah Ai Ling** currently holds the role of GHR-PMO Special Projects after 14 years in a sales position with CIMB Bank Bhd. In her current regional role under PMO Special Projects, she is responsible for 2 main portfolios. First is to drive Culture Transformation for CIMB Group towards a unified corporate culture whilst the second portfolio entails reviewing and revamping CIMB's Graduate Management Programme. This is consistent with CIMB Group's commitment and aspiration to groom the bank's future leaders who will, in turn, support its growth of ASEAN. Her previous position was Head of Consumer Sales Channel Support. Elena has been a member of the FPAM Board of Governors since 2014.



**Mr Paul Khoo Chuin Yuen, CFP CERT TM Honorary Secretary**

**Mr Paul Khoo** is currently the non-executive Chairman of StandardFA and sitting as Vice President of FinTech Association of Malaysia. He has over 19 years of financial services industry experience and obtained his fund manager representative license while he was in the fund management industry. He joined StandardFA from a local asset management firm, where he was CEO, overseeing Malaysia & Vietnam. He started his fund management career with a global asset management firm and assumed various senior roles before serving as their Chief Marketing Officer. Paul has served as an independent director, audit committee, nomination & remuneration committee of a listed mobile virtual network operating company from 2011 to 2014. He graduated from University of New Orleans, USA with a Bachelor of Science in Finance majoring in Investment. He is also a CFP Professional and a Licensed Financial Planner.

# Profiles of Board of Governors (cont'd)



**Mr. Wong Loke Lim, CFP CERT TM Honorary Treasurer**

**Mr Wong Loke Lim** is currently the Managing Director of i-Biz Concept Sdn Bhd, a financial training and management resources provider. He is also a director of TCF Solutions Berhad, a Bursa Malaysia-listed company. He has almost thirty years of experience in the banking and finance-related industry. Prior to that, Mr Wong was a general manager at KAF Investment Bank Berhad, an executive director/licensed fund manager representative at Hickham Capital Management Sdn Bhd and the Group Chief Internal Auditor of a KLSE-listed company. Mr Wong was the Deputy President of FPAM from 2011-2013 and was first elected to the Board of Governors of FPAM in 2007. He is a CFP Professional, a chartered accountant and a fellow of the Association of Chartered Certified Accountants.



**Mr Steve Teoh Loon Heng, CFP CERT TM Board & Founding Member**

**Mr Steve Teoh** was the Past President of FPAM and served as Chair of its Appeals Committee/Disciplinary Board. He was also the Editor and Editorial Panelist of FPAM 4E Journal. Steve was in the Working Group for Financial Planning at the Malaysian Institute of Accountants and a member the Financial Planning Standards Board Communications Advisory Panel that supports the CFP brand development and communications activities amongst its affiliates. Steve has served as Chair of the Malaysian Financial Planning Industry Consolidation Taskforce assisting the development of the Malaysian financial planning industry and a Work Group Member Representative of the industry Self-Regulatory Organization initiatives. He is also a founding trustee of the BUDIMAS Charitable Trust, under the royal patronage of DYMM Seri Paduka Baginda Raja Permaisuri Agong. He is a political science graduate and a CFP Professional. He was also a Licensed Representative of a Wealth Management Consultancy and Executive Director of a licensed asset management company.



**U Chen Hock, CFP CERT TM Board Member**

**Mr U Chen Hock** is a Board Member of FPAM since 2011 and was the President of FPAM for 1.5 terms between 2005/2008 before leaving Malaysia for his overseas postings. He was the Executive Director/Head, Group Retail Banking of RHB Bank Berhad.

Mr U was formerly the CEO/Executive Director of OSK Investment Bank Berhad (OSKIB) before its merger with RHB Investment Bank. Prior to joining OSKIB, he had an illustrious career spanning over 30 years with a global bank during which time, he had assumed numerous positions and responsibilities in Malaysia, Taiwan & Hong Kong in the areas of corporate, commercial and consumer banking. He is a CFP Professional.



**Puan Aida Daud, CFP CERT TM Board Member**

**Puan Aida Md Daud** is currently the Senior Vice President of Human Capital Management and Development Division of Permodalan Nasional Berhad (PNB). She joined PNB in 1981 as an analyst, holding various positions in Research and Corporate Services. She was the Head of Corporate Services before leading the training and development function in the HR Division. She subsequently headed the division since 2012. Aida graduated from ITM with a Diploma in Public Administration (Finsia) during her one-year attachment with JB Were & Sons in Melbourne, Australia in 1984. She then pursued her Bachelor of Science degree in Business Administration (Finance and Law) from Portland State University, USA and later an MBA from Strathclyde University, Scotland. She is a CFP Professional and is a Board Member of FPAM since 2009. She is also a Senior Associate Member of Finsia.

# Profiles of Board of Governors (cont'd)



**Ms Lor Ai Siew, CFP<sup>CERT</sup>™ Board Member**

**Ms Lor Ai Siew** is currently the General Manager of Retail Business and Support Department at Public Mutual, overseeing Business Development, Agent Service and Insurance matters. She joined Public Mutual in 1996 and has accumulated more than 20 years of experience in the Malaysian unit trust industry.

Ms Lor is a CFP Professional and has served as a Board Member of FPAM since 2011. She is currently on the FPAM Board of Membership Affairs (BOMA) under the Industry Services Committee. She holds a BA (Hons) degree.



**Ms Eunice Chan Chun Hei Board Member**

**Ms Eunice Chan** is currently the Head of High Net Worth and Affluent Banking, Community Financial Services, Malayan Banking Berhad. She is also the council member of Maybank Group Women Mentoring Women Council and Committee Chair for Finance/Banking of International Women Federation of Commerce and Industry. Ms Chan was the Director of Global Securities Services Maybank and Chief Executive Officer of Maybank Trustee Berhad. Prior to her appointment, Eunice was the Director of Custodial Services. She joined Maybank Group in 1997 as Head of Business Operations in Mayban Unit Trust Berhad. In 2007, she was appointed as the Head of Business Process Management in Service Level Management and Quality cum Strategic Planning and Performance Management in the Chief Operating Officer's office. In 2009, she was seconded to the Transformation Office to spearhead the PMO of restructuring initiatives of the Bank. Prior to joining Maybank, she was the Share Market Review Analyst for the New Zealand Stock Exchange. She holds a Bachelor of Commerce and Administration from the Victoria University of Wellington, New Zealand.



**Mr Kong Kim Heng, CFP<sup>CERT</sup>™, IFP<sup>TM</sup> Board Member**

**Mr Kong Kim Heng** is currently Head of Wealth Management of a local financial institution. He has more than 17 years' experience in the financial services industry as well as Malaysian Accounting and Taxation Strategies. His vast experience spanned from both conventional and Islamic space for international and local financial institutions including developing and growing innovative and differentiated wealth management solutions for retail clients. He was one of the pioneer groups who launched innovative partial capital protected structured products in the mid-2000s. He also created and launched physical gold trading based on Islamic principles for the banking industry in 2011. Mr Kong founded a full-fledged accounting firm and a financial training and advisory firm where he sits as non-compensated Advisor. He has been interviewed by major newspaper and financial magazines on financial planning as well as taxation issues and strategies. Mr Kong is a member of Malaysia Institute of Accountants, Associate Member of Chartered Tax Institute Malaysia and MAICSA. He is a CFP Professional and an IFP® certificant and has been a Board member of FPAM since 2015.



