

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**FINANCIAL STATEMENTS AND REPORTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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Registration No.: PTG/WP. 20/1/2114

PERBADANAN PENGURUSAN VISTA KOMANWEL B
(Incorporated in Malaysia)

COMMITTEE INFORMATION

		<u>Position</u>
MANAGEMENT	Chow Yue Wing	Chairman
COMMITTEE :	Loh Mei Sin	Secretary
	Ho Lee Wah	Treasurer
	Khong Chee Kong	Committee member
	Tan Lai Yong	Committee member
	Teh Teong Khuan	Committee member
	Hoi Kam Fatt	Committee member
	Chuai Teck	Committee member

AUDITORS : McMillan Woods GKJ (AF001980)
Wisma 1 Alliance, unit 3A-B,
No.1, Lorong Kasawari 4B,
Taman Eng Ann,
41150 Klang,
Selangor Darul Ehsan.

MANAGEMENT OFFICE : Perbadanan Pengurusan Vista Komanwel B,
The Management Office, UG Floor,
Clubhouse Parcel B, Vista Komanwel B,
Jalan Jalil Perkasa 19, Bukit Jalil,
57000 Kuala Lumpur.

BANKERS : Public Bank Berhad

PERBADANAN PENGURUSAN VISTA KOMANWEL B

REPORT BY THE MANAGEMENT COMMITTEE

The Management Committee of the Perbadanan Pengurusan Vista Komanwel B ("Management Corporation") hereby submits their report and the financial statements of the Management Corporation for the financial year ended 31 December 2019.

GENERAL INFORMATION

Its principal object is to maintain and manage Vista Komanwel B Condominium, Clubhouse Parcel B, Jalan Jalil Perkasa 19, Bukit Jalil, 57000 Kuala Lumpur.

As at 31 December 2019, there are a total of 523 unit holders.

RESULTS

	RM
Surplus for the year	<u>23,477</u>

AUDITORS

The auditors, Messrs., McMillan Woods GKJ, have expressed their willingness to continue in office.

Signed on behalf of the Management Committee,



CHOW YUE WING
Chairman



HO LEE WAH
Treasurer

Date: 24 JUN 2020

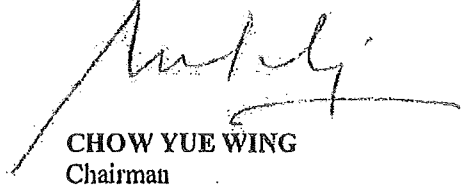
Registration No.: PTG/WP. 20/1/2114

PERBADANAN PENGURUSAN VISTA KOMANWEL B

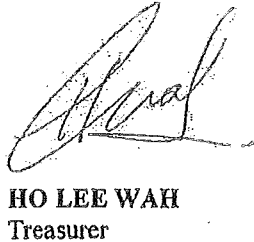
STATEMENT BY MANAGEMENT COMMITTEE

We, Chow Yue Wing and Ho Lee Wah, being the committee members, do hereby state on behalf of the committee, that the accompanying financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standard and Strata Management Act 2013 in Malaysia so as to exhibit a true and fair view of the state of affairs as at 31 December 2019 and of the statements of income and expenditure and cash flow statements of Perbadanan Pengurusan Vista Komanwel B for the year ended on the date.

On behalf of the Management Committee,



CHOW YUE WING
Chairman




HO LEE WAH
Treasurer

Date: 24 JUN 2020

STATUTORY DECLARATION

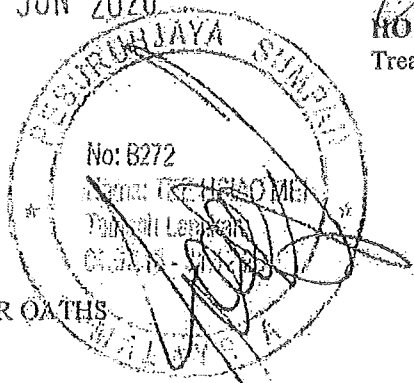
I, Ho Lee Wah, being the authorised representative primarily responsible for the financial management of Perbadanan Pengurusan Vista Komanwel B, do solemnly and sincerely declare that the financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above-named)
Ho Lee Wah)
at Klang in the state of Selangor)
Darul Ehsan on 24 JUN 2020)



