TFM FOUNDATION
201001035861 (919785-P)
(Incorporated in Malaysia)

Trustees' Report and Audited Financial Statements
31 December 2021

201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Contents **Page**

Trustees' report	1 - 3
Statement by Trustees	4
Statutory declaration	4
Independent auditors' report	5 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 34

201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Trustees' report

The Trustees hereby present their report together with the audited financial statements of TFM Foundation ("Foundation") for the financial year ended 31 December 2021.

Principal activities

The Foundation is principally engaged in identifying low socio-economic communities in need of assistance in providing quality education to children by recruiting and developing promising future leaders of a variety of disciplines and career interests to commit two years to teach in areas of educational need through collaborative efforts with the Government of Malaysia ("Government") and to foster a dedicated movement of leaders in education, and across all other sectors, to effect the fundamental changes necessary to ensure educational opportunity for all.

Results

	RM
Net surplus for the year	-

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

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

Dividend

No dividend shall be paid to the members of the Foundation as the Foundation is a company limited by guarantee.

Trustees

The name of the Trustees of the Foundation in office since the beginning of the financial year to the date of this report are:

Tunku Ali Redhauddin Ibni Tuanku Muhriz
Shahnaz Al-Sadat Binti Abdul Mohsein
Chen Li-Kai
Datuk Yau Ah Lan @ Fara Yvonne @ Datuk Yvonne Chia
Dato' Tharuma Rajah A/L Kathiravelu

Trustees' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Foundation was a party, whereby the Trustees might acquire benefits by means of the acquisition of shares in or debentures of the Foundation, or of any other body corporate.

Since the end of the previous financial year, no Trustee has received or become entitled to receive a benefit by reason of a contract made by the Foundation or a related corporation with the Trustee or with a firm of which he is a member or with a Company in which he has a substantial financial interest.

Trustees' interests

According to the register of Trustee's shareholdings, none of the Trustees in office at the end of the financial year had any interest in the Foundation or its related corporations during the financial year.

Other statutory information

(a) Before the statement of comprehensive income and statement of financial position of the Foundation were made out, the Trustees took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the statutory debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts is necessary; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Trustees are not aware of any circumstances which would render:

   (i) it necessary to make any allowance for doubtful debts or the amount written off for bad debts inadequate to any substantial extent in respect of the financial statements of the Foundation; and

   (ii) the values attributed to current assets in the financial statements of the Foundation misleading.

(c) At the date of this report, the Trustees are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate.

Other statutory information (cont'd.)

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Foundation which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Foundation which has arisen since the end of the financial year.

(f) In the opinion of the Trustees:

(i) 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 will or may affect the ability of the Foundation to meet its obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Foundation for the financial year in which this report is made.

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office. Auditors' remuneration are disclosed in the statement of comprehensive income.

To the extent permitted by law, the company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 5 April 2022.

Tunku Ali Redhauddin Ibni Tuanku Muhriz

Shahnaz Al-Sadat Bt Abdul Mohsein

Kuala Lumpur, Malaysia

201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Statement by Trustees
Pursuant to Section 251(2) of the Companies Act, 2016

We, Tunku Ali Redhauddin Ibni Tuanku Muhriz and Shahnaz Al-Sadat Bt Abdul Mohsein, being two of the Trustees of TFM Foundation, do hereby state that, in the opinion of the Trustees, the accompanying financial statements set out on pages 9 to 34 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Foundation as at 31 December 2021 and of its financial performance and the cash flows of the Foundation for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 5 April 2022.

Tunku Ali Redhauddin Ibni Tuanku Muhriz

Shahnaz Al-Sadat Bt Abdul Mohsein

Kuala Lumpur, Malaysia

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Chan Soon Seng, being the officer primarily responsible for the financial management of TFM Foundation, do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 34 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
abovenamed Chan Soon Seng
at Kuala Lumpur in the Federal Territory
on 5 April 2022.

