



NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (NIOSH)
Institut Keselamatan dan Kesihatan Pekerjaan Negara



2021

**REPORTS AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



Registration No.: 199201011539 (243042 - U)

NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY & HEALTH (NIOSH)
(incorporated in Malaysia)
AND ITS SUBSIDIARY

**REPORTS AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

YB. DATUK WILSON UGAK ANAK KUMBONG
YB. SENATOR DATUK MOHAN A/L THANGARASU
ENCIK MANIAM A/L ARUMUGAM
TUAN HAJI AYOP BIN SALLEH
TUAN MAJOR HAJI HANIF BIN MAIDIN (RTD)
YBHG. DATUK DR. CHONG CHEE KHEONG
YBHG. DATUK HAJI SHAMSUDDIN BIN BARDAN
PUAN ZAMZARINA BINTI ABU BAKAR
ENCIK MATKAR BIN SIWANG
ENCIK THOMAS BALAN BANG
PROF. DR. ISMAIL BIN BAHARI
PROF. MADYA DR. NUR DALILAH BINTI DAHLAN
PROF. MADYA TS. DR. SHAMSUL BAHARI BIN SHAMSUDIN
DR. SHARUDIN BIN SHARI
DR. SHAMSUL RIZAL BIN SHAMSUDIN

COMPANY SECRETARY

ALI SHAH BIN HASHIM
MIA 8022
CCM PC NO. : 201908001124

ROZIAH BINTI ABDUL RASHID
LS 0009048
CCM PC NO. : 201908000337

NURUL NADIAH BINTI MOHD ABD RASID
MIA 44423
CCM PC NO. : 201908002882

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

LOT 1, JALAN 15/1, SEKSYEN 15
43650 BANDAR BARU BANGI
SELANGOR DARUL EHSAN

AUDITORS

ZALGHANI & CO
CHARTERED ACCOUNTANTS MALAYSIA

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD
BANK KERJASAMA RAKYAT MALAYSIA BERHAD
BANK ISLAM MALAYSIA BERHAD

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and the Institute for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries.

The principal activities of the subsidiary are described in Note 7 to the financial statements.

FINANCIAL RESULT

	Group	Institute
	RM	RM
Result from continuing operations:		
Net surplus for the year before taxation	502,187	478,186
Tax expense	(83,058)	(83,058)
Net surplus for the year after taxation	<u>419,129</u>	<u>395,128</u>

DIVIDEND

No dividend are payable to the members of the Institute, as the Institute, as a Company limited by guarantee is not to give any person a right to participate in the divisible profits of the Institute.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Institute were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances, which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Institute inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Institute were prepared, the directors took reasonable steps to ensure that any current assets, which were unlikely to realise, in the ordinary course of business including their values as shown in the accounting records of the Group and of the Institute have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Group and of the Institute misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Institute misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- a) any charge on the assets of the Group and of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; or
- b) any contingent liability of the Group and of the Institute which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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 amounts stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Institute during the financial year ended 31 December 2021 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS

The directors who held office during the year until the date of this report are:-

YB. Datuk Wilson Ugak Anak Kumbong
YB. Senator Datuk Mohan A/L Thangarasu
Encik Maniam A/L Arumugam
Tuan Haji Ayop Bin Salleh
Tuan Major Haji Hanif Bin Maidin (Rtd)
YBhg. Datuk Dr. Chong Chee Kheong
YBhg. Datuk Haji Shamsuddin Bin Bardan
Puan Zamzarina Binti Abu Bakar
Encik Matkar Bin Siwang
Encik Thomas Balan Bang
Prof. Dr. Ismail Bin Bahari
Prof. Madya Dr. Nur Dalilah Binti Dahlan
Prof. Madya Ts. Dr. Shamsul Bahari Bin Shamsudin
Dr. Sharudin Bin Shari
Dr. Shamsul Rizal Bin Shamsudin

DIRECTORS' REMUNERATIONS

None of the directors or past directors of the Institute have received any remunerations from the Institute during the financial year except as disclosed in Note 13 to the financial statements.

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

No payment has been paid to or payable to any third party in respect of the services provided to the Institute by the directors or past directors of the Institute 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 Institute.

AUDITORS' REMUNERATIONS

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

	Group	Institute
	2021	2021
	RM	RM
Statutory audit	30,500	25,000

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Institute or its subsidiary is a party, with the object or objects of enabling directors of the Institute to acquire benefits by means of the acquisition of shares or debentures of the Institute or any other body corporate.

No director of the Institute has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full time employee of the Institute) by reason of a contract made by the Institute or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

AUDITORS

The retiring auditors, Messrs Zalghani & Co, have expressed unwillingness to accept reappointment.

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



YB. DATUK WILSON UGAK ANAK KUMBONG
Chairman



AYOP BIN SALLEH
Executive Director

Selangor

Dated: 28 April 2022

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **YB. DATUK WILSON UGAK ANAK KUMBONG** and **AYOP BIN SALLEH**, being two of the directors of **NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH**, do hereby state that, in the opinion of the directors, the financial statements of the Group and the Institute as set out on pages 13 to 46 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 so as to give a true and fair view of the financial position of the Group and the Institute as at 31 December 2021 and of their financial performances and cash flows of the Group and the Institute for the year ended on that date.

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



YB. DATUK WILSON UGAK ANAK KUMBONG
Chairman



AYOP BIN SALLEH
Executive Director

Selangor
Dated: 28 April 2022

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

I, **AYOP BIN SALLEH**, being the director primarily responsible for the financial management of **NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH**, do solemnly and sincerely declare that the financial statements as set out on pages 13 to 46 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)
abovenamed **AYOP BIN SALLEH**)
in Selangor)
this day of)



AYOP BIN SALLEH

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH**, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 46.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute 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, International Financial Reporting Standards 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 Institute 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Institute for the current year. These matters were addressed in the context of our audit of the financial statements of the Institute as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Revenue recognition

The risk:

The revenue of the Group and of the Institute for the year ended 31 December 2021 amounted to RM64,288,983 and RM59,389,533, respectively.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (cont'd)

Approved auditing standards in Malaysia and International Standards on Auditing presume that there is a risk of fraud in revenue recognition. Given the nature of the Group's operations, we have identified revenue recognition as a key audit matter, particularly in respect of the completeness and accuracy of recording of services rendered and the timing of revenue recognition with transactions occurring on or near year-end. Due to the significant volume of transactions, any errors may have a material impact on the financial statements.

Our response:

To address the risks identified, we performed substantive testing of revenue recorded during the year using sampling techniques. The procedures covered testing the accuracy and timing of recording individual transactions. We also tested manual journals posted to revenue to determine whether those postings were consistent with the Group's revenue recognition policy. For transactions close to the period end, we tested that cut-off procedures were appropriately applied.

ii) Impairment of trade and other receivables

The risk:

As at 31 December 2021, the carrying amounts of the Group's and Institute's trade and other receivables were RM18,021,544 and RM15,558,045, respectively. The collectability of these receivables are assessed on an ongoing basis. We have identified this to be a key audit matter as it requires management to make significant judgement in the assessment of realisation of these receivables based on their creditworthiness and past collection history.

Our response:

To address the risk identified, for those outstanding balance which are past due but not impaired, we checked collections received after year-end, and for uncollected amount we challenged management's assessment on the recoverability. We have also assessed customers' ageing profile by checking the accuracy of aged buckets.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Institute are responsible for the other information. The other information comprises the information included in the annual report and Directors' Report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of the Directors for the Financial Statements

The directors of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the 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 Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, the directors are responsible for assessing the Institute'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 Institute 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 Institute 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 Institute, 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Institute'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 Institute 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 Institute to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)**Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements of the Institute, 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 directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Institute for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Institute, 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.