HO LEE WAH
Treasurer

Before me,



COMMISSIONER FOR OATHS

ALAMAT PESURUHJAYA SUMPAN
10, J. TINGGI BAWA, 15500 KLANG, SELANGOR
PUSAT PERKHIDMATAN POL. DAN BERSEKUTU
41000 KLANG, SELANGOR DARUL EHSAN

**INDEPENDENT AUDITORS' REPORT TO THE OWNERS OF
PERBADANAN PENGURUSAN VISTA KOMANWEL B
(Registration No.: PTC/WP. 20/1/2114)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Perbadanan Pengurusan Vista Komanwel B ("Management Corporation"), which comprise the statement of financial position as at 31 December 2019, the statement of income and expenditure, statement of changes in accumulated funds 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 7 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Management Corporation as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of Strata Management Act 2013.

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Management Committee of the Management Corporation is responsible for the other information. The other information comprised of the Report by Management Committee but does not include the financial statements of the Management Corporation and our auditors' report thereon.

Our opinion on the financial statements of the Management Corporation does not cover the Report by Management Committee and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Management Committee, our responsibility is to read the Report by Management Committee and, in doing so, consider whether the Report by Management Committee is materially inconsistent with the financial statements of the Management Corporation or our knowledge obtained in the audit or otherwise appears to be materially misstated.



**INDEPENDENT AUDITORS' REPORT TO THE OWNERS OF
PERBADANAN PENGURUSAN VISTA KOMANWEL B (CONT'D)
(Registration No.: PTG/WP. 20/1/2114)**

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

If, based on the work we have performed, we conclude that there is a material misstatement of the Report by Management Committee, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation of financial statements of the Management Corporation that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Strata Management Act 2013 in Malaysia. The Management Committee is also responsible for such internal control as the Management Corporation determine is necessary to enable the preparation of financial statements of the Management Corporation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Management Corporation, the Management Committee is responsible for assessing the Management Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the Management Corporation 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 Management Corporation 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Management Corporation, 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.



**INDEPENDENT AUDITORS' REPORT TO THE OWNERS OF
PERBADANAN PENGURUSAN VISTA KOMANWEL B (CONT'D)
(Registration No.: PTG/WP. 20/1/2114)**

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

- 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 Management Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Corporation.
- Conclude on the appropriateness of the Management Corporation's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Management Corporation'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 Management Corporation 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 Management Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Management Corporation, 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 Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



McMillan Woods GKJ

Chartered Accountants (AF:1980)

"The Business Mind"

**INDEPENDENT AUDITORS' REPORT TO THE OWNERS OF
PERBADANAN PENGURUSAN VISTA KOMANWEL B (CONT'D)
(Registration No.: PTG/WP. 20/1/2114)**

Other Matters

The previous financial year was audited by another firm of chartered accountants, where an unqualified audit opinion was issued on 15 May 2019.

This report is made solely to the owners of the units, as a Management Corporation, in accordance with Strata Management Act 2013 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**MCMILLAN WOODS GKJ
CHARTERED ACCOUNTANTS
NO: AF001980**

**JAY JULIAN A/L JAYATHALAGAH
No: 01692/12/21(J)
Chartered Accountant**

Date: 24 June 2020

Klang, Selangor Darul Ehsan

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 RM	2018 RM
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	5	179,947	218,874
Fixed deposits	6	645,000	426,000
		<u>824,947</u>	<u>644,874</u>
CURRENT ASSETS			
Due from owners	7	70,401	69,846
Other receivables, deposits and prepayments	8	222,104	218,186
Fixed deposits	6	1,829,070	1,065,281
Cash and bank balances	9	140,164	369,733
		<u>2,261,739</u>	<u>1,723,046</u>
TOTAL ASSETS		<u><u>3,086,686</u></u>	<u><u>2,367,920</u></u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated sinking funds	10	1,487,721	798,432
Accumulated maintenance funds		930,888	907,411
		<u>2,418,609</u>	<u>1,705,843</u>
CURRENT LIABILITIES			
Trade payables	11	116,546	114,855
Other payables and accruals	12	550,649	545,879
Current tax liabilities		882	1,343
		<u>668,077</u>	<u>662,077</u>
TOTAL LIABILITIES		<u>668,077</u>	<u>662,077</u>
TOTAL FUNDS AND LIABILITIES		<u><u>3,086,686</u></u>	<u><u>2,367,920</u></u>