**Mr Nicholas Chu Chee Khiang, CFP<sup>CERT</sup>™, IFP<sup>TM</sup> Board Member**

**Mr Nicholas Chu Chee Khiang** is the Managing Director of Max Growth Wealth Education Sdn Bhd, a company providing financial education for the public. He is also attached to Phillip Wealth Planner Sdn Bhd as a Licensed Financial Planner and a Financial Adviser Representative. Nicholas has written 3 financial planning books entitled; "Learning Financial Planning –The Fundamental", "Retirement Chips" and "Big Life Financial Management". With his vast experience in financial planning, Mr Chu was appointed as a columnist for the financial section in Nanyang Siang Pau, Sin Chew Jit Poh, China Press, Money Compass, Feminine magazine, etc. He is also a frequent guest speaker on local radio station (AiFM, OneFM) and TV Stations (NTV 7, Bernama TV, 8TV and Astro). Mr Chu is a CFP Professional (CFP) and an IFP® certificant. He was elected to the FPAM Board of Governors in 2015. Prior to this, he was Chairman of FPAM Melaka Chapter from 2011 to 2015.

# Profiles of Board of Governors (cont'd)



**Ms Tang Wee Hen, CFP<sup>CERT</sup>™** *Board Member*

**Ms Tang Wee Hen** was Deputy President of FPAM from 2013 to 2015. She also lead the Practitioner Development Work Group, a member of the Financial Planning Association (FPA USA) Global Committee and Asia Pacific Geographic Focus Group. She is also one of the judges for PlanPlus Global Financial Planning Award (Asia) and Malaysian Financial Planner of the Year Award (MFPYA). She is active in promoting financial planning practice in the local, region and international scene. She is a CFP Professional (CFP), Professional Certified Coach (PCC) credentialed under International Coach Federation (ICF) USA and a Certified Coach for Marshall Goldsmith Stakeholder Centered Coaching and also a Chartered Accountant (Bachelor of Accounting, Universiti Malaya). She was the Asia Vice President of PlanPlus Inc, a world class financial planning software and training company in Canada. Prior to this, she was the Vice President of CIMB Wealth Advisors Financial Care Centre. Ms. Tang has also held various local, regional and international roles with NCR Malaysia, NCR Corporation (USA), IPerintis and British American Tobacco in the areas of finance, accounting, auditing, taxation and project management.



**Ms Say Sok Kwan** *Board Member*

Associate Professor **Say Sok Kwan** is the Vice-President - Collaboration, Innovation & Entrepreneurship, Tunku Abdul Rahman University College (TAR UC). Her roles include managing the university college's innovation and commercialization eco-system; building and strengthening collaboration with the industry, alumni, professional bodies and other institutions of higher learning; and driving the transformation of the campus community into an active entrepreneurship community.

Associate Professor Say is a member of The Chartered Institute of Management Accountants (CIMA), United Kingdom and holds a MBA from the University of Leicester, United Kingdom. She is a Board Member of FPAM since 2011.



**David Dinesh Mathew** *Board Member*

**Mr David Dinesh Mathew** is a Partner at Messrs Shook Lin & Bok, one of the largest law firms and oldest of local origin in Malaysia. Mathew graduated with a LL.B (Honours) from the University of London in 2002. He was called to the Bar of England and Wales as a member of the Honourable Society of Gray's Inn in 2003. He obtained a Masters in Law (LL.M) at the University of London in 2004 and holds a Graduate Diploma in Law from City University, London as well as credits in the subjects of US and EU Antitrust and Banking and Finance Law from Cornell University.

Matthew acts as counsel for two major Malaysian public utility companies. He has handled judicial review applications for regulatory bodies and international clients against local authorities. He was involved in a few important human rights cases relating to religious freedom and native title rights. Mathew has taught in University of Malaya final year LL.B subject and continues to lecture on an ad hoc basis. He also conducts workshops on Anti-Money Laundering and Anti-Terrorism Financing, Competition Law and Employment Law.



**Sharifatul Hanizah Said Ali, CFP<sup>CERT</sup>™** *Immediate Past President (Resigned 20 July 2016)*

Sharifatul Hanizah Said Ali, was previously the Chief Executive Officer of Muamalat Invest Sdn Bhd (MISB). She joined MISB in October 2012 and was later appointed Executive Director in December 2012. Sharifatul has 26 years of experience in the financial services industry. She began her career in the capital markets industry in 1988 with a bank backed broking house. Thereafter she joined Permodalan Nasional Berhad ("PNB") in 1991 where she held several senior positions in the areas of Investment, Corporate Services and CEO's office. She later helmed RHB Asset Management Sdn Bhd in 2007 and subsequently as Managing Director of RHB Investment Management Sdn Bhd from 2008 to 2012. During her tenure at PNB and RHB, she also served on the boards of both exchange listed and private companies as a nominee for both organisations.

Sharifatul has been a member of the Board of Governors of the FPAM since 2010. She was the Honorary Treasurer from 2011 to 2013. She is a CFP Professional as well as a Fellow of the Financial Services Institute of Australasia.

# President's Statement

On behalf of the Board of Governors, I have the pleasure to present to you the 16th Annual Report and Financial Statements of the Financial Planning Association of Malaysia for the year ended 31 December 2016.

## Financial Performance

For the year ended 31 December 2016, the Association achieve a revenue of RM 1,945,774. This represents a 1% drop over the revenue for 2015.

During this period, in the face of lingering economic challenges, we manage to record a surplus of RM21,213.

In line with reduced surplus we also reduce expenditure and at the same time continued with our planned activities and engagements during the course of the year to further heighten visibility of FPAM and for members' benefits.

Post modules compression exercise, 2016 saw a stabilization of membership and exams with 223 candidates for Module 1 and decrease in candidates for Modules 2, 3 and 4.



For 2017, our focus remains in the 3 key areas, membership growth, self-sustainability and visibility with the following initiatives:

- introduction of Membership Affinity Programme (MAP)
- commencement of initiatives under the grant awarded by Capital Market Development Fund (CMDF)
- rolling out stage 2 of our Membership Management Automation System (MMAS) which allows registration and payment for CE workshops and events.
- continual co-organization of the second Annual Financial Planner Signature Conference
- on-going media mentions, articles and outreach programmes to promote the CFP mark, IFP designation, the Association as well as to give visibility to our Certified Members. These also create greater awareness with our stakeholders and the general public.

## Membership

Notwithstanding the efforts above, the number of current certified members saw a decrease from 2,697 to 2,598 individuals, by 99 or 3.6%. This is attributed by various cost compressions by financial institutions. Increment globally saw a robust growth of CFP professionals to 170,100 (5.1%) for 2016. Malaysia now rank 11th among the 26 affiliates in terms of total CFP professionals worldwide due to merger of financial planning associations in countries like Brazil and Europe, hence their exponential growth in numbers.

We are pleased to record that the Association maintained its charter members and corporate members. Potential areas for the profession continue to come from the demand for more Licensed Financial Planners.

CFP Professionals in financial planning, financial advice and wealth management space, who can offer good financial planning advice, as well as tied-agents who are skilled in need-based selling, continue to be in demand by our growing working Malaysians.

FPAM continues its initiatives to grow membership by creating awareness of the importance of financial planning, being client-centric and having high integrity in good practices among stakeholders.

# President's Statement (cont'd)

## Stakeholders Engagement

For 2017, the Association is increasing its engagement by empowering consumer through its CMDf initiatives as well as increased public financial literacy programmes. It is heartening to receive more requests for talks and workshops from organizations and through our Certified Members who are involved in community work.