**ZALGHANI & CO**

Firm No.: AF 1281

Chartered Accountants Malaysia

**MOHD ZALGHANI BIN HASSAN**

Approval No.: 2066/07/2022(J)

Chartered Accountant Malaysia

Selangor

Dated: 28 April 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	16,358,226	19,492,539
Investment in subsidiary	7	-	-
TOTAL NON-CURRENT ASSETS		16,358,226	19,492,539
CURRENT ASSETS			
Trade and other receivables	8	18,021,544	15,552,676
Current tax assets		548,104	474,953
Deposits, cash and bank balances	9	168,060,104	168,404,778
TOTAL CURRENT ASSETS		186,629,752	184,432,407
TOTAL ASSETS		202,987,978	203,924,946
EQUITY:			
Endowment fund		50,000,000	50,000,000
Surplus		131,777,414	131,358,285
TOTAL EQUITY		181,777,414	181,358,285
NON-CURRENT LIABILITY			
Lease liabilities	10	3,669,701	4,288,113
TOTAL NON-CURRENT LIABILITY		3,669,701	4,288,113
CURRENT LIABILITIES			
Trade and other payables	11	15,904,924	17,034,414
Lease liabilities	10	1,635,939	1,244,134
TOTAL CURRENT LIABILITIES		17,540,863	18,278,548
TOTAL LIABILITIES		21,210,564	22,566,661
TOTAL EQUITY AND LIABILITIES		202,987,978	203,924,946

The accompanying notes form an integral part of these financial statements

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

	Note	2021 RM	2020 RM
REVENUE	12	64,288,983	66,066,050
LESS : Courses expenses		(18,369,158)	(22,945,585)
Consultancy, examination and research and development expenses		(2,585,229)	(3,274,196)
Module development cost		(129,983)	(213,448)
Hostel operations expenses		(70,169)	(137,573)
		(21,154,539)	(26,570,802)
GROSS PROFIT		43,134,444	39,495,248
ADD : OTHER INCOME			
Interest income		774,068	1,323,535
Membership fee income		66,362	121,926
Gain on disposal of property, plant and equipment		-	22,986
Dividend from trust account		6,272,948	5,978,036
Other miscellaneous income		66,184	80,673
		7,179,562	7,527,156
		50,314,006	47,022,404
ADMINISTRATION EXPENSES		(31,356,105)	(32,559,159)
OTHER CORPORATE AND OPERATING EXPENSES		(18,225,256)	(19,979,319)
SURPLUS / (DEFICIT) FROM OPERATIONS		732,645	(5,516,074)
FINANCE COSTS		(230,458)	(204,954)
SURPLUS / (DEFICIT) FOR THE YEAR BEFORE TAX	13	502,187	(5,721,028)
TAX EXPENSE	14	(83,058)	(429,503)
NET COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR AFTER TAX		419,129	(6,150,531)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Non-distributable		Total RM
	Endowment Fund RM	Retained Surplus RM	
At 1 January 2020	50,000,000	137,508,816	187,508,816
Net comprehensive deficit for the year after tax	-	(6,150,531)	(6,150,531)
At 31 December 2020	50,000,000	131,358,285	181,358,285
Net comprehensive surplus for the year after tax	-	419,129	419,129
At 31 December 2021	50,000,000	131,777,414	181,777,414

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus / (deficit) for the year before tax		502,187	(5,721,028)
Adjustments for:			
Depreciation		5,955,612	5,705,779
Interest income		(774,068)	(1,323,535)
Finance costs		230,458	204,954
Loss / (Gain) on disposal of property, plant and equipment		23	(22,986)
OPERATING SURPLUS / (DEFICIT) BEFORE WORKING CAPITAL CHANGES		5,914,212	(1,156,816)
(Increase) / Decrease in trade and other receivables		(2,514,254)	1,579,918
Decrease in trade and other payables		(1,129,490)	(81,254)
CASH GENERATED FROM OPERATIONS		2,270,468	341,848
Interest income received		750,354	1,323,535
Tax paid		(185,122)	(1,060,397)
Tax refund		28,913	-
NET CASH GENERATED FROM OPERATING ACTIVITIES		2,864,613	604,986
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from disposal of property, plant and equipment		-	23,000
Purchase of property, plant and equipment	15	(1,488,843)	(4,087,578)
NET CASH USED IN INVESTING ACTIVITIES		(1,488,843)	(4,064,578)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(1,489,986)	(850,302)
Interest paid		(230,458)	(204,954)
NET CASH USED IN FINANCING ACTIVITIES		(1,720,444)	(1,055,256)
Net decrease in cash and cash equivalents		(344,674)	(4,514,848)
Cash and cash equivalents at beginning of the year		168,404,778	172,919,626
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	168,060,104	168,404,778

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	16,107,287	19,215,571
Investment in subsidiary	7	3,500,000	3,500,000
TOTAL NON-CURRENT ASSETS		19,607,287	22,715,571
CURRENT ASSETS			
Trade and other receivables	8	15,558,045	13,562,812
Amount due from subsidiary	7	239,508	245,470
Current tax assets		446,245	390,873
Deposits, cash and bank balances	9	167,110,092	166,871,783
TOTAL CURRENT ASSETS		183,353,890	181,070,938
TOTAL ASSETS		202,961,177	203,786,509
EQUITY:			
Endowment fund		50,000,000	50,000,000
Surplus		132,252,945	131,857,817
TOTAL EQUITY		182,252,945	181,857,817
NON-CURRENT LIABILITY			
Lease liabilities	10	3,669,701	4,288,113
TOTAL NON-CURRENT LIABILITY		3,669,701	4,288,113
CURRENT LIABILITIES			
Trade and other payables	11	15,402,592	16,396,445
Lease liabilities	10	1,635,939	1,244,134
TOTAL CURRENT LIABILITIES		17,038,531	17,640,579
TOTAL LIABILITIES		20,708,232	21,928,692
TOTAL EQUITY AND LIABILITIES		202,961,177	203,786,509

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
REVENUE	12	59,389,533	60,950,181
LESS : Courses expenses		(16,624,745)	(20,831,069)
Consultancy, examination and research and development expenses		(2,585,229)	(3,274,196)
Module development cost		(129,983)	(203,198)
Hostel operations expenses		(70,169)	(137,573)
		<u>(19,410,126)</u>	<u>(24,446,036)</u>
GROSS PROFIT		39,979,407	36,504,145
ADD : OTHER INCOME			
Interest income		764,104	1,315,129
Membership fee income		66,362	121,926
Gain on disposal of property, plant and equipment		-	22,986
Dividend from trust account		6,272,948	5,978,036
Other miscellaneous income		65,629	79,335
		<u>7,169,043</u>	<u>7,517,412</u>
		47,148,450	44,021,557
ADMINISTRATION EXPENSES		(28,643,620)	(30,057,064)
OTHER CORPORATE AND OPERATING EXPENSES		(17,796,186)	(19,541,045)
SURPLUS / (DEFICIT) FROM OPERATIONS		708,644	(5,576,552)
FINANCE COSTS		(230,458)	(204,954)
SURPLUS / (DEFICIT) FOR THE YEAR BEFORE TAX	13	478,186	(5,781,506)
TAX EXPENSE	14	(83,058)	(429,503)
NET COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR AFTER TAX		<u>395,128</u>	<u>(6,211,009)</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Non-distributable		Total
	Endowment Fund RM	Retained Surplus RM	
At 1 January 2020	50,000,000	138,068,826	188,068,826
Net comprehensive deficit for the year after tax	-	(6,211,009)	(6,211,009)
At 31 December 2020	50,000,000	131,857,817	181,857,817
Net comprehensive surplus for the year after tax	-	395,128	395,128
At 31 December 2021	50,000,000	132,252,945	182,252,945