Chan Soon Seng

PESURUHJAYA SUMPAH
No: W871
R. S. VANMATHI
01.01.2022 - 31.12.2024
MALAYSIA

Before me,

No. 2-8, 2nd Floor Wisma Konwa
No 40 & 42, Jalan Tun Perak
(Lebuh Ampang)
50050 Kuala Lumpur

Building a better working world

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
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201001035861 (919785-P)

Independent auditors' report to the members of TFM Foundation (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TFM Foundation ("the Foundation"), which comprise the statement of financial position as at 31 December 2021, and 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 9 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2021, and of its financial performance and 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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The trustees of the Foundation are responsible for the other information. The other information comprises the Trustees' Report, but does not include the financial statements of the Foundation and our auditors' report thereon.

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

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039 was registered on 02.01.2020 and with effect from that date, Ernst & Young (AF 0039), a conventional partnership was converted to a limited liability partnership.

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Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Foundation, 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 Foundation 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.

Responsibilities of the trustees for the financial statements

The trustees of the Foundation are responsible for the preparation of financial statements of the Foundation 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 trustees are also responsible for such internal control as the trustees determine is necessary to enable the preparation of financial statements of the Foundation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Foundation, the trustees are responsible for assessing the Foundation'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 Foundation 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 Foundation 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.

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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 Foundation, 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 Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' 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 Foundation'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 Foundation 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 Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements of the Foundations represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

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201001035861 (919785-P)

Independent auditors' report to the members of TFM Foundation (cont'd.) (Incorporated in Malaysia)

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF: 0039
Chartered Accountants

Ahmad Qadri Bin Jahubar Sathik
No. 3254/05/2022 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
5 April 2022

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201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Statement of comprehensive income
For the financial year ended 31 December 2021

	Note	2021 RM	2020 RM
INCOME			
Donations	3, 19	7,046,361	5,204,557
Government grant	18	28,000	312,500
Hibah income	4	1,419	1,485
Interest income	5	98,129	75,978
Other income	6	38,059	67,742
		7,211,968	5,662,262
EXPENDITURE			
Staff costs	7	4,159,781	3,512,789
Programme costs	8	1,166,514	292,015
Promotion costs	9	86,014	64,557
Fellows' training and development		192,974	87,792
Administration expenses		347,971	251,140
Fellows' allowance	10	1,004,461	1,196,783
Travelling expenses		12,727	58,828
Rental expenses and charges		5,618	3,088
Depreciation	13,14	211,423	173,986
Auditors' remuneration			
- Current year		15,000	15,000
- Under/(over) provision in previous year		285	(383)
- Others		3,000	3,000
Finance costs	11	6,200	3,667
		7,211,968	5,662,262
Surplus before taxation		-	-
Taxation	12	-	-
Surplus for the year, representing total comprehensive income for the year		-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2021

	Note	2021 RM	2020 RM
Non-current assets			
Property and equipment	13	43,196	80,962
Right-of-use asset	14	144,669	86,242
		187,865	167,203
Current assets			
Other receivables	15	1,236,968	300,624
Deposits with licensed banks	16	223,138	219,819
Cash and cash equivalents	16	7,599,267	6,173,068
		9,059,373	6,693,511
Current liabilities			
Other payables	17	231,132	470,151
Lease liability	14	117,327	76,513
Government grant	18	-	-
Donation-in-advance	19	7,928,275	5,343,545
		8,276,734	5,890,209
Net current assets		782,640	803,302
		970,505	970,505
Represented by:			
Contribution from members	20	-	-
Retained surplus		970,505	970,505
		970,505	970,505

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

201001035861 (919785-P)

TFM Foundation
(Incorporated in Malaysia)

Statement of changes in equity
For the financial year ended 31 December 2021

	Contribution from members RM	Retained surplus RM	Total RM
At 1 January 2020	-	970,505	970,505
Total comprehensive income for the year	-	-	-
At 31 December 2020	-	970,505	970,505
At 1 January 2021	-	970,505	970,505
Total comprehensive income for the year	-	-	-
At 31 December 2021	-	970,505	970,505