The MAP enables FPAM to have strategic collaboration with stakeholders within and outside the financial industry to increase our visibility and at the same time provide complementary services and products for Members' benefit. It is an organic list as we carefully curate new products and services.

## CE Workshops

Our continuing education courses took a revamp in 2016 and we will be re-labelling it CE Workshops in 2017.

We are aligning our Continuing Education points requirement with the MMAS by streamlining annual points required and at the same time, increasing the range of activities to obtain these points so that Members can have a diversity of learning as well as to cater for outstation members.

## Chapters

We are very pleased to announce that in 2016, Johor Chapter was rejuvenated and under the able leadership of its Pro-tem Committee, it surpassed all activities required by the Chapter Guidelines. We now have six active chapters and we thank the respective Chapter Committee Members for their spirit of volunteerism and our chapter members for participating in the activities painstakingly and carefully organized by its Committee Members.

## Acknowledgement

I would like to thank each and every one of my fellow Board members for their support and contribution to the Association in terms of time, knowledge and expertise, which has helped me to continue carrying out my responsibilities.

The Board of Governors will continue to plan new strategies and implement existing ones for the Association's direction.

On behalf of the Board of Governors, I would also like to express my appreciation to the following:

- Secretariat of FPAM for their contribution in the management of the Association.
- Individual, Charter and Corporate members for your unwavering commitment and support of FPAM and its activities.
- Stakeholders for their valued collaboration with FPAM.

Last and most importantly, on behalf of FPAM, I would like to acknowledge the contributions of our retiring Board Members, Mr Steve Teoh, Mr U Chen Hock and Mr Wong Loke Lim over their illustrious years at FPAM. May the many years ahead bring you all joy and time to do the things you love best. Congratulations on your retirement!

On that note, I wish all another productive and blessed year in your financial and life's journey ahead.

# Calendar of Events

for the Year 2016

## Continuing Education (CE) Workshops

This year a total of 21 workshops with fees were organised nationwide. Of these workshops, 13 were organised by FPAM in the Klang Valley and the balance by the local Chapters in their respective regions. All workshops were accredited by SIDC with 10 CPE points and by FIMM for 8 CPD points. Workshops were held on weekends as well as weekdays.

## KLANG VALLEY CALENDAR OF EVENTS FOR THE YEAR 2016

### January 21

Workshop : **Wealth Maximization through Tax Planning**  
 Instructor : KP Bose Dasan  
 Venue : Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur

### January 28

Event : **FPAM Annual Luncheon Talk and Networking Event**  
 Instructor : Dr. Veerinderjeet Singh  
 Venue : Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur



### January 28

Event : **FPAM Annual Chapter Meeting**  
 Venue : Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur



### February 18

Workshop : **New Retirement Realities**  
 Instructor : Rajen Devadason  
 Venue : Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur

### March 19

Workshop : **Estate Planning for Muslims & Non-Muslims and Benefits of Setting up Hibah/Trust**  
 Instructor : NurSabrina Soon Abdullah  
 Venue : Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur



### April 14

Workshop : **Alternative Strategies for Investing in Equities for Financial Planners and Individual**  
 Instructor : Stanley Loh  
 Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

### April 28

Event : **Thursday Tea Talk: 6-Figure Recurring Income with 50 clients**  
 Instructor : Yap Ming Hui  
 Venue : iFAST Training Room, Kuala Lumpur



### May 14

Workshop : **Comprehensive Tax Workshop for Financial Planners and Individuals**  
 Instructor : Kong Kim Heng  
 Venue : Bilik Kiara, kelab Golf Perkhidmatan Awam (KGPA), Kuala Lumpur



# Calendar of **Events** (cont'd)

for the Year 2016

## May 26

Event : **The Inaugural Annual Financial Planning Signature Conference 2016 (AFPSC2016)**  
Venue : Sasana Kijang, Bank Negara Malaysia



## June 25

Event : **MFPYA Award Ceremony**  
Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



## June 25

Event : **Excellence and Merit Award Ceremony for CFP**  
Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



## June 25

Event : **16th Annual General Meeting**  
Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur



## June 29

Workshop : **Understanding General Insurance and How It Benefits Your Clients**  
Instructor : Norman Michael Tan  
Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

## June 13 & 14

Event : **CFP Certification Examinations**  
Venue : Kuala Lumpur, Penang, Johor, Sabah & Sarawak

## July 16

Workshop : **Comprehending Market Behaviour as Key to Educating and Connecting With Your Clients**  
Instructor : Joel See and Alwin Ng  
Venue : Dewan Perdana, Bukit Kiara Equestrian Resort, Kuala Lumpur

## August 18

Workshop : **Financial Planning From a Shariah Perspective**  
Instructor : Aida Morisa Mokhtar  
Venue : Dewan Berjaya, Bukit Kiara Equestrian Resort, Kuala Lumpur

# Calendar of **Events** (cont'd) for the Year 2016

## September 24

Workshop : **Practical Applications  
in Using REITs as  
Alternative Property  
Investment**

Instructor : Lieu Ching Foo

Venue : Dewan Berjaya, Bukit  
Kiara Equestrian Resort,  
Kuala Lumpur

## October 20

Workshop : **Introduction to  
Alternative Investments**

Instructor : Chris Gan

Venue : Dewan Berjaya, Bukit  
Kiara Equestrian Resort,  
Kuala Lumpur

## November 19

Workshop : **From an Agent to Fee  
for Service Financial  
Advisor**

Instructor : Yap Ming Hui

Venue : Dewan Perdana, Bukit  
Kiara Equestrian Resort,  
KL

## December 15

Workshop : **The Anti-Money  
Laundering, Anti-  
Terrorism Financing &  
Proceeds of Unlawful  
Activities Act 2001 –  
Your Role &  
Responsibilities**

Instructor : Mohammad Ridzuan  
Abdul Aziz

Venue : Dewan Berjaya, Bukit  
Kiara Equestrian Resort,  
Kuala Lumpur

## December 17 & 18

Event : **CFP Certification  
Examinations**

Venue : Kuala Lumpur, Penang,  
Johor, Sabah & Sarawak



# Calendar of **Events** (cont'd)

for the Year 2016

## CHAPTERS CALENDAR OF EVENTS

### Perak

#### March 5

Workshop : **Looking Beyond Financial Statements – Investor's Perspective**  
 Instructor : James Oh  
 Venue : Ibis Style Hotel Ipoh, Perak

#### April 22

Workshop : **Chapter Annual Dinner & Networking Night**  
 Venue : MH Hotel Ipoh, Perak

#### May 7

Workshop : **The Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 – Your Role & Responsibilities**  
 Instructor : Koid Swee Lian  
 Venue : Symphony Suites Hotel Ipoh, Perak

#### August 6

Workshop : **Public Education Talk on Divorce – Issues & Implications**  
 Venue : MH Hotel Ipoh, Perak

#### August 7

Workshop : **FPAM Perak Chapter General Meeting**  
 Venue : Kinta Riverfront Hotel Ipoh, Perak

#### September 3

Workshop : **Corporate Governance for Investment and Finance Professionals**  
 Instructor : Vergis Mathew  
 Venue : Symphony Suites Hotel Ipoh, Perak

### Melaka

#### March 12

Workshop : **Wealth Maximization through Tax Planning**  
 Instructor : KP Bose Dasan  
 Venue : Marvelux Hotel, Melaka

#### May 17

Workshop : **Networking Night**  
 Venue : Terra Nova Hotel, Melaka

#### July 13

Event : **Opportunities in Listed Derivatives**  
 Speaker : Eunice Choo  
 Venue : Holiday Inn, Melaka

#### September 24

Workshop : **The Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 – Your Role & Responsibilities**  
 Instructor : Koid Swee Lian  
 Venue : Kings Green Hotel, Melaka

### Penang

#### January 9

Workshop : **Unit Trust Investment Fair**  
 Venue : Wawasan Open University, Penang

#### July 2

Workshop : **Evaluate Your Client Insurance Policies**  
 Instructor : Irene Lee  
 Venue : Sunway Hotel Georgetown, Penang

#### November 26

Workshop : **The Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 – Your Role & Responsibilities**  
 Instructor : Mohammad Ridzuan Abdul Aziz  
 Venue : Evergreen Laurel Hotel Penang

### Sabah

#### February 27

Event : **Sabah Chapter General Meeting**  
 Venue : Gaya Central Hotel, Kota Kinabalu, Sabah.