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus / (deficit) for the year before tax		478,186	(5,781,506)
Adjustments for:			
Depreciation		5,874,128	5,639,813
Interest income		(764,104)	(1,315,129)
Finance costs		230,458	204,954
Loss / (Gain) on disposal of property, plant and equipment		23	(22,986)
OPERATING SURPLUS / (DEFICIT) BEFORE WORKING CAPITAL CHANGES		5,818,691	(1,274,854)
(Increase) / Decrease in trade and other receivables		(2,040,619)	961,827
Decrease / (Increase) in amount due from subsidiary		5,962	(3,206)
(Decrease) / Increase in trade and other payables		(993,853)	735,590
CASH GENERATED FROM OPERATIONS		2,790,181	419,357
Interest income received		740,390	1,173,910
Tax paid		(138,430)	(1,020,376)
NET CASH GENERATED FROM OPERATING ACTIVITIES		3,392,141	572,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from disposal of property, plant and equipment		-	23,000
Purchase of property, plant and equipment	15	(1,433,388)	(3,960,233)
NET CASH USED IN INVESTING ACTIVITIES		(1,433,388)	(3,937,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(1,489,986)	(850,302)
Interest paid		(230,458)	(204,954)
NET CASH USED IN FINANCING ACTIVITIES		(1,720,444)	(1,055,256)
Net increase / (decrease) in cash and cash equivalents		238,309	(4,419,598)
Cash and cash equivalents at beginning of the year		166,871,783	171,291,381
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	167,110,092	166,871,783

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. PRINCIPAL ACTIVITIES

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries.

The principal activities of the subsidiary are described in Note 7 to the financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Institute are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Institute's functional currency and all values are rounded to the nearest RM except stated otherwise.

2.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Amendments to published standards and interpretations that are not yet effective for the current financial year and where their adoption are not expected to result in any changes to the Group's and Institute's results or financial position, are as follows:

- (i) Amendments to MFRS 116 : Property, Plant and Equipment
– Proceeds before Intended Use
- (ii) Amendments to MFRS 108 : Definition of Accounting Estimates
- (iii) Amendments to MFRS 101 : Disclosure of Accounting Policies
- (iv) Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)****2.5 Significant accounting estimates and judgements**

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.5.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be from 4 to 5 years.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

b) Impairment of loans and receivables

The Group assesses at the end of the reporting date whether there is any objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

c) Income taxes / Deferred taxation

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.5 Significant accounting estimates and judgements

2.5.1 Key sources of estimation uncertainty (cont'd)

c) Income taxes / Deferred taxation (cont'd)

Deferred tax assets are recognised for all unabsorbed business losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instruments. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimate may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 28 APRIL 2022.

4. FINANCIAL RISK MANAGEMENT POLICIES

The Group has no formal risk management structure with respect to its financial assets. Risks are handled on case to case basis by the directors as and when issues arise.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

a) Foreign currency risk

The Group does not have any material foreign currency transactions, assets, or liabilities and hence are not exposed to any significant or material currency risks.

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rate.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**4. FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)**c) **Credit risk**

The Group seeks to control credit risk by setting counter party limits and ensuring that the sales are made to customers with an appropriate credit history. The trade receivables are all collectable and adequate allowance for bad and doubtful debts are provided for.

Following are the areas where the Group and Institute are exposed to credit risk:

i) Receivables

The ageing analysis of the Institute's trade receivables are as follows:-

	Gross RM	Individually Impaired RM	Net RM
INSTITUTE 2021			
Net past due	4,871,926	-	4,871,926
Past due 0-30 days	1,835,389	-	1,835,389
Past due 31-60 days	599,755	-	599,755
Past due more than 61 days	4,485,597	31,949	4,453,648
	<u>11,792,667</u>	<u>31,949</u>	<u>11,760,718</u>
INSTITUTE 2020			
Net past due	2,582,344	-	2,582,344
Past due 0-30 days	701,409	-	701,409
Past due 31-60 days	741,699	-	741,699
Past due more than 61 days	4,673,078	31,949	4,641,129
	<u>8,698,530</u>	<u>31,949</u>	<u>8,666,581</u>

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value.

ii) Intercompany balances

The Institutes provides unsecured advances to the subsidiary and monitors the results of the subsidiary regularly.

As at the end of the reporting year, there was no indication that the net carrying amount of amount due from subsidiary are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

4. FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

d) **Market risk**

The Group does not have material investments volatile to market situations and hence are not exposed to market risks.

e) **Liquidity and Cash Flow risks**

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practices prudent liquidity risk management by maintaining sufficient cash balances and the availability of investments which are readily convertible to known amount of cash.

5. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting**

The financial statements of the Group and the Institute have been prepared under the historical cost convention.

b) **Financial Instruments**

i) **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group or the Institute becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair values plus transactions costs, except for financial assets and financial liabilities carried at fair values through profit and loss, which are measured initially at fair values. Financial assets and financial liabilities are measured subsequently as described below.

ii) **Financial assets - categorisation and subsequent measurement**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- a) financial assets at fair value through profit and loss;
- b) held-to-maturity investments;
- c) loans and receivables; and
- d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

iii) **Disclosures of fair values**

The carrying values of the financial assets and liabilities maturing within 12 months approximate their fair values at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)
5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
c) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Institute and its subsidiary company, which have been prepared in accordance with the Group's accounting policies.

Subsidiary company is the company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

All intercompany transactions, balances and unrealised gains on transactions between the group company are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

The financial statements of the parent and its subsidiary are all drawn up to the same reporting date.

Subsidiary company is consolidated using the acquisition method of accounting from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences.

d) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation of property, plant and equipment has been provided on a straight-line basis and is calculated to write off the cost of each assets over its estimated useful life. The principal annual rates used are as follows: -

	%
Renovations	25
Office equipment	20
Furniture and fittings	20
Motor vehicles	20
Scientific equipment	20
Computers	20
Book and video	20
AV equipment	20
Building	2

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****e) Impairment of assets**

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The carrying amounts of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries, associates and jointly controlled entity) are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

Any impairment loss is recognised as an expense in the profit or loss immediately, unless it reverses a previous revaluation in which case it is treated as a revaluation decrease.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

f) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off in the period in which they are identified. An estimate is made for impairment based on a review for all outstanding amounts at the reporting date.

g) Revenue recognition

- i) Revenue from fees is recognised when services are rendered.
- ii) Dividend income is recognised when the shareholder's right to receive payment is established.
- iii) Interest and other income are recognised as it accrues unless its collectibility is in doubt.

h) Provisions

Provisions are recognised when the Institute has a present legal and constructive obligation as a result of a past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****i) Income tax**

The tax expense represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, or temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement or the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

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

j) Cash and cash equivalents

Cash comprises of cash at bank and in hand including bank overdraft and deposits. Cash equivalents comprises of investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

k) Employee benefits**i) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Institute. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences such as sick leave are recognised when the absences occur. Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

ii) Defined contribution plans

The Institute makes contributions to a statutory provident fund and recognise the contribution payable after deducting contributions already paid as a liability and as an expense in the financial year in which the employees render their services.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****l) Leases**