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

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 RM	2018 RM
INCOME			
Access card		7,830	7,160
Car clamping		2,500	800
Car park		55,500	55,300
Insurance		58,584	61,828
Interest income		32,936	42,860
Late payment interest		8,553	6,034
Other		8,158	4,452
Quit rent		8,347	8,358
Rental income		62,400	45,674
Resident card		120	170
Service charge	13	1,722,092	1,725,589
Stickers		4,160	3,300
Water and electricity recoverable		<u>140,027</u>	<u>141,685</u>
TOTAL INCOME		<u>2,111,207</u>	<u>2,103,210</u>
EXPENDITURE			
AGM expenses		2,966	4,861
Allowance		12,022	7,238
Audit fee		5,300	4,800
Bank charges		19,085	23,787
Car sticker		3,455	3,455
Cleaning services		207,900	202,900
Depreciation of plant and equipment		63,992	70,013
Electrical inspection		3,000	3,000
Electricity		241,686	230,766
Festive seasons and functions		6,669	
Fire fighting services		4,860	15,456
Fire preventive maintenance		10,200	10,455
Gardening and landscaping		57,600	57,600
General repair and maintenance		185,981	164,652
Gym maintenance		2,048	1,476
Hardware and tools		33,830	25,322
Insurance		59,187	62,340
Legal fees		150	
License fee		5,580	5,580
Lift maintenance		124,560	123,984
Management fee	14	133,560	131,670
Miscellaneous expenses		3,967	5,022
PBB E-commerce charges			1,060
Pest control		7,400	7,071

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

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 RM	2018 RM
EXPENDITURE (CONT'D)			
Postage and courier		2,177	1,194
Printing and stationery		5,443	8,289
Proximity card		2,850	2,700
Quit rent		8,346	8,346
Refuse collection		2,400	3,598
Rental of copier		4,742	4,004
Security services		467,061	449,670
Signage		1,960	1,830
Staff salary		228,573	234,882
Swimming pool		14,400	14,760
Tax fee		1,500	1,500
Telephone charges		2,405	2,566
Water		149,359	136,836
TOTAL EXPENDITURE		<u>2,086,214</u>	<u>2,032,683</u>
Surplus before tax		24,993	70,527
Income tax expense	15	<u>(1,516)</u>	<u>(2,200)</u>
		<u>23,477</u>	<u>68,327</u>

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

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Accumulated sinking funds RM	Accumulated maintenance funds RM	Total RM
As at 1 January 2018	366,825	839,084	1,205,909
Surplus for the year	-	68,327	68,327
Sinking fund contributions	<u>431,607</u>	<u>-</u>	<u>431,607</u>
As at 31 December 2018	798,432	907,411	1,705,843
Surplus for the year	-	23,477	23,477
Sinking fund contributions	689,319	-	689,319
Sinking fund expenditure	<u>(30)</u>	<u>-</u>	<u>(30)</u>
As at 31 December 2019	<u>1,487,721</u>	<u>930,888</u>	<u>2,418,609</u>

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

PERBADANAN PENGURUSAN VISTA KOMANWEL B

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM	2018 Restated RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from owners		2,840,078	2,323,912
Payment of expenses from maintenance funds		(1,752,104)	(1,676,058)
Payment of expenses from sinking funds		(30)	(20)
Payment of management fees		(133,560)	(131,670)
Payment of secondment fees		(228,899)	(234,882)
Cash from operations		725,485	281,282
Fixed deposit interest income		39,628	62,109
Late payment interest income		5,982	6,034
Tax paid		(2,644)	(2,707)
Net cash from operating activities		768,451	346,718
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of fixed deposits		(219,000)	(226,000)
Purchase of plant and equipment		(25,065)	(173,234)
Net cash used in investing activities		(244,065)	(399,234)
Net increase in cash and cash equivalents		524,386	(52,516)
Cash and cash equivalents at beginning of the year		1,444,848	1,497,364
Cash and cash equivalents at end of the year		1,969,234	1,444,848
Cash and cash equivalents comprise:			
Fixed deposits (Current)	6	1,829,070	1,075,115
Cash and bank balances	9	140,164	369,733
		1,969,234	1,444,848
<u>Sinking fund</u>			
- Fixed deposits with a licensed bank (Current)		1,829,070	1,075,115
- Cash at bank		16,319	49,862
		1,845,389	1,124,977
<u>Maintenance fund</u>			
- Cash at bank		121,872	317,898
- Cash in hand		1,973	1,973
		123,845	319,871
		1,969,234	1,444,848