#### February 27

Event : **Divorce: Issues and Implications**  
 Venue : Gaya Central Hotel, Kota Kinabalu, Sabah.

#### May 20

Workshop : **Investment Planning in the Current Economic Climate**  
 Instructor : Wee Hun Been  
 Venue : The Palace Hotel Kota Kinabalu, Sabah

#### May 21

Workshop : **Estate Planning for Muslims & Non-Muslims and Benefits of Setting up Hibah/Trust**  
 Instructor : Nur Sabrina Soon Abdullah  
 Venue : The Palace Hotel Kota Kinabalu, Sabah

#### June 11

Workshop : **Borneo Investment Strategic Outlook Forum 2016**  
 Venue : Sutera Harbour Resort, Kota Kinabalu, Sabah

#### November 12

Workshop : **Alternative Strategies for Investing in Equities for Financial Planners and Individuals**  
 Instructor : Stanley Loh  
 Venue : Grandis Hotel Kota Kinabalu, Sabah

# Calendar of **Events** (cont'd) for the Year 2016

## Sarawak

### March 18

Workshop : **Wealth Maximization through Tax Planning**  
Instructor : KP Bose Dasan  
Venue : Pullman Hotel Kuching, Sarawak

### March 19

Workshop : **Investment Strategy and Asset Allocation in the Age of Zero Marginal Cost and Droidonomics**  
Instructor : Phua Lee Kerk  
Venue : Pullman Hotel Kuching, Sarawak

### May 21

Workshop : **Investment Planning in the Current Economic Climate**  
Instructor : Wee Hun Been  
Venue : Abell Hotel Kuching, Sarawak

### June 4

Workshop : **Chapter General Meeting & Networking Night**  
Venue : Abell Boutique Hotel Kuching, Sarawak

### August 13

Workshop : **Investment Planning in the Current Economic Climate**  
Instructor : Wee Hun Been  
Venue : Dynasty Hotel Miri, Sarawak

## Johor

### March 18

Event : **Johor Chapter reinstatement**  
Venue : Gallery, Eco Business Park 1, Johor Bahru

### June 16

Event : **Thursday Tea Talk: Opportunities in Listed Derivatives**  
Instructor : Eunice Choo & Wan Intan Wan Suffian  
Venue : Ponderosa Golf and Country Club, Taman Ponderosa, Johor Bahru

### July 16

Workshop : **Alternative Strategies for Investing in Equities for Financial Planners and Individuals**  
Instructor : Stanley Loh  
Venue : Ponderosa Golf and Country Club, Taman Ponderosa, Johor Bahru

### September 23

Event : **Introduction and Benefits of Offshore Insurance: How You Can Diversify Your Wealth with Offshore Insurance Opportunities**  
Venue : Ponderosa Golf and Country Club, Taman Ponderosa, Johor Bahru

### November 11

Workshop : **Networking & Appreciation Night**  
Venue : Ponderosa Golf and Country Club, Taman Ponderosa, Johor Bahru

### December 14

Workshop : **Talk by Ministry of International Trade and Industries**  
Venue : MITI, Johor Bahru

# Report of the Board of Governors

for the Year ended 31 December 2016

The Board of Governors have pleasure in submitting their report and audited financial statement of the Association for the financial year ended 31 December 2016.

## Principal Activities

The Association's principal activities are to conduct its affair with the primary purpose of educating the public on the benefits of financial planning and to conduct certification courses and examinations leading to CFP certification. There has been no significant change in the nature of these activities during the financial year.

### 1.0 Financial Results

Operating surplus for the year

**RM21,213**

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

#### Reserves and Provisions

There were no material transfer to or from reserve or provision during the financial year Other than those disclosed in the financial statements.

### 2.0 Education and Examination

#### 2.1 Updates for 2016

##### Membership and Examination Automation System

FPAM embarked on the automation of its membership and examination system in 2016. The first phase which involved online registration for the examinations commenced in August 2016. The response from members to the online registration was very encouraging. Members appreciated the convenience of being able to register online at their leisure. The second phase of automation which includes online membership recertification and member information update will commence in 2017.

##### Prior Learning Recognition Assessment (PLRA)

Prior Learning Recognition Assessment (PLRA) was introduced in response to requests by members of the public who want to register for the certification program but do not possess the minimum requirement of a Bachelor degree.

Under this program, interested candidates who have at least a Sijil Pelajaran Malaysia (SPM) certificate and 5 years of relevant working experience in the financial services industry, are eligible to register for the assessment.

Upon passing the assessment, candidates will be allowed to register for the CFP certification program.

##### Appointment of New Education Providers

FPAM's Board of Governors approved the appointment of 2 approved education providers for the CFP certification program in 2016.

These approved education providers are Universiti Tunku Abdul Rahman (UTAR) and Sunway University.

These two universities have business schools with a large thriving student population. The universities realizing the importance of their students having additional professional qualifications to enhance their marketability in the job market have agreed to collaborate with FPAM on the CFP certification program.

The universities cognizant of the importance of the certification program for those working in the financial services industry and based on their track record in offering professional programs would also like to offer the program to working professionals.

# Report of the Board of Governors (cont'd) for the Year ended 31 December 2016

## 2.2 Enrollment Trend

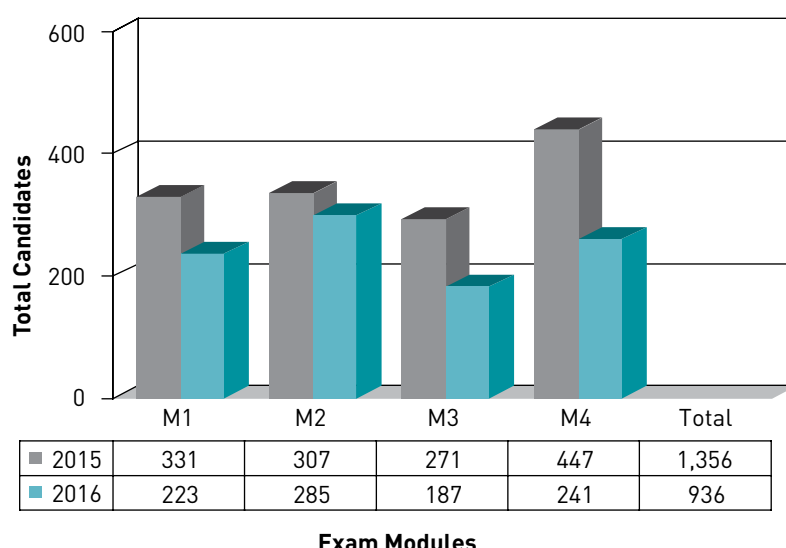
A total of 936 candidates registered for the certification examinations in 2016 compared to 1,356 in 2015, recording a decrease of 31%.