The Group and the Institute assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group and the Institute apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group and the Institute recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group and the Institute recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings 3 to 5 years

If ownership of the leased asset transfers to the Group and the Institute at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****i) Leases (cont'd)****ii) Lease liabilities (cont'd)**

At the commencement date of lease, the Group and the Institute recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Institute and payments of penalties for terminating the lease, if the lease term reflects the Group and the Institute exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Institute estimate their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group and the Institute apply the short-term lease recognition exemption to their short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT****GROUP**
2021**COST**

	Balance at 01.01.2021	Additional	Disposal / Written off	Balance at 31.12.2021
	RM	RM	RM	RM
Renovations	19,314,794	1,124,563	-	20,439,357
Office equipment	3,332,528	63,815	(1,800)	3,394,543
Furniture and fittings	6,030,648	167,088	(12,897)	6,184,839
Motor vehicles	3,483,928	-	-	3,483,928
Scientific equipment	9,167,363	149,038	(16,571)	9,299,830
Computers	9,707,782	205,689	(128,948)	9,784,523
Book and video	2,479,313	-	-	2,479,313
AV equipment	1,792,448	40,137	-	1,832,585
Work in progress	323,145	617,440	(878,927)	61,658
Building	9,881,118	1,332,479	-	11,213,597
	65,513,067	3,700,249	(1,039,143)	68,174,173

ACCUMULATED DEPRECIATION

	Balance at 01.01.2021	Charge for the year	Disposal / Written off	Balance at 31.12.2021
	RM	RM	RM	RM
Renovations	14,570,815	1,895,734	-	16,466,549
Office equipment	2,697,570	241,257	(1,800)	2,937,027
Furniture and fittings	4,750,840	481,517	(12,880)	5,219,477
Motor vehicles	2,668,413	501,108	-	3,169,521
Scientific equipment	7,665,656	549,857	(16,570)	8,198,943
Computers	8,352,593	485,373	(128,943)	8,709,023
Book and video	2,461,352	7,980	-	2,469,332
AV equipment	1,596,847	67,068	-	1,663,915
Work in progress	-	-	-	-
Building	1,256,442	1,725,718	-	2,982,160
	46,020,528	5,955,612	(160,193)	51,815,947

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)****GROUP**
2020**COST**

	Balance at 01.01.2020	Additional	Disposal / Written off	Balance at 31.12.2020
	RM	RM	RM	RM
Renovations	16,566,465	2,748,329	-	19,314,794
Office equipment	3,132,488	204,455	(4,415)	3,332,528
Furniture and fittings	5,842,002	199,343	(10,697)	6,030,648
Motor vehicles	3,302,251	288,343	(106,666)	3,483,928
Scientific equipment	8,776,139	646,932	(255,708)	9,167,363
Computers	9,344,724	382,055	(18,997)	9,707,782
Book and video	2,470,475	8,838	-	2,479,313
AV equipment	1,693,419	100,779	(1,750)	1,792,448
Work in progress	814,641	1,034,105	(1,525,601)	323,145
Building	4,167,184	5,713,934	-	9,881,118
	<u>56,109,788</u>	<u>11,327,113</u>	<u>(1,923,834)</u>	<u>65,513,067</u>

ACCUMULATED DEPRECIATION

	Balance at 01.01.2020	Charge for the year	Disposal / Written off	Balance at 31.12.2020
	RM	RM	RM	RM
Renovations	12,352,190	2,218,625	-	14,570,815
Office equipment	2,471,565	230,417	(4,412)	2,697,570
Furniture and fittings	4,253,751	507,782	(10,693)	4,750,840
Motor vehicles	2,229,408	545,670	(106,665)	2,668,413
Scientific equipment	7,374,609	546,753	(255,706)	7,665,656
Computers	7,857,206	514,381	(18,994)	8,352,593
Book and video	2,468,939	(7,587)	-	2,461,352
AV equipment	1,524,298	74,298	(1,749)	1,596,847
Work in progress	-	-	-	-
Building	181,002	1,075,440	-	1,256,442
	<u>40,712,968</u>	<u>5,705,779</u>	<u>(398,219)</u>	<u>46,020,528</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)****GROUP**

	NET BOOK VALUE	
	2021	2020
	RM	RM
Renovations	3,972,808	4,743,979
Office equipment	457,516	634,958
Furniture and fittings	965,362	1,279,808
Motor vehicles	314,407	815,515
Scientific equipment	1,100,887	1,501,707
Computers	1,075,500	1,355,189
Book and video	9,981	17,961
AV equipment	168,670	195,601
Work in progress	61,658	323,145
Building	8,231,437	8,624,676
	16,358,226	19,492,539

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)****INSTITUTE**
2021**COST**

	Balance at 01.01.2021	Additional	Disposal / Written off	Balance at 31.12.2021
	RM	RM	RM	RM
Renovations	19,148,316	1,105,523	-	20,253,839
Office equipment	3,303,174	60,406	(1,800)	3,361,780
Furniture and fittings	5,883,472	162,638	(12,897)	6,033,213
Motor vehicles	3,483,928	-	-	3,483,928
Scientific equipment	9,167,363	149,038	(16,571)	9,299,830
Computers	9,467,742	181,545	(128,948)	9,520,339
Book and video	2,479,313	-	-	2,479,313
AV equipment	1,755,611	35,725	-	1,791,336
Work in progress	323,145	617,440	(878,927)	61,658
Building	9,881,118	1,332,479	-	11,213,597
	64,893,182	3,644,794	(1,039,143)	67,498,833

ACCUMULATED DEPRECIATION

	Balance at 01.01.2021	Charge for the year	Disposal / Written off	Balance at 31.12.2021
	RM	RM	RM	RM
Renovations	14,496,726	1,869,099	-	16,365,825
Office equipment	2,674,850	239,186	(1,800)	2,912,236
Furniture and fittings	4,676,236	461,533	(12,880)	5,124,889
Motor vehicles	2,668,413	501,108	-	3,169,521
Scientific equipment	7,665,656	549,857	(16,570)	8,198,943
Computers	8,200,505	458,361	(128,943)	8,529,923
Book and video	2,461,352	7,980	-	2,469,332
AV equipment	1,577,431	61,286	-	1,638,717
Work in progress	-	-	-	-
Building	1,256,442	1,725,718	-	2,982,160
	45,677,611	5,874,128	(160,193)	51,391,546

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)****INSTITUTE**
2020**COST**

	Balance at 01.01.2020	Additional	Disposal / Written off	Balance at 31.12.2020
	RM	RM	RM	RM
Renovations	16,405,347	2,742,969	-	19,148,316
Office equipment	3,109,901	197,688	(4,415)	3,303,174
Furniture and fittings	5,710,837	183,332	(10,697)	5,883,472
Motor vehicles	3,302,251	288,343	(106,666)	3,483,928
Scientific equipment	8,776,139	646,932	(255,708)	9,167,363
Computers	9,190,900	295,839	(18,997)	9,467,742
Book and video	2,470,475	8,838	-	2,479,313
AV equipment	1,669,573	87,788	(1,750)	1,755,611
Work in progress	814,641	1,034,105	(1,525,601)	323,145
Building	4,167,184	5,713,934	-	9,881,118
	55,617,248	11,199,768	(1,923,834)	64,893,182