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

PERBADANAN PENGURUSAN VISTA KOMANWEL B

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 GENERAL INFORMATION

Its principal object is to maintain and manage Vista Komanwel B Condominium, Clubhouse Parcel B, Jalan Jalil Perkasa 19, Bukit Jalil, 57000 Kuala Lumpur.

As at 31 December 2019, there are a total of 523 unit holders.

2 BASIS OF PREPARATION

Accounting convention

The financial statements of the Management Corporation are prepared under the historical cost and fair value basis. Accordingly, the financial statements of the Management Corporation have been prepared in accordance with Malaysian Private Entities Reporting Standard (MPERS) Framework.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

3.1 PLANT AND EQUIPMENT

The cost of an item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Management Corporation and the cost of the item can be measured reliably. After recognition as an asset, an item plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

	<u>Rate</u>
Building and hall	20%
Computer equipment	20%
Electrical and furniture fittings	20%
Gate and grill	20%
CCTV, Gym and office equipment	20%
Operating equipment	20%
Renovation	20%

Depreciation of an asset begins when it is ready for its intended use.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 PLANT AND EQUIPMENT (CONT'D)

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

3.2 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS

At each reporting date, the Management Corporation assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Management Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when the Management Corporation becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

i) Financial Assets At Fair Value Through Profit Or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) Financial Assets That Are Debt Instruments Measured At Amortised Cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

iii) Financial Assets That Are Equity Instruments Measured At Cost Less Impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL ASSETS (CONT'D)

iv) *Impairment Of Financial Assets*

At the end of each reporting period, the Management Corporation assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as amount due from owners, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Management Corporation would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts due from owners which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL ASSETS (CONT'D)

v) *Derecognition Of Financial Assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Management Corporation transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

3.5 SINKING FUND

A monthly contribution of RM0.195 per share unit by the unit owners to meet the actual or expected capital expenditure necessary for Perbadanan Pengurusan Vista Komanwel B for the following purposes:

- (i) For painting and repainting of any part of the common property, which is a building or other structure;
- (ii) For the acquisition of any moveable property for use in relation to the common property;
- (iii) For the renewal or replacement of any fixtures or fittings comprised in any common property and any moveable property vested in the Management Committee;
- (iv) For upgrading and refurbishment of the common property; and
- (v) For any other capital expenditure as the Management Committee deems necessary.

3.6 FINANCIAL LIABILITIES

Financial liabilities are recognised in the statement of financial position when the Management Corporation becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Management Corporation to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 FINANCIAL LIABILITIES (CONT'D)

i) Financial Liabilities Measured At Fair Value Through Profit Or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) Financial Liabilities Measured At Amortised Cost

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

iii) Loan Commitments Measured At Cost Less Impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

iv) Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 REVENUE

i) Service charges and recoverable

Income from service charges and recoverable are accounted for under accrual and time apportioned basis.

ii) Rental income

Rental income is recognised when the rights to receive payment is established.

iii) Interest income

Interest income is recognised using the effective interest method, and accrued on a time basis.

3.8 INCOME TAX

Income tax in the income and expenditure statement comprises current tax. Current tax is the expected amount of income taxes payable in respect of the chargeable income for the financial period and is measured using the tax rates that have been enacted at the reporting date.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES

The judgements that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements. No critical accounting judgements made in applying accounting policies other than disclosed in note 3 to the financial statements.