The sharp decrease in examination registrations for 2016 is a result of the continuing challenging economic environment.

Those affected are:

- Companies which sponsor their employees for the program and which have had to implement cost compression activities resulting in them either decreasing total sponsorships or deferring registration for the program.
- Individuals especially those who enroll in the program for their own knowledge.

**Comparison of Candidates by Exam Modules 2016 vs 2015**



An analysis of registrations by industry for 2016 shows a decrease in registrations from the major sectors like banking, unit trust and insurance. The decrease in registrations were also due to cost compression activities in view of the current economic environment.

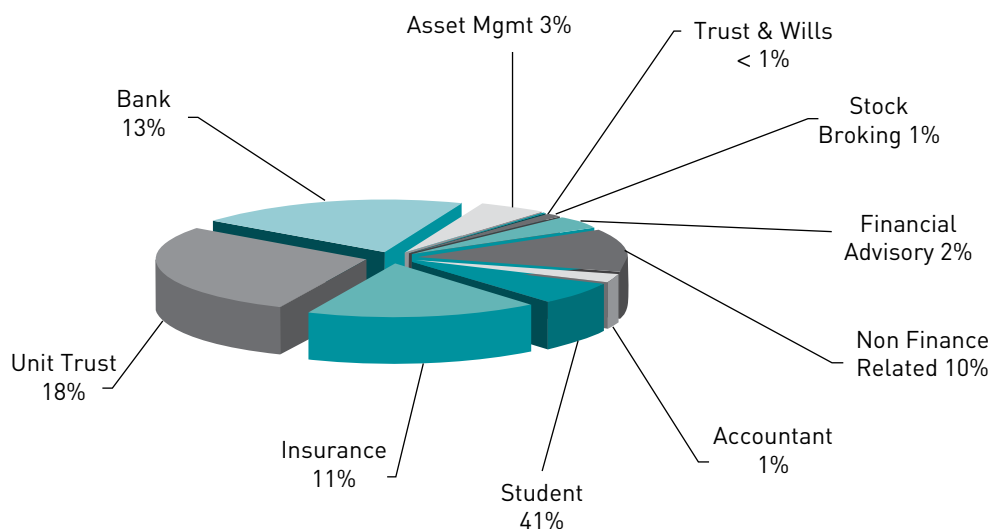
Nonetheless, these sectors continue to be the major contributors to examination revenue for 2016 accounting for 42% of total registrations. The demand for managers who are professional, ethical and able to serve the needs of more sophisticated consumers remains, hence the registration for the program.

Students continue to be the top contributor to examination registrations totaling 41% in 2016 highlighting the importance of a professional qualification in addition to a Bachelor degree in the current job market.

# Report of the Board of Governors (cont'd)

for the Year ended 31 December 2016

**Analysis of Exam Candidates by Industry for 2016**



## 3.0 Membership

### 3.1 Individual Members

#### 3.1.1 Membership by Category

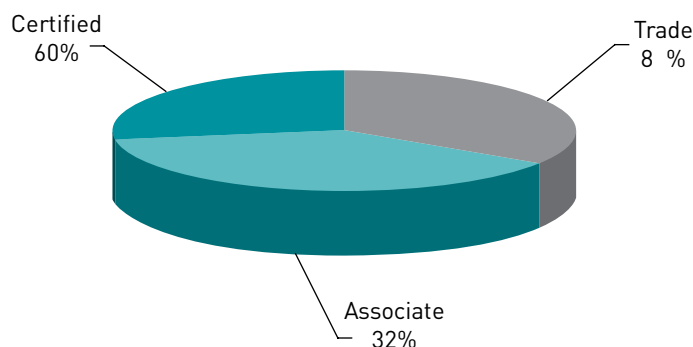
The total number of members who have completed or are undergoing CFP certification program as at 31 December 2016 stands at 4,363. For the year ended 2016 as per previous years, only members who paid their dues in 2016 are recognized as members.

The decrease in new members and membership recertification for all categories in 2016 were the main factors contributing to the decline. This was despite concerted efforts to encourage members to recertify their membership and programs highlighting the benefits and advantages of the CFP mark.

The challenging economic environment was the main factor for the decrease in membership recertification for 2016 as many individual members who are not licensed opted to defer their recertification.

This environment resulted in continuing cost compression measures by many companies which used to sponsor their employees for the program has also impacted new member registrations and recertification. The slowdown in examination registrations have led to a decrease in Trade member registrations and Associate member upgrades and recertification as many Associate members have deferred their recertification to a time when they want to continue with their examinations.

**Membership as at 31 December 2016**



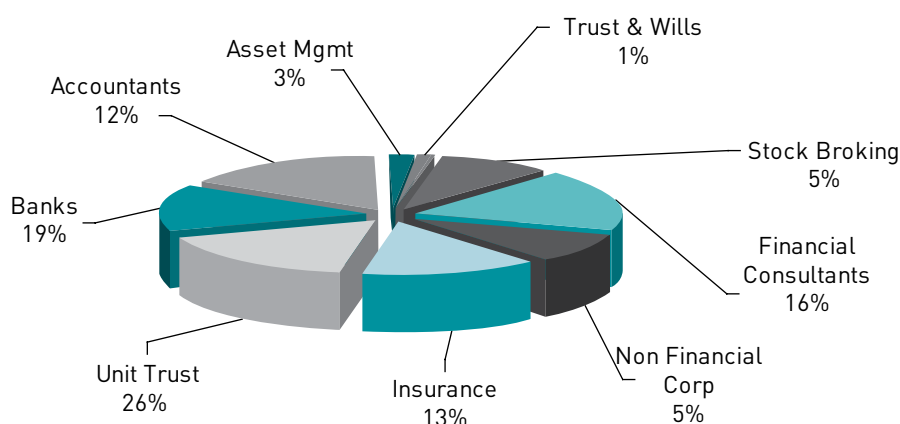
# Report of the Board of Governors (cont'd) for the Year ended 31 December 2016

## 3.1.2 CFP Professionals by Industry

An analysis of the 2,598 Certified members as at 31 December 2016 by industry indicates that the largest groups of Certified members continue to be those working in the unit trust, banking and financial consultancy and advisory sectors. Members working in the unit trust industry and banks form the largest groups, each accounting for 26% and 19% respectively.

Members working in these sectors still form the largest groups of Certified members. This is especially so in the current economic environment where quality of service aside from competitive financial products rule the market. One of the ways to provide the best service possible, is to equip employees with a globally recognized professional qualification that would provide them with the knowledge to enhance the level of service provided to their clients.

**CFP Professionals By Industry as at 31 December 2016**

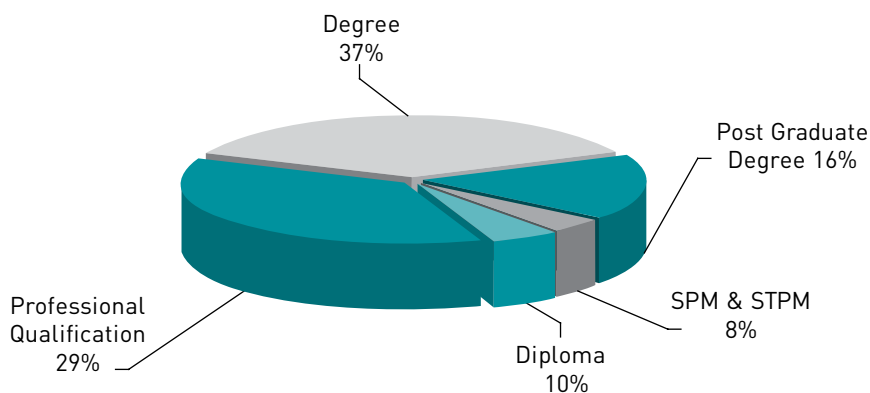


## 3.1.3 CFP Professionals by Qualification

The CFP designation continues to be sought after by professionals. This is due to the recognition accorded to it worldwide and by local regulatory bodies.