ACCUMULATED DEPRECIATION

	Balance at 01.01.2020	Charge for the year	Disposal / Written off	Balance at 31.12.2020
	RM	RM	RM	RM
Renovations	12,301,156	2,195,570	-	14,496,726
Office equipment	2,450,452	228,810	(4,412)	2,674,850
Furniture and fittings	4,197,314	489,615	(10,693)	4,676,236
Motor vehicles	2,229,408	545,670	(106,665)	2,668,413
Scientific equipment	7,374,609	546,753	(255,706)	7,665,656
Computers	7,723,816	495,683	(18,994)	8,200,505
Book and video	2,468,939	(7,587)	-	2,461,352
AV equipment	1,509,321	69,859	(1,749)	1,577,431
Work in progress	-	-	-	-
Building	181,002	1,075,440	-	1,256,442
	40,436,017	5,639,813	(398,219)	45,677,611

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)****INSTITUTE**

	NET BOOK VALUE	
	2021	2020
	RM	RM
Renovations	3,888,014	4,651,590
Office equipment	449,544	628,324
Furniture and fittings	908,324	1,207,236
Motor vehicles	314,407	815,515
Scientific equipment	1,100,887	1,501,707
Computers	990,416	1,267,237
Book and video	9,981	17,961
AV equipment	152,619	178,180
Work in progress	61,658	323,145
Building	8,231,437	8,624,676
	16,107,287	19,215,571

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:-

Group and Institute	Building
	RM
Balance at 01.01.2021	5,645,428
Additions	1,332,479
Depreciation charged	(1,664,260)
Balance at 31.12.2021	5,313,647

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**7. INVESTMENT IN SUBSIDIARY**

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Unquoted shares, at cost	-	-	3,500,000	3,500,000

The subsidiary company, incorporated in Malaysia, is as follows:-

Name of Company	Principal Activities	EFFECTIVE INTEREST	
		2021	2020
NIOSH Certification Sdn. Bhd. (Registration No. : 200401002719 (641222 - K))	Providing comprehensive range of Management System Certification and related services including but not limited to registration, auditing, checking, inspection, training and product testing that conform to Management System Standard, code of practice, guidelines, laws and other related thereto.	100%	100%

The amount due is unsecured, interest free with no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**8. TRADE AND OTHER RECEIVABLES**

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables	13,976,117	10,523,426	11,792,667	8,698,530
Less : Allowance for impairment *	(31,949)	(31,949)	(31,949)	(31,949)
	13,944,168	10,491,477	11,760,718	8,666,581
Deposits	589,159	630,954	572,269	614,064
Non-trade receivables	340,362	315,359	309,598	293,471
Prepayments	3,138,339	4,105,370	2,915,460	3,988,696
GST receivables	9,516	9,516	-	-
	18,021,544	15,552,676	15,558,045	13,562,812
Allowance for impairment				
At 1 January	31,949	65,848	31,949	65,848
Additions (Note 13)	-	27,115	-	27,115
Written off	-	(61,014)	-	(61,014)
At 31 December	31,949	31,949	31,949	31,949

9. DEPOSITS, CASH AND BANK BALANCES

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand and at bank	6,300,850	6,660,448	5,960,802	5,227,453
Deposits with licensed bank	34,415,837	39,653,165	34,308,020	39,553,165
Deposits with Amanah Raya Berhad	126,841,270	120,820,703	126,841,270	120,820,703
	167,557,957	167,134,316	167,110,092	165,601,321
At cost :				
Amanah Raya Trust Fund	502,147	1,270,462	-	1,270,462
	168,060,104	168,404,778	167,110,092	166,871,783
At market value :				
Amanah Raya Trust Fund	502,147	1,268,443	-	1,268,443

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**10. LEASE LIABILITIES**

	GROUP AND INSTITUTE	
	2021	2020
	RM	RM
Minimum lease payments:		
- Not later than 1 year	1,816,534	1,442,134
- Later than 1 year and not later than 5 years	3,237,538	3,142,382
- Later than 5 years	847,200	1,694,400
Total future minimum lease payments	5,901,272	6,278,916
Less: Future interest charges	(595,632)	(746,669)
Present value of minimum lease payments	5,305,640	5,532,247
Repayable as follows:-		
Current liabilities:		
- Not later than 1 year	1,635,939	1,244,134
Non-current liability:		
- Later than 1 year and not later than 5 years	2,856,804	2,724,718
- Later than 5 years	812,897	1,563,395
	3,669,701	4,288,113
	5,305,640	5,532,247

11. TRADE AND OTHER PAYABLES

	GROUP		INSTITUTE	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade payables	3,569,620	2,854,741	3,264,558	2,488,483
Non-trade payables and accruals	11,170,290	13,312,872	11,127,686	13,193,121
SST payables	1,165,014	866,801	1,010,348	714,841
	15,904,924	17,034,414	15,402,592	16,396,445

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**12. REVENUE**

Revenue is the fees derived from conducting courses, consultancy, examination, accommodation and other related services as follows :-

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Courses	46,225,786	48,483,484	45,057,169	47,549,853
Consultancy	2,230,533	1,638,383	2,230,533	1,638,383
Examination, assessment and certification	15,274,938	15,572,560	11,544,105	11,390,322
Hostel and rental facilities	186,206	240,777	186,206	240,777
Research and development	-	(41,326)	-	(41,326)
Information dissemination	371,520	172,172	371,520	172,172
	64,288,983	66,066,050	59,389,533	60,950,181

13. SURPLUS / (DEFICIT) FOR THE YEAR BEFORE TAX

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
This is stated after charging:-				
Audit fee	30,500	25,000	25,000	19,500
Depreciation	5,955,612	5,705,779	5,874,128	5,639,813
Directors' allowances	742,150	661,100	698,050	599,300
Directors' remuneration	5,660	540,694	566,085	540,694
Office rental	723,166	1,262,509	723,166	1,262,509
Allowance for impairment	-	27,115	-	27,115

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**14. TAX EXPENSE**

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Provision for the year	83,058	-	83,058	-
Under provision in prior years	-	429,503	-	429,503
Total tax expense for the year	83,058	429,503	83,058	429,503

The Institute has available tax exempt income of approximately RM2,228,170 (2020 : RM2,228,170).

The above are subject to the approval of the tax authorities.

15. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and Institute made the following cash payments to purchase property, plant and equipment:-

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Purchase of property, plant and equipment (Note 6)	3,700,249	11,327,113	3,644,794	11,199,768
Transfer from Work In Progress	(878,927)	(1,525,601)	(878,927)	(1,525,601)
Right-of-use assets	(1,332,479)	(5,713,934)	(1,332,479)	(5,713,934)
Cash payment on purchase of property, plant and equipment	1,488,843	4,087,578	1,433,388	3,960,233

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**16. STAFF COSTS**

The total expenses recognised in the Statement of Comprehensive Income are as follows:-

	GROUP		INSTITUTE	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries, bonus and allowances	23,654,827	25,004,476	21,430,198	22,988,184
EPF, SOCSO and EIS contributions	3,860,199	3,613,389	3,518,466	3,303,894
Other employee benefits	2,401,162	2,667,519	2,299,139	2,536,911
	29,916,188	31,285,384	27,247,803	28,828,989

17. FINANCIAL INSTRUMENTS**Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:-

- Loans and Receivables (L & R)
- Other liabilities measured at Amortised Cost (AC)