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key sources of estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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5 PLANT AND EQUIPMENT

	As at 1 January 2019 RM	Additions RM	Disposals RM	As at 31 December 2019 RM
<u>Cost</u>				
Building and hall	260,105	-	-	260,105
CCTV, gym and office equipment	396,419	14,219	-	410,638
Computer equipment	113,001	1,116	-	114,117
Electrical and furniture fittings	113,348	2,450	-	115,798
Gate and grill	20,210	-	-	20,210
Operating equipment	101,692	7,280	-	108,972
Renovation	300,805	-	-	300,805
	1,305,580	25,065	-	1,330,645

	As at 1 January 2019 RM	Charges for the year RM	Disposals RM	As at 31 December 2019 RM
<u>Accumulated Depreciation</u>				
Building and hall	260,102	-	-	260,102
CCTV, gym and office equipment	340,113	19,275	-	359,388
Computer equipment	109,307	2,636	-	111,943
Electrical and furniture fittings	108,442	2,198	-	110,640
Gate and grill	20,207	-	-	20,207
Operating equipment	87,837	7,093	-	94,930
Renovation	160,698	32,790	-	193,488
	1,086,706	63,992	-	1,150,698

	2019 RM	2018 RM
<u>Carrying Amount</u>		
Building and hall	3	3
CCTV, gym and office equipment	51,250	56,306
Computer equipment	2,174	3,694
Electrical and furniture fittings	5,158	4,906
Gate and grill	3	3
Operating equipment	14,042	13,855
Renovation	107,317	140,107
	179,947	218,874

6 FIXED DEPOSITS

	2019 RM	2018 RM
Fixed deposits with a licensed bank comprised of:		
<u>Non-current</u>		
Maintenance fund	250,000	250,000
Sinking fund	150,000	150,000
Special sinking fund – painting fund	245,000	26,000
	<u>645,000</u>	<u>426,000</u>
<u>Current</u>		
Maintenance fund	900,737	800,000
Sinking fund	477,991	265,281
Special sinking fund – painting fund	450,342	-
	<u>1,829,070</u>	<u>1,065,281</u>
	<u>2,474,070</u>	<u>1,491,281</u>

The interest rates of fixed deposits at the statement of financial position date range from 2.95% to 3.10% (2018 : 3.20% to 3.35%) per annum.

The maturities of fixed deposits as at the statement of financial position date range from 3 to 12 months (2018 : 1 to 12 months).

Those with maturity period more than 3 months is classified as non-current for the purpose of presentation and recognised as part of investment in accordance with Malaysian Private Entities Reporting Standard (MPERS) Framework.

7 DUE FROM OWNERS

	2019 RM	2018 RM
Within 30 days	2,866	2,626
From 31 days to 60 days	43,811	46,985
From 61 days to 90 days	22,309	23,530
From 90 days and above	74,790	81,628
Advance payment	(73,375)	(84,923)
	<u>70,401</u>	<u>69,846</u>

8 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019 RM	2018 RM
Other receivables	32,306	28,166
Deposits	53,558	53,558
Prepayments	136,240	136,462
	<u>222,104</u>	<u>218,186</u>

9 CASH AND BANK BALANCES

	2019 RM	2018 RM
Cash and bank balances comprised of:		
Maintenance fund	121,872	317,898
Sinking fund	16,319	49,862
Cash in hand	1,973	1,973
	<u>140,164</u>	<u>369,733</u>

10 SINKING FUND

10.1 NORMAL SINKING FUND

	2019 RM	2018 RM
As at beginning of the financial year	547,387	366,825
Add: Billings		
Billings received and receivables	171,778	171,611
Fixed deposit interest received	8,905	9,415
Income tax expense	(369)	(444)
Total billings	180,314	180,582
Less: Sinking fund expenditure		
Bank charges	30	20
As at end of the financial year	<u>727,671</u>	<u>547,387</u>

10.2 SPECIAL SINKING FUND – PAINTING FUND

	2019 RM	2018 RM
As at beginning of the financial year	251,045	
Add: Billings		
Billings received and receivables	502,090	251,045
Fixed deposit interest received	7,214	
Income tax expense	(299)	
Total billings	509,005	251,045
As at end of the financial year	<u>760,050</u>	<u>251,045</u>
Total as at end of the financial year	<u>1,487,721</u>	<u>798,432</u>

11 TRADE PAYABLES

The credit terms of payables ranges from 14 to 30 days.