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

TFM Foundation
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2021

	2021 RM	2020 RM
Cash flows from operating activities		
Surplus before taxation	-	-
Adjustments for:		
Depreciation	211,423	173,986
Donation recognised in profit or loss	(7,046,361)	(5,204,557)
Amortisation of government grant	(28,000)	(312,500)
Hibah income	(1,419)	(1,485)
Interest income	(98,129)	(75,978)
Finance costs	6,200	3,667
Operating loss before working capital changes	(6,956,286)	(5,416,867)
Working capital changes:		
Decrease/(increase) in other receivables	43,776	(18,391)
(Decrease)/increase in other payables	(239,019)	323,383
Cash flows used in operating activities	(7,151,529)	(5,111,875)
Income tax paid	-	-
Net cash used in operating activities	(7,151,529)	(5,111,875)
Cash flows from financing activities		
Donations received	8,654,091	7,082,982
Government grant received	28,000	312,500
Repayment of lease liability	(194,442)	(162,356)
Net cash generated from financing activities	8,487,649	7,233,126
Cash flows from investing activities		
Placement of deposits with a licensed bank	(3,319)	(4,500)
Interest and hibah received	96,427	77,755
Purchase of property and equipment	(3,028)	(54,962)
Net cash generated from investing activities	90,080	18,293
Net increase in cash and cash equivalents	1,426,199	2,139,544
Cash and cash equivalents at beginning of year	6,173,068	4,033,524
Cash and cash equivalents at end of year	7,599,267	6,173,068
Cash and cash equivalents comprise:		
Cash on hand and at bank (Note 16)	1,268,038	1,633,528
Deposits with licensed banks (Note 16)	6,554,367	4,759,359
	7,822,405	6,392,887
Less: deposits with licensed banks with maturity period more than 90 days (Note 16)	(223,138)	(219,819)
	7,599,267	6,173,068

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements
For the financial year ended 31 December 2021

1. Corporate information

The Foundation is principally engaged in identifying low socio-economic communities in need of assistance in providing quality education to children by recruiting and developing promising future leaders of a variety of disciplines and career interests to commit two years to teach in areas of educational need through collaborative efforts with the Government and to foster a dedicated movement of leaders in education, and across all other sectors, to effect the fundamental changes necessary to ensure educational opportunity for all. There have been no significant changes in the nature of the principal activities during the financial year.

The Foundation is a Foundation limited by guarantee, incorporated and domiciled in Malaysia. The registered office of the Foundation is located at Zain & Co., 6th Floor, Akademi Etiqa, No. 23, Jalan Melaka, 50100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution of the Trustees on 5 April 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Foundation have been prepared in accordance with the provisions of the Companies Act, 2016 and with the Malaysian Financial Reporting Standards ("MFRSs"), which is in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board

The financial statements have been prepared on a historical cost basis, unless stated otherwise.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2021, the Company adopted the following standards and amendments to MFRS which are applicable to the Company for annual financial periods beginning on or after 1 January 2021.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Effective for annual periods commencing on or after 1 January 2021

Amendment to MFRS 4, MFRS 7, MFRS 9, MFRS 16, and MFRS 139 Interest Rate Benchmark Reform - Phase 2
Amendment to MFRS 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The abovementioned changes in the accounting standards did not have any significant impact on the financial statements of the Foundation for the financial year ended 31 December 2021, except for the adoption of Amendments to MFRS 16 Leases - treatment of COVID-19 related rent concessions.

(i) Amendments to MFRS 16 Leases - COVID-19 related rent concessions

The amendments allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions.

These amendments are to be applied retrospectively. As the amendments do not apply to rent concessions due on or before 1 January 2020, no adjustments were made to the opening balance of retained profits.

As a practical expedient, the Foundation is not required to assess whether a COVID-19-related rent concession that meets all of the following conditions is a lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of lease.

The Foundation has applied practical expedient to all of its commercial leases that meet the above-mentioned conditions and the impact has been disclosed in Note 6.

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

MFRSs and Amendments to MFRSs issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards and amendments to standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1: Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 9: Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141: Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and 9 - Comparative Information	1 January 2023
Amendments to MFRS 112: Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The abovementioned changes in the accounting standards are not expected to have any significant impact on the financial statements of the Foundation.