GROUP

	Carrying	L & R	AC
	Amount	RM	RM
	RM		
2021			
Financial assets			
Trade and other receivables (Note 8)	18,021,544	18,021,544	-
Current tax assets	548,104	548,104	-
Deposits, cash and bank balances (Note 9)	168,060,104	168,060,104	-
	186,629,752	186,629,752	-
Financial liabilities			
Trade and other payables (Note 11)	15,904,924	-	15,904,924
Lease liabilities (Note 10)	5,305,640	-	5,305,640
	21,210,564	-	21,210,564

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**17. FINANCIAL INSTRUMENTS (Cont'd)****Categories of financial instruments (cont'd)****GROUP (Cont'd)**

	Carrying Amount RM	L & R RM	AC RM
2020			
Financial assets			
Trade and other receivables (Note 8)	15,552,676	15,552,676	-
Current tax assets	474,953	474,953	-
Deposits, cash and bank balances (Note 9)	168,404,778	168,404,778	-
	<u>184,432,407</u>	<u>184,432,407</u>	<u>-</u>
Financial liabilities			
Trade and other payables (Note 11)	17,034,414	-	17,034,414
Lease liabilities (Note 10)	5,532,247	-	5,532,247
	<u>22,566,661</u>	<u>-</u>	<u>22,566,661</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**17. FINANCIAL INSTRUMENTS (Cont'd)****Categories of financial instruments (cont'd)****INSTITUTE**

	Carrying Amount RM	L & R RM	AC RM
2021			
Financial assets			
Trade and other receivables (Note 8)	15,558,045	15,558,045	-
Amount due from subsidiary (Note 7)	239,508	239,508	-
Current tax assets	446,245	446,245	-
Deposits, cash and bank balances (Note 9)	167,110,092	167,110,092	-
	183,353,890	183,353,890	-
Financial liabilities			
Trade and other payables (Note 11)	15,402,592	-	15,402,592
Lease liabilities (Note 10)	5,305,640	-	5,305,640
	20,708,232	-	20,708,232
2020			
Financial assets			
Trade and other receivables (Note 8)	13,562,812	13,562,812	-
Amount due from subsidiary (Note 7)	245,470	245,470	-
Current tax assets	390,873	390,873	-
Deposits, cash and bank balances (Note 9)	166,871,783	166,871,783	-
	181,070,938	181,070,938	-
Financial liabilities			
Trade and other payables (Note 11)	16,396,445	-	16,396,445
Lease liabilities (Note 10)	5,532,247	-	5,532,247
	21,928,692	-	21,928,692

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**18. RELATED PARTY DISCLOSURES**

The Group's and the Institute's related party transactions in the year ended 31 December 2021 and the corresponding comparative prior year are as follows:-

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Services provided to:				
Entity which the Institute has control, joint control or significant influence	-	-	268,969	70,107
Total for type of transactions	-	-	268,969	70,107

The transactions are in the normal course of business and transacted on terms agreed by both parties. The balances uncollected at the end of the year is RM267,974 inclusive of sales and service tax (2020 : RM154,560 inclusive of sales and service tax) which are recorded in trade receivables.

	GROUP		INSTITUTE	
	2021 RM	2020 RM	2021 RM	2020 RM
Services provided by:				
Entity which the Institute has control, joint control or significant influence	-	-	164,776	245,100
Total for type of transactions	-	-	164,776	245,100

The transactions are in the normal course of business and transacted on terms agreed by both parties. The balances outstanding at the end of the year is RM27,771 inclusive of sales and service tax (2020 : RM146 inclusive of sales and service tax) which are recorded in trade payables.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)**19. IMPACT OF COVID-19 PANDEMIC**

On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary actions imposed by the Government.

The Group has performed assessments on the overall impact of the situation on the Group's and the Institute's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was material adverse effect on the financial statements for the financial year ended 31 December 2021.

Amidst these unprecedented times of uncertainty and challenges ahead, the Group and the Institute are unable to reasonably estimate the financial impacts of Covid-19 for the financial year ending 31 December 2022 as the impact is a continuing process.

REPORTS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TUAN HAJI AYOP BIN SALLEH
YBHG. DATUK HAJI SHAMSUDDIN BIN BARDAN
YBHG. DATUK DR. CHONG CHEE KHEONG
DR. SHARUDIN BIN SHARI
TUAN HAJI NIK HASBI FATHI BIN NIK HUSAIN FATHI
DATUK HAJAH ROSMAWATI BINTI HAJI LASUKI

COMPANY SECRETARIES

ROZIAH BINTI ABDUL RASHID
LS 0009048
CCM PC NO. : 201908000337

NURUL NADIAH BINTI MOHD ABD RASID
MIA 44423
CCM PC NO. : 201908002882

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

7TH FLOOR, NIOSH TOWER
LOT 1, JALAN 15/1
SEKSYEN 15
43650 BANDAR BARU BANGI
SELANGOR DARUL EHSAN

AUDITORS

ZALGHANI & CO
CHARTERED ACCOUNTANTS MALAYSIA

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD
CIMB ISLAMIC BANK BERHAD

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year are to provide a comprehensive range of Management System Certification and related services including but not limited to registration, auditing, checking, inspection, training and product testing that conform to Management System Standards, code of practice, guidelines, laws and other related thereto.

There have been no significant changes in the nature of the principal activities of the Company during the financial year.

FINANCIAL RESULT

	RM
Result from continuing operations:	
Net profit for the year before tax	24,001
Tax expense	-
Net profit for the year after tax	<u>24,001</u>

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend to be paid for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances, which would render the amounts written off of bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ensure that any current assets, which were unlikely to realise, in the ordinary course of business including their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances, which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any person; or
- b) any contingent liability of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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 amounts stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for the financial year ended 31 December 2021 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

EVENTS SUBSEQUENT TO REPORTING DATE

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 a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS

The directors who held office during the year until the date of this report are:-

Tuan Haji Ayop Bin Salleh
YBhg. Datuk Hj. Shamsuddin Bin Bardan
YBhg. Datuk Dr. Chong Chee Kheong
Dr. Haji Sharudin Bin Shari
Tuan Haji Nik Hasbi Fathi Bin Nik Husain Fathi
Datuk Hajah Rosmawati Binti Haji Lasuki
Prof. Dr. Ismail Bin Bahari (Ceased : 28.02.2021)

DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year held any interests in the ordinary shares of the Company.

DIRECTORS' REMUNERATIONS

None of the directors or past directors of the Company have received any remunerations from the Company during the financial year except as disclosed in Note 15 to the financial statements.

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

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors or past directors of the Company 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 Company.

AUDITORS' REMUNERATIONS

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

	2021
	RM
Statutory audit	5,500

DIRECTORS' BENEFITS

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

No director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

HOLDING CORPORATION

The Company is a wholly owned subsidiary of National Institute of Occupational Safety and Health (Registration No.: 199201011539 (243042 - U), a Company incorporated in Malaysia.

AUDITORS

The retiring auditors, Messrs Zalgiani & Co, have expressed unwillingness to accept reappointment.

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



AYOP BIN SALLEH
Chairman



DATUK HJ. SHAMSUDDIN BIN BARDAN
Director

Selangor
Dated: 29 APRIL 2022

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **AYOP BIN SALLEH** and **DATUK HJ. SHAMSUDDIN BIN BARDAN**, being two of the directors of **NIOSH CERTIFICATION SDN. BHD.**, do hereby state that, in the opinion of the directors, the financial statements of the Company as set out on pages 59 to 78 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performances and cash flows of the Company for the year ended on that date.