Over 82% of Certified members possess at least a degree and for those working in the financial services industry, the qualification is the one which is relevant to their career and able to provide opportunities for career enhancement and growth.

**CFP Professionals By Qualifications as at 31 December 2016**



# Report of the Board of Governors (cont'd)

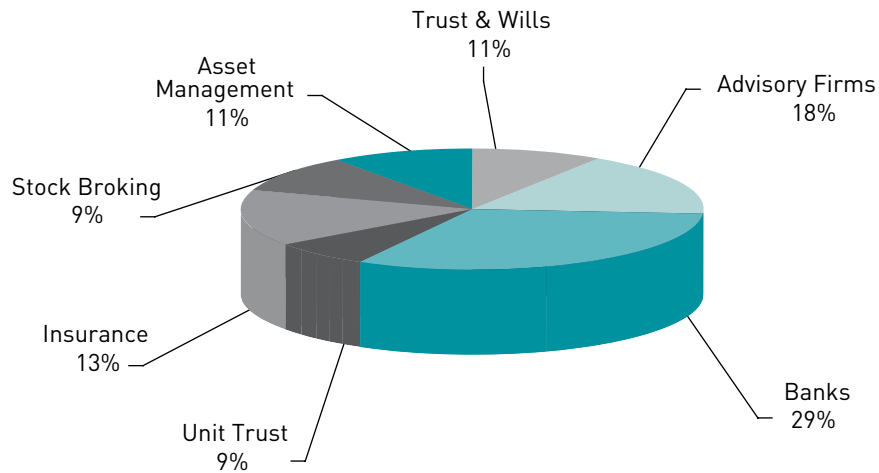
for the Year ended 31 December 2016

## 3.2 Charter and Corporate Members

FPAM now has a total of 45 Charter and Corporate members drawn from a wide cross section of the financial sector with almost all of the major sectors being represented.

The majority of Charter and Corporate members are in banking, insurance and financial advisory as depicted in the diagram below.

**Charter & Corporate Members as at 31 December 2016**



# Report of the Board of Governors (cont'd) for the Year ended 31 December 2016

## 4.0 The 4E Journal

4E Journal, the official publication of FPAM continues to remain as an important journal for stakeholders in the financial planning profession and those who wish to keep abreast of the latest industry news and views.

The 4E Journal is also available online via FPAM's website.



# Statement by The Board of Governors

We, **ISMITZ MATTHEW DE ALWIS** and **WONG LOKE LIM**, on behalf of the Board of Governors of Financial Planning Association of Malaysia, do hereby state that in the opinion of the board of governors, the accompanying financial statements are properly drawn up in accordance with the Malaysian Private Entities Reporting Standards so as to give a true and fair view of the financial position of the Association as at 31 December 2016 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Board of Governors,

.....  
**ISMITZ MATTHEW DE ALWIS**  
President

.....  
**WONG LOKE LIM**  
Treasurer

Kuala Lumpur

Date:

# Independent Auditor's Report

## To The Board of Governors of Financial Planning Association of Malaysia

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Financial Planning Association of Malaysia, which comprise the statement of financial position as at 31 December 2016, and the statement of income and expenditure and accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2016, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Private Entities Reporting Standard.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Governors for the Financial Statements

The Board of Governors of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with the Malaysian Private Entities Reporting Standard. The Board of Governors are also responsible for such internal control as the Board of Governors 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 Board of Governors 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 Board of Governors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board of Governors of the Association are responsible for overseeing the Association's financial reporting process.

#### 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. 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 Board of Governors.

# Independent **Auditor's Report** (cont'd)

To The Board of Governors of Financial Planning Association of Malaysia

## **Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

- conclude on the appropriateness of the Board of Governors' 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 Board of Governors 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**

As stated in Note 2.2 to the financial statements, Financial Planning association of Malaysia adopted the Malaysian Private Entities Reporting Standard on 1 January 2016 with a transition date of 1 January 2015. These standards were applied retrospectively by the directors to the comparative Association as at 31 December 2015, and the statement of income and expenditure and accumulated funds and statement of cash flows for the financial year ended 31 December 2015 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Association for the financial year ended 31 December 2016, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2016 do not contain misstatements that materially affect the financial position as at 31 December 2016 and the financial performance and cash flows for the financial year then ended.

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

**Baker Tilly Monteiro Heng**  
No. AF 0117  
Chartered Accountants

**Heng Fu Joe**  
No. 02966/11/2018 J  
Chartered Accountant

Kuala Lumpur

Date:

# Statement of Financial Position

As at 31 December 2016

	Note	2016 RM	2015 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment	5	99,947	49,228
<b>Current assets</b>			
Trade receivables	6	50,051	84,140
Other receivables, deposits and prepayments	7	78,704	143,326
Cash and cash equivalents	8	3,420,013	3,165,666
<b>Total current assets</b>		3,548,768	3,393,132
<b>TOTAL ASSETS</b>		3,648,715	3,442,360
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
Accumulated funds		1,680,672	1,659,459
<b>Non-current liabilities</b>			
Sponsorship deposits received from charter members		118,500	146,000
Deferred tax liabilities	12	-	-
<b>Total non-current liabilities</b>		118,500	146,000
<b>Current liabilities</b>			
Other payables and accruals	9	907,670	1,000,967
Grants	10	601,024	442,198
Advance membership fees	11	340,149	193,036
Provision for taxation		700	700
<b>Total current liabilities</b>		1,849,543	1,636,901
<b>TOTAL ACCUMULATED FUNDS AND LIABILITIES</b>		3,648,715	3,442,360

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

# Statement of **Income and Expenditure** **and Accumulated Funds**

For the Financial Year Ended 31 December 2016

	Note	2016 RM	2015 RM
<b>Income</b>			
Membership fees		1,306,474	1,390,532
Sponsorship income		22,500	20,500
Surplus/(Deficit) from conference		7,997	(4,612)
Surplus from continuing education courses	13	103,192	52,236
Surplus from examination	14	350,184	359,269
Surplus from manual project		19,179	37,649
Interest income		77,395	61,634
Other income		58,853	38,303
		<u>1,945,774</u>	<u>1,955,511</u>
<b>Less : Expenditure</b>			
Auditors' remuneration		16,500	16,915
Chapter development expenses		9,992	17,536
Depreciation of property and equipment		33,661	22,964
Financial Planning Standard Board and Board meeting expenses		42,452	53,334
Licence fee		373,442	379,249
Marketing and promotional expenses		15,150	23,368
Membership development expenses		-	6,521
Other expenses	15	334,464	318,058
Rental expenses		60,375	60,294
Staff cost			
- salaries and bonus		906,483	837,778
- defined contribution plan		132,042	122,431
		<u>1,924,561</u>	<u>1,858,448</u>
<b>Surplus Before Taxation</b>		21,213	97,063
Taxation	16	<u>-</u>	<u>12,232</u>
<b>Surplus After Taxation</b>		21,213	109,295
Accumulated funds brought forward		<u>1,659,459</u>	<u>1,550,164</u>
Accumulated funds carried forward		<u>1,680,672</u>	<u>1,659,459</u>