2. Significant accounting policies (cont'd.)

2.4 Significant accounting estimates and judgments

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

The Trustees are of the opinion that there are no key assumptions concerning the future nor other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities within the next financial year.

2.5 Summary of significant accounting policies

(a) Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be reliably measured.

Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of the property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipment	33%
Office equipment	33%
Furniture & fittings	20%
Office renovation	33%
Computer software	33%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(b) Leases

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

(i) Right-of-use asset

The Foundation 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 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 are includes the amount of lease liabilities recognised, initial direct costs incurred and the lease payments made at or before the commencement date less any lease incentive 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:

Office rental (Premises)	2 - 5 years

If ownership of the leased assets transfers to the Foundation 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 assets.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Foundation recognises lease liabilities measured at the present value of the 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 Foundation and payments of penalties for terminating the lease, if the lease term reflects the Foundation 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.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(b) Lease (cont'd.)

(ii) Lease liabilities (cont'd.)

In calculating the present value of lease payments, the Foundation uses interest rate implicit at the lease commencement date. 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 payments (eg., 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 Foundation applies the short-term lease recognition exemption to its short-term leases of office 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). It also applies 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-basis over the lease term.

(c) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient, the Foundation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient are measured at the transaction price determined under MFRS 15.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(c) Financial assets (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Foundation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Foundation commits to purchase or sell the asset.

(i) Financial assets at amortised cost (debt instruments)

The Foundation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Foundation's financial assets at amortised cost includes other receivables.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(d) Impairment of financial assets

The Foundation recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For other receivables, the Foundation applies a simplified approach in calculating ECL. The ECL is based on lifetime expected credit losses. The Foundation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(e) Impairment of non-financial assets

The Foundation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Foundation makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(e) Impairment of non-financial assets (cont'd.)

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

(f) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

The Foundation's financial liabilities include other payables.

Financial liabilities are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and deposits with licensed banks which have an insignificant risk of changes in value.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(h) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Foundation pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(i) Equity instruments

Contribution from members are classified as equity.

(j) Income recognition

(i) Donations

Donations are recognised when the Foundation's rights to receive payment are established.

(ii) Hibah income

Hibah income is recognised on accrual basis using the effective profit method.

(iii) Interest income

Interest income is recognised on an accrual basis using effective interest method.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(k) Government grant

Government grant is recognised initially at their fair value in the statement of financial position as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grant that compensates the Foundation for expenses incurred is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grant that compensates the Foundation for the cost of an asset is recognised as income on a systematic basis over the useful life of the asset.

(l) Donation-in-advance

Donation-in-advance is donation recognised initially at its fair value in the statement of financial position when the donation is received, or where there is reasonable assurance that such donation will be received. Donation is recognised as income over the periods to match the grant on a systematic basis to the costs that it is intended to compensate.

(m) Key management personnel

Key management personnel is defined to include Board of Trustees and Chief Executive Officer.

3. Donations

Relate to donations received from individuals and non-government entities which include corporate bodies and non-profit organisations.

4. Hibah income

Relates to Hibah income received from the Foundation's Syariah-compliant current account balance.

5. Interest income

Relates to interest income received from deposits with licensed banks.

6. Other income

	2021 RM	2020 RM
Rent concessions	36,858	34,960
PERKESO wages subsidies	-	32,400
Others	1,201	382
	38,059	67,742

Rent concessions for Central and East offices were received during the COVID-19 pandemic.
TFM has elected not to assess the rent concessions as lease modifications, instead they were treated as other income to the Foundation during the year.

7. Staff costs

	2021 RM	2020 RM
Wages and salaries	3,525,990	3,006,520
Statutory contributions to Employees Provident Fund and social security	453,706	363,348
Others	180,085	142,921
	4,159,781	3,512,789

Included in staff costs is remuneration for Chief Executive Officer amounting to RM225,311 (2020: RM214,024). The Trustees did not receive any remuneration for the current and prior financial years.