12 OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2019	2018
	RM	RM
Other payables	100,478	120,426
Accruals	7,660	6,300
Deposits received	442,511	419,153
	<u>550,649</u>	<u>545,879</u>

13 SERVICE CHARGES

The Management Committee shall have the right from time to time to revise, vary or increase the maintenance fees from time to time as it deems necessary upon approval from the General Meeting. The maintenance fee for the current year is RM1.955 per share unit.

14 MANAGEMENT FEE

This represents the amount payable to managing agent, Raine, Horne & Zaki Property Management Sdn. Bhd. for management, general administration and maintenance services rendered.

15 INCOME TAX EXPENSE

Perbadanan Pengurusan Vista Komanwel B is liable to income tax on the income derived from 3rd parties and interest income.

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16 RESTATEMENT

Fixed deposits with maturity period of more than 90 days to be presented as non-current and recognised as part of investment in accordance with Malaysian Private Entities Reporting Standard (MPERS) Framework. Hence comparative has been restated to reflect the revised presentation.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2018	Restatement	2018 Restated
	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from owners	2,323,912	-	2,323,912
Payment of expenses from maintenance funds	(1,676,058)	-	(1,676,058)
Payment of expenses from sinking funds	(20)	-	(20)
Payment of management fees	(131,670)	-	(131,670)
Payment of secondment fees	(234,882)	-	(234,882)
Cash from operations	281,282	-	281,282
Fixed deposit interest income	52,275	9,834	62,109
Late payment interest income	6,034	-	6,034
Tax paid	(2,707)	-	(2,707)
Net cash from operating activities	<u>336,884</u>	<u>9,834</u>	<u>346,718</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of fixed deposits	-	(226,000)	(226,000)
Purchase of plant and equipment	(173,234)	-	(173,234)
Net cash used in investing activities	<u>(173,234)</u>	<u>(226,000)</u>	<u>(399,234)</u>
Net increase in cash and cash equivalents	163,650	(216,166)	(52,516)
Cash and cash equivalents at beginning of the year	<u>1,697,364</u>	<u>(200,000)</u>	<u>1,497,364</u>
Cash and cash equivalents at end of the year	<u>1,861,014</u>	<u>(416,166)</u>	<u>1,444,848</u>
Cash and cash equivalents comprise:			
Fixed deposits	426,000	(426,000)	-
Fixed deposits (Current)	1,065,281	9,834	1,075,115
Cash and bank balances	369,733	-	369,733
	<u>1,861,014</u>	<u>(416,166)</u>	<u>1,444,848</u>

16 RESTATEMENT (CONT'D)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2018	Restatement	2018
	RM	RM	Restated RM
<u>Sinking fund</u>			
- Fixed deposits with a licensed bank	176,000	(176,000)	-
- Fixed deposits with a licensed bank (Current)	1,065,281	9,834	1,075,115
- Cash at bank	49,862	-	49,862
	<u>1,291,143</u>	<u>(166,166)</u>	<u>1,124,977</u>
<u>Maintenance fund</u>			
- Fixed deposits with a licensed bank	250,000	(250,000)	-
- Cash at bank	317,898	-	317,898
- Cash in hand	1,973	-	1,973
	<u>569,871</u>	<u>(250,000)</u>	<u>319,871</u>
	<u>1,861,014</u>	<u>(416,166)</u>	<u>1,444,848</u>

17 FINANCIAL INSTRUMENTS

The category of financial instruments are as follows:-

	2019	2018
	RM	RM
<u>Financial assets at cost and amortised cost</u>		
Due from owners	70,401	69,846
Other receivables and deposits	85,864	81,724
Fixed deposits	2,474,070	1,491,281
Cash and bank balances	140,164	369,733
	<u>2,770,499</u>	<u>2,012,584</u>
<u>Financial liabilities at cost and amortised cost</u>		
Trade payables	116,546	114,855
Other payables, accruals and deposits received	550,649	545,879
	<u>667,195</u>	<u>660,734</u>

18 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Management Corporation were authorised for issue by the Management Committee on 24 June 2020.