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

# Statement of Cash Flows

For the Financial Year Ended 31 December 2016

	Note	2016 RM	2015 RM
<b>Cash Flows From Operating Activities</b>			
Surplus before taxation		21,213	97,063
Adjustments for:			
Depreciation of property and equipment		33,661	22,964
Interest income		(77,395)	(61,634)
		(22,521)	58,393
Changes in working capital:			
Increase/(Decrease) in receivables		98,711	(34,769)
Decrease in payables		(93,297)	(92,196)
Issuance/(Utilisation) of grant		158,826	(11,055)
Increase/(Decrease) in advance membership fees		147,113	(157,789)
(Decrease)/Increase in sponsorship deposits received from charter members		(27,500)	41,500
<b>Net cash flows from/(used in) operating activities</b>		261,332	(195,916)
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment		(84,380)	(30,879)
Interest received		77,395	61,634
<b>Net cash flows from investing activities</b>		(6,985)	30,755
<b>Net change in cash and cash equivalents</b>		254,347	(165,161)
<b>Cash and cash equivalents at the beginning of the year</b>		3,165,666	3,330,827
<b>Cash and cash equivalents at the end of the year</b>		3,420,013	3,165,666
<b>Analysis of cash and cash equivalents:</b>			
Fixed deposits with licensed banks		2,248,018	2,189,009
Short term deposits with licensed bank		350,000	350,000
Cash at bank and in hand		821,995	626,657
		3,420,013	3,165,666

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

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

The Financial Planning Association of Malaysia ("the Association") was established pursuant to the Societies Act, 1966 on 13 December 1999.

The Association is a non-profitable organisation with a mission to educate the public on the process and benefits of financial planning and to raise the standards of competency and ethical practice of qualified financial planners in Malaysia.

The registered office and principal place of business of the Association is located at Unit 305, Block A Pusat Dagangan Phileo Damansara 1, Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Governors of the Association in accordance with their resolution dated 15 May 2017.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Association have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB").

### 2.2 Explanation of transition to the MPERS and early adoption of amendments to the MPERS

#### (a) Transition to the MPERS

For the current financial year, the Association has adopted the MPERS framework issued by the MASB. Accordingly, the financial statements of the Association for the financial year ended 31 December 2016 is the first set of financial statements prepared in accordance with the MPERS. For periods up to and including the financial year ended 31 December 2015, the Association prepared its financial statements in accordance with the Private Entity Reporting Standards ("PERSs") issued by the MASB.

In preparing these financial statements, the date of transition to the MPERS framework is 1 January 2015, which is the beginning of the earliest period for which the Association presents its full comparative information in accordance with the MPERS framework.

The Association has been consistent in applying the same accounting policies in the preparation of the financial statements of the Association for the financial year ended 31 December 2016 and the comparative financial statements for the financial year ended 31 December 2015. The transition to the MPERS does not have any significant effect on the financial statements of the Association.

#### (b) Early adoption of amendments to the MPERS

In October 2015, the MASB issued Amendments to the MPERS that are effective for financial statements beginning on or after 1 January 2017, with early application permitted. For the current financial year ended 31 December 2016, the Company has elected for early adoption of the Amendments.

Except for the requirement to present separately items of other comprehensive income into those that will be reclassified subsequently to profit or loss and those that will not be reclassified subsequently to profit or loss, the early adoption of the Amendments to the MPERS has no effect on the financial statements of the Association for the current financial year ended 31 December 2016 and the comparative financial year ended 31 December 2015.

### 2.3 Functional and presentation currency

The financial statements of the Association are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Association's functional currency.

# Notes to the Financial Statements (cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Basis of measurement

The financial statements of the Association have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

### 2.5 Use of estimates and judgement

The preparation of financial statements in conformity with the MPERS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Association's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Property and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as below:

Computer equipment and software	3 years
Furniture and fittings	5 years
Office equipment	5 years
Renovation	5 years

Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of income and expenditure.

At each reporting date, the Association assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income and expenditure during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Association. Major renovations are depreciated over the remaining useful life of the related asset.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### (i) Subsequent measurement

The Association categorises the financial instruments as follows:

##### i. Financial assets

For the purpose of subsequent measurement, the Association classifies financial assets into two categories, namely financial assets at fair value through profit or loss; and financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3(c).

##### ii. Financial liabilities

After initial recognition, the Association measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

#### (ii) Derecognition

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

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

### (c) Impairment of assets

#### (i) Impairment of financial assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

An impairment loss is measured as follows:

- for a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Impairment of assets (cont'd)

#### (i) Impairment of financial assets (cont'd)

- for a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Association shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Association shall recognise the amount of the reversal in profit or loss immediately.

#### (ii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Association makes an estimate of the asset's recoverable amount.

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

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

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss.

### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and deposits held with licensed banks, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (e) Revenue recognition

Annual membership fees are recognised as income over the membership period when non uncertainty as to its collectability exists.

Sponsorship deposits received from charter members are recognised as income evenly over a period of ten years.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Revenue recognition (cont'd)

Other income such as surplus from conference, examination and continuing education courses are recognised on an accrual basis.

Interest income is recognised on time proportion basis that reflects the effective yield of the asset.

### (f) Taxes

Income tax expense in profit or loss comprises current and deferred tax.

#### (i) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial years.

#### (ii) Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future 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 differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off the amounts and the entity can demonstrate without undue cost or effort that it plans either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### (g) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Association.

#### (ii) Defined contribution plans

As required by law, the Association contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants will be received and the Association will comply with all the attached conditions.

Government grants relating to income are deferred and recognised in the statement of income and expenditure over the period necessary to match them with the costs they are intended to compensate.

### (i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### (j) Translation of Foreign Currency

Foreign currency transactions are translated to the Association's functional currency at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the closing rate.

Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

### (i) Loss Allowances of financial assets

The Association recognises impairment losses for receivables using the incurred loss model. At the end of each reporting period, the Association assesses whether there is any objective evidence that loans and receivables is impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the allowance made and this may affect the Association's financial position and results.

### (ii) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciated method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

# Notes to the Financial Statements (cont'd)

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### (iii) Measurement of income taxes

Significant judgement is required in determining the Association's provision for current and deferred taxes. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The association will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

## 5. PROPERTY AND EQUIPMENT

	Office equipment RM	Renovation RM	Furniture and fittings RM	Computer equipment and software RM	Total RM
<b>2016</b>					
<b>Cost</b>					
At 1 January 2016	58,835	15,590	54,312	377,331	506,068
Additions	-	-	-	84,380	84,380
At 31 December 2016	58,835	15,590	54,312	461,711	590,448
<b>Accumulated Depreciation</b>					
At 1 January 2016	51,293	10,687	52,262	342,598	456,840
Charge for the year	2,838	2,557	1,125	27,141	33,661
At 31 December 2016	54,131	13,244	53,387	369,739	490,501
<b>Carrying amount</b>					
At 31 December 2016	4,704	2,346	925	91,972	99,947
<b>2015</b>					
<b>Cost</b>					
At 1 January 2015	58,485	15,590	54,312	346,802	475,189
Additions	350	-	-	30,529	30,879
At 31 December 2015	58,835	15,590	54,312	377,331	506,068
<b>Accumulated Depreciation</b>					
At 1 January 2015	48,496	8,129	50,878	326,373	433,876
Charge for the year	2,797	2,558	1,384	16,225	22,964
At 31 December 2015	51,293	10,687	52,262	342,598	456,840
<b>Carrying amount</b>					
At 31 December 2015	7,542	4,903	2,050	34,733	49,228

# Notes to the Financial Statements (cont'd)

## 6. TRADE RECEIVABLES

	2016 RM	2015 RM
Trade receivables	66,931	110,020
Less: Allowance for impairment	(16,880)	(25,880)
	<u>50,051</u>	<u>84,140</u>

The Company's normal credit term range from 60 to 90 days (2015: 60 to 90 days).