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



AYOP BIN SALLEH
Chairman



DATUK HJ. SHAMSUDDIN BIN BARDAN
Director

Selangor
Dated: 29 APRIL 2022

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

I, **AYOP BIN SALLEH**, being the director primarily responsible for the financial management of **NIOSH CERTIFICATION SDN. BHD.**, do solemnly and sincerely declare that the financial statements as set out on pages 59 to 78 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)
abovenamed **AYOP BIN SALLEH**)
in Selangor)
this day of)



AYOP BIN SALLEH

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NIOSH CERTIFICATION SDN. BHD.**, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 78.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company 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, International Financial Reporting Standards 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 Company 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report and Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company of 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 this other information, 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 Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company'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 Company 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 Company 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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 Company, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company'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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, 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 directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)**Other Matters**

This report is made solely to the members of the Company, 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.

**ZALGHANI & CO**

Firm No.: AF 1281

Chartered Accountants Malaysia

Selangor

Dated: 29 APRIL 2022

**MOHD ZALGHANI BIN HASSAN**

Approval No.: 2066/07/2022(J)

Chartered Accountant Malaysia

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
NON-CURRENT ASSET			
Property, plant and equipment	6	250,939	276,968
TOTAL NON-CURRENT ASSET		250,939	276,968
CURRENT ASSETS			
Trade and other receivables	8	2,223,730	1,856,300
Deposits and prepayments	9	239,769	133,564
Current tax assets		101,859	84,080
Cash and cash equivalents	11	950,012	1,532,995
TOTAL CURRENT ASSETS		3,515,370	3,606,939
TOTAL ASSETS		3,766,309	3,883,907
EQUITY:			
Share capital	13	3,500,000	3,500,000
Accumulated losses		(475,531)	(499,532)
TOTAL EQUITY		3,024,469	3,000,468
CURRENT LIABILITIES			
Trade and other payables	12	502,332	637,969
Amount due to a holding corporation	10	239,508	245,470
TOTAL CURRENT LIABILITIES		741,840	883,439
TOTAL EQUITY AND LIABILITIES		3,766,309	3,883,907

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
REVENUE	14	4,899,450	5,115,869
COST OF SALES		(1,744,413)	(2,124,766)
GROSS PROFIT		3,155,037	2,991,103
OTHER OPERATING INCOME		10,519	9,744
		3,165,556	3,000,847
ADMINISTRATION EXPENSES		2,712,485	2,502,095
OTHER OPERATING EXPENSES		429,070	438,274
		(3,141,555)	(2,940,369)
PROFIT FOR THE YEAR BEFORE TAX	15	24,001	60,478
TAX EXPENSE	16	-	-
NET COMPREHENSIVE PROFIT FOR THE YEAR AFTER TAX		24,001	60,478

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital RM	Accumulated Losses RM	Total RM
At 1 January 2020	3,500,000	(560,010)	2,939,990
Net comprehensive profit for the year after tax	-	60,478	60,478
At 31 December 2020	3,500,000	(499,532)	3,000,468
Net comprehensive profit for the year after tax	-	24,001	24,001
At 31 December 2021	3,500,000	(475,531)	3,024,469

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the year before tax		24,001	60,478
Adjustments for:			
Depreciation		81,484	65,966
Interest income		(9,964)	(8,406)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		95,521	118,038
(Increase) / Decrease in trade and other receivables		(367,430)	653,963
(Increase) / Decrease in deposits and prepayments		(106,205)	105,348
Decrease in trade and other payables		(135,637)	(816,844)
(Decrease) / Increase in amount due to a holding corporation		(5,962)	3,206
CASH GENERATED FROM OPERATIONS		(519,713)	63,711
Tax paid		(46,692)	(40,022)
Tax refund		28,913	-
Interest received		9,964	8,406
NET CASH GENERATED FROM OPERATING ACTIVITIES		(527,528)	32,095
CASH FLOW FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(55,455)	(127,345)
NET CASH USED IN INVESTING ACTIVITY		(55,455)	(127,345)
Net decrease in cash and cash equivalents		(582,983)	(95,250)
Cash and cash equivalents at beginning of the year		1,532,995	1,628,245
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11	950,012	1,532,995

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year are to provide a comprehensive range of Management System Certification and related services including but not limited to registration, auditing, checking, inspection, training and product testing that conform to Management System Standards, code of practice, guidelines, laws and other related thereto.

There have been no significant changes in the nature of the principal activities of the Company during the financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except stated otherwise.

2.4 Significant accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4 Significant accounting estimates and judgements (cont'd)

2.4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be from 4 to 5 years.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

b) Impairment of loans and receivables

The Company assesses at the end of the reporting date whether there is any objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

c) Income taxes / Deferred taxation

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unabsorbed business losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

2.4 Significant accounting estimates and judgements (cont'd)

2.4.1 Key sources of estimation uncertainty (cont'd)

d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instruments. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimate may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 29 APRIL 2022.

4. FINANCIAL RISK MANAGEMENT POLICIES

The Company has no formal risk management structure with respect to its financial assets. Risks are handled on case to case basis by the directors as and when issues arise.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

a) Foreign currency risk

The Company does not have any material foreign currency transactions, assets, or liabilities and hence are not exposed to any significant or material currency risks.

b) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rate. Interest rate exposure arises from the Company's borrowings and deposits and is managed through the use of fixed and floating rate debt.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

4. FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

c) Credit risk

The Company seeks to control credit risk by setting counter party limits and ensuring that the sales are made to customers with an appropriate credit history. The trade receivables are all collectable and adequate allowance for bad and doubtful debts are provided for.

Following are the areas where the Company are exposed to credit risk:

i) Receivables

The ageing analysis of the Company's trade receivables are as follows:-

	Gross RM	Individually Impaired RM	Net RM
2021			
Past due 0-30 days	1,314,494	-	1,314,494
Past due 31-120 days	450,568	-	450,568
Past due more than 120 days	418,388	-	418,388
	2,183,450	-	2,183,450
2020			
Past due 0-30 days	1,005,966	-	1,005,966
Past due 31-120 days	649,849	-	649,849
Past due more than 120 days	169,081	-	169,081
	1,824,896	-	1,824,896

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value.

d) Market risk

The Company does not have any quoted investments and hence are not exposed to market risks.

e) Liquidity and Cash Flow risks

The Company's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practices prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting**

The financial statements of the Company have been prepared under the historical cost convention.

b) **Financial Instruments**

i) **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair values plus transactions costs, except for financial assets and financial liabilities carried at fair values through profit and loss, which are measured initially at fair values. Financial assets and financial liabilities are measured subsequently as described below.

ii) **Financial assets – categorisation and subsequent measurement**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- a) financial assets at fair value through profit and loss;
- b) held-to-maturity investments;
- c) loans and receivables; and
- d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

iii) **Disclosures of fair values**

The carrying values of the financial assets and liabilities maturing within 12 months approximate their fair values at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) **Property, plant and equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided on a straight line basis and is calculated to write off the cost of the property, plant and equipment over the expected useful lives of the assets concerned. The annual rates used are:-

	%
AV equipments	20
Computer	20
Furniture and fittings	20
Office equipments	20
Renovation	20

d) **Impairment of assets**

The carrying amounts of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries, associates and jointly controlled entity) are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised as an expense in the profit or loss immediately, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

e) **Trade and other receivables**

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off in the period in which they are identified. An allowances is made for impairment based on a review of all outstanding amounts at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) **Provisions**