The impairment of trade receivables is as follow:

	2016 RM	2015 RM
At 1 January	25,880	24,880
Charge for the financial year	-	10,000
Written off	(9,000)	(9,000)
	<u>16,880</u>	<u>25,880</u>
At 31 December		

## 7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 RM	2015 RM
Other receivables	-	37,430
Deposits	24,349	24,348
Prepayments	54,355	81,548
	<u>78,704</u>	<u>143,326</u>

## 8. CASH AND CASH EQUIVALENTS

	2016 RM	2015 RM
Fixed deposits with licensed banks	2,248,018	2,189,009
Short term deposits with a licensed bank	350,000	350,000
Cash at bank and on hand	821,995	626,657
	<u>3,420,013</u>	<u>3,165,666</u>
Cash and cash equivalents		

Included in the cash and cash equivalents is the grant received (net of expenses claimed) from Capital Market Development Fund ("CMDF") to date amounting to RM601,024/- (2015: RM442,198/-).

# Notes to the Financial Statements (cont'd)

## 9. OTHER PAYABLES AND ACCRUALS

	2016 RM	2015 RM
Other payables	223,178	346,470
Deposits	19,000	-
Accruals	635,280	654,497
GST payable	30,212	-
	<u>907,670</u>	<u>1,000,967</u>

## 10. GRANTS

This is the grant awarded by Capital Market Development Fund ("CMDF") to the Association and IBFIM in relation to development and implementation of the certification programme for Islamic Financial Planners.

The balance represents the total amount received from CMDF for the Association and IBFIM to date, less accumulated eligible expenses claimed by the Association and IBFIM. The amount drawn down was based on milestones achieved based on the broad guidelines agreed with CMDF.

	2016 RM	2015 RM
At 1 January	442,198	453,253
Issuance of grant	212,769	-
Utilisation of grant	<u>(53,943)</u>	<u>(11,055)</u>
At 31 December	<u>601,024</u>	<u>442,198</u>

## 11. ADVANCE MEMBERSHIP FEES

	2016 RM	2015 RM
Trade membership fees	349	50
Associate membership fees	25,797	10,755
Certified membership fees	<u>314,003</u>	<u>182,231</u>
	<u>340,149</u>	<u>193,036</u>

Advance membership fees represent annual fees paid by members that relate to the unexpired periods of the membership.

# Notes to the Financial Statements (cont'd)

## 12. DEFERRED TAX LIABILITIES

	2016 RM	2015 RM
At 1 January	-	9,232
Recognised in income statement	-	(9,232)
	<hr/>	<hr/>
At 31 December	-	-

## 13. SURPLUS FROM CONTINUING EDUCATION COURSES

	2016 RM	2015 RM
Continuing education course income	244,135	111,941
Seminar package expenses	(28,030)	(25,606)
Other expenses	(112,913)	(34,099)
	<hr/>	<hr/>
	103,192	52,236

## 14. SURPLUS FROM EXAMINATION

	2016 RM	2015 RM
Examination fee income	376,706	459,648
Expenses incurred in relation to examination	(80,465)	(111,434)
Grant income	53,943	11,055
	<hr/>	<hr/>
	350,184	359,269

The grant income relates to the drawn down during the year by the Association and IBFIM for the Islamic Financial Planners certification programme as disclosed in Note 8.

# Notes to the Financial Statements (cont'd)

## 15. OTHER EXPENSES

	Note	2016 RM	2015 RM
4E Journal expenses		35,476	51,370
Annual General Meeting expenses		11,598	12,605
Bank and credit card charges		27,841	21,287
Electricity and utilities		12,948	10,927
Impairment of trade receivables	6	-	10,000
General expenses		17,427	11,624
Allowance for Board of Governors and Committee Members		-	11,800
Insurance		6,180	8,758
Maintenance of premises and computers		31,740	14,776
Maintenance of website		11,159	20,510
Postage and courier		8,972	8,160
Printing and stationeries		12,413	11,183
Professional fees		5,172	8,100
Rental of photocopier		7,500	8,232
Staff training, recruitment and welfare		12,047	14,928
Telecommunication		12,713	14,783
Travelling		27,070	30,037
Withholding tax		38,265	37,923
Islamic Financial Planners expenses	14	53,943	11,055
Donation		2,000	-
		<u>334,464</u>	<u>318,058</u>

## 16. TAXATION

	2016 RM	2015 RM
Income tax expense		
- prior year	-	(3,000)
	-	(3,000)
Deferred income tax		
- prior year	-	(9,232)
	-	(12,232)

# Notes to the Financial Statements (cont'd)

## 16. TAXATION (CONT'D)

The chargeable income of the Association is taxed at a scaled rate under Schedule 1 of the Income Tax Act, 1967 and current taxation for the current financial year is provided based on the Income Tax (Exemption) (No. 19) Order 2005, whereby statutory income derived from members' subscription fees is exempted.

A reconciliation of income tax expense on surplus of income over expenditure before taxation with the applicable statutory income tax rate is as follow:

	2016 RM	2015 RM
Surplus before taxation	21,213	97,063
Tax at applicable tax rate of 24% (2015: 25%)	4,131	24,266
Tax effects arising from		
- non-deductible expenses	927	-
- non-taxable income	-	(3,809)
- deferred tax assets not recognised in the financial statements	(5,058)	(20,457)
- overprovision in prior years	-	(12,232)
Tax expense for the financial year	-	(12,232)

The deferred tax assets have not been recognised for the following item:

	2016 RM	2015 RM
Temporary differences	138,189	108,392
Unutilised tax losses	319,029	369,901
	457,218	478,293
Potential deferred tax assets not recognised at 24%	109,732	114,790

## 17. FINANCIAL INSTRUMENTS

### Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

- (i) Financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL") and
- (ii) Financial assets and financial liabilities measured at amortised cost ("AC").

# Notes to the Financial Statements (cont'd)

## 17. FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	FVTPL RM	AC RM
<b>2016</b>			
<b>Financial assets</b>			
Trade receivables	50,051	50,051	-
Other receivables and deposits	78,704	78,704	-
Cash and short-term deposits	3,420,013	3,420,013	-
	<u>3,548,768</u>	<u>3,548,768</u>	<u>-</u>
<b>Financial liabilities</b>			
Other payables and accruals^	877,458	-	877,458
	<u>877,458</u>	<u>-</u>	<u>877,458</u>
<b>2015</b>			
<b>Financial assets</b>			
Trade receivables	84,140	84,140	-
Other receivables and deposits	143,326	143,326	-
Cash and short-term deposits	3,165,666	3,165,666	-
	<u>3,393,132</u>	<u>3,393,132</u>	<u>-</u>
<b>Financial liabilities</b>			
Other payables and accruals^	1,000,967	-	1,000,967
	<u>1,000,967</u>	<u>-</u>	<u>1,000,967</u>

^ Exclude GST payable

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