Provisions are recognised when the Company has a present legal and constructive obligation as a result of a past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

g) **Cash and cash equivalents**

Cash comprises of cash at bank and in hand including bank overdraft and deposits. Cash equivalents comprises of investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

h) **Revenue recognition**

- (i) Revenue is recognised when the services are rendered.
- (ii) Interest income is recognised as it accrues unless its collectability is in doubt.

i) **Income tax**

The tax expense represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, or temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement or the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

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

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)****5. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****j) Employee benefits****i) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Institute. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences such as sick leave are recognised when the absences occur. Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

ii) Defined contribution plans

The Institute makes contributions to a statutory provident fund and recognise the contribution payable after deducting contributions already paid as a liability and as an expense in the financial year in which the employees render their services.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

6. PROPERTY, PLANT AND EQUIPMENT

2021
COST

	Balance at 01.01.2021 RM	Additional RM	Disposal RM	Balance at 31.12.2021 RM
AV equipments	36,837	4,412	-	41,249
Computer	240,040	24,144	-	264,184
Furniture and fittings	147,176	4,450	-	151,626
Office equipments	29,354	3,409	-	32,763
Renovation	166,478	19,040	-	185,518
	619,885	55,455	-	675,340

2021
ACCUMULATED DEPRECIATION

	Balance at 01.01.2021 RM	Charge for the year RM	Disposal RM	Balance at 31.12.2021 RM
AV equipments	19,415	5,782	-	25,197
Computer	152,088	27,012	-	179,100
Furniture and fittings	74,604	19,984	-	94,588
Office equipments	22,720	2,071	-	24,791
Renovation	74,090	26,635	-	100,725
	342,917	81,484	-	424,401

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)
6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)
2020
COST

	Balance at 01.01.2020	Additional	Disposal	Balance at 31.12.2020
	RM	RM	RM	RM
AV equipments	23,846	12,991	-	36,837
Computer	153,824	86,216	-	240,040
Furniture and fittings	131,165	16,011	-	147,176
Office equipments	22,587	6,767	-	29,354
Renovation	161,118	5,360	-	166,478
	<u>492,540</u>	<u>127,345</u>	<u>-</u>	<u>619,885</u>

2020
ACCUMULATED DEPRECIATION

	Balance at 01.01.2020	Charge for the year	Disposal	Balance at 31.12.2020
	RM	RM	RM	RM
AV equipments	14,976	4,439	-	19,415
Computer	133,390	18,698	-	152,088
Furniture and fittings	56,437	18,167	-	74,604
Office equipments	21,113	1,607	-	22,720
Renovation	51,035	23,055	-	74,090
	<u>276,951</u>	<u>65,966</u>	<u>-</u>	<u>342,917</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	NET BOOK VALUE	
	2021	2020
	RM	RM
AV equipments	16,052	17,422
Computer	85,084	87,952
Furniture and fittings	57,038	72,572
Office equipments	7,972	6,634
Renovation	84,793	92,388
	250,939	276,968

7. TRADE AND OTHER RECEIVABLES

	2021	2020
	RM	RM
Trade receivables	2,183,450	1,824,896
Non-trade receivable	30,764	21,888
GST receivables	9,516	9,516
	2,223,730	1,856,300

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

8. DEPOSITS AND PREPAYMENTS

	2021	2020
	RM	RM
Tender deposits	16,890	16,890
Prepayment expenses	222,879	116,674
	<u>239,769</u>	<u>133,564</u>

9. AMOUNT DUE TO A HOLDING CORPORATION

The amount due is unsecured, interest free and with no fixed term of repayment.

10. CASH AND CASH EQUIVALENTS

	2021	2020
	RM	RM
Cash and bank balances	340,048	1,432,995
Fixed deposits with a licensed bank	107,817	100,000
Amanah Raya Syariah Trust Fund	502,147	-
	<u>950,012</u>	<u>1,532,995</u>

11. TRADE AND OTHER PAYABLES

	2021	2020
	RM	RM
Trade payables	305,062	366,258
Non-trade payables and accruals	42,604	119,751
SST payables	154,666	151,960
	<u>502,332</u>	<u>637,969</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

12. SHARE CAPITAL

	2021	2020
	RM	RM
Issued and fully paid: 3,500,000 Ordinary shares	3,500,000	3,500,000

13. REVENUE

Revenue is the fees derived from a comprehensive range of certification and training activities as follows:-

	2021	2020
	RM	RM
Courses	1,168,617	933,631
Certification	3,730,833	4,182,238
	4,899,450	5,115,869

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

14. PROFIT FOR THE YEAR BEFORE TAX

	2021	2020
	RM	RM
This is stated after charging / (crediting):		
Audit fee	5,500	5,500
Depreciation	81,484	65,966
Directors' allowances	44,100	61,800
Interest income	(9,964)	(8,406)

15. TAX EXPENSE

There is no charge to taxation as the Company had no chargeable income during the financial year.

The Company has available unabsorbed tax losses amounting to approximately RM440,972 (2020 : RM526,739) for utilisation against future taxable income.

16. STAFF COSTS

The total expenses recognised in the Statement of Comprehensive Income are as follows:-

	2021	2020
	RM	RM
Salaries, bonus and allowances	2,224,629	2,016,292
EPF, SOCSO and EIS contributions	341,733	309,495
Other employee benefits	102,023	114,508
	2,668,385	2,440,295

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021 (CONT'D)

17. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- Loans and receivables (L & R)
- Other liabilities measured at Amortised Cost (AC)

	Carrying Amount RM	L & R RM	AC RM
2021			
Financial assets			
Trade and other receivables (Note 8)	2,223,730	2,223,730	-
Deposits and prepayments (Note 9)	218,756	218,756	-
Current tax assets	101,859	101,859	-
Deposits, cash and bank balances (Note 11)	950,012	950,012	-
	3,494,357	3,494,357	-
Financial liabilities			
Trade and other payables (Note 12)	481,319	-	481,319
Amount due to holding corporation	239,508	-	239,508
	720,827	-	720,827
2020			
Financial assets			
Trade and other receivables (Note 8)	1,856,300	1,856,300	-
Deposits and prepayments (Note 9)	133,564	133,564	-
Current tax assets	84,080	84,080	-
Deposits, cash and bank balances (Note 11)	1,532,995	1,532,995	-
	3,606,939	3,606,939	-
Financial liabilities			
Trade and other payables (Note 12)	637,969	-	637,969
Amount due to holding corporation	245,470	-	245,470
	883,439	-	883,439

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021 (CONT'D)

18. RELATED PARTY DISCLOSURES

	2021 RM	2020 RM
(a) Services provided to holding corporation	173,730	254,148

The transactions are in the normal course of business and transacted on terms agreed by both parties. The balances unpaid at the end of the year was RM75,744 (2020 : RM38,949).

	2021 RM	2020 RM
(b) Services provided by holding corporation	45,446	34,494

The transactions are in the normal course of business and transacted on terms agreed by both parties. The balances unpaid are accumulated in the related party balances.

19. IMPACT OF COVID-19 PANDEMIC

On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order (“MCO”) starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary actions imposed by the Government.


The Company has performed assessments on the overall impact of the situation on the Company’s operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was material adverse effect on the Company’s financial performance for the financial year ended 31 December 2021.



Amidst these unprecedented times of uncertainty and challenges ahead, the Company are unable to reasonably estimate the financial impacts of Covid-19 for the financial year ending 31 December 2022 as the impact is a continuing process. Nonetheless, the Company has undertaken necessary changes to its operations, including implementing revenue and cost optimization measures as well as initiatives to improve operational efficiency and productivity.



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