8. Programme costs

	2021 RM	2020 RM
Educational materials and activities	828,634	152,629
Programme and module development costs	337,880	139,386
	1,166,514	292,015

These costs relate to expenses incurred for Special Projects (67%) such as Learning Boxes, Community Learning Hub, Digital Literacy programmes; Program Duta Guru events (25%) and Students Leadership programmes (8%). These programmes have been specifically funded by respective donors or partners.

9. Promotion costs

	2021 RM	2020 RM
Campaign and promotional events	83,699	60,997
Food and beverages	2,315	3,560
	86,014	64,557

These relate to costs incurred to organise events relating to fellows recruitment, promotional campaigns to donors, stakeholder engagements and printing of materials.

10. Fellows' allowance

	2021 RM	2020 RM
Fellows' allowance	1,004,461	1,188,877
Financial aid to fellows	-	7,906
	1,004,461	1,196,783

Since 2020, TFM has been paying monthly allowance for 2020 Cohort Fellows to ensure their continuation to serve schools throughout the TFM - Ministry of Education ("MOE") Phase 3 contract renewal process.

11. Finance costs

	2021 RM	2020 RM
Interest on lease liabilities	6,200	3,667

The lease contracts for office rentals used for operations. This leases have lease terms of 2 to 5 years. There are lease contracts that include extension and termination options and variable lease payments.

12. Taxation

The Inland Revenue Board ("IRB") granted the Foundation an income tax exemption on all income of the Foundation for the Year of Assessment 2016 to 2023.

13. Property and equipment

2021	Computer equipment RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	Computer software RM	Total RM
Cost						
At 1 January 2021	207,704	45,787	32,443	41,565	39,599	367,098
Additions	3,028	-	-	-	-	3,028
At 31 December 2021	210,732	45,787	32,443	41,565	39,599	370,126
Accumulated depreciation						
At 1 January 2021	146,544	43,883	24,493	39,068	32,148	286,136
Charge for the year	25,115	1,006	5,140	2,082	7,451	40,794
At 31 December 2021	171,659	44,889	29,633	41,150	39,599	326,930
Net carrying amount						
At 31 December 2021	39,073	898	2,810	415	(1)	43,196

13. Property and equipment (cont'd.)

2020	Computer equipment RM	Office equipment RM	Furniture and fittings RM	Office renovation RM	Computer software RM	Total RM
Cost						
At 1 January 2020	152,742	45,787	32,443	41,565	39,599	312,136
Additions	54,962	-	-	-	-	54,962
At 31 December 2020	207,704	45,787	32,443	41,565	39,599	367,098
Accumulated depreciation						
At 1 January 2020	139,593	42,032	18,338	36,313	20,003	256,279
Charge for the year	6,951	1,851	6,155	2,755	12,145	29,857
At 31 December 2020	146,544	43,883	24,493	39,068	32,148	286,136
Net carrying amount						
At 31 December 2020	61,160	1,904	7,950	2,497	7,451	80,962

14. Right-of-use asset and lease liability

Set out below are the carrying amounts of right-of-use asset recognised and the movements during the year:

Office rental	2021 RM	2020 RM
Cost		
At 1 January	374,500	297,987
Additions	229,056	76,513
At 31 December	603,556	374,500
Accumulated depreciation		
At 1 January	288,258	144,129
Depreciation charge for the financial year	170,629	144,129
At 31 December	458,887	288,258
Net carrying amount		
At 31 December	144,669	86,242

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 RM	2020 RM
At 1 January	76,513	158,689
Additions	229,056	76,513
Interest	6,200	3,667
Payment	(194,442)	(162,356)
At 31 December	117,327	76,513

The following are the amounts recognised in profit or loss:

	2021 RM	2020 RM
Depreciation expense of right-of-use asset	170,629	144,129
Interest expense on lease liability	6,200	3,667
Total amount recognised in profit or loss	176,829	147,796

The Foundation had total cash outflows for leases of RM194,442 (2020: RM162,356) and non-cash additions to right-of-use asset and lease liability of RM6,200 in 2021 (2020: RM3,667).

15. Other receivables

	Note	2021 RM	2020 RM
Deposit		60,242	70,942
Prepayments		35,350	30,028
Interest and hibah receivable		5,266	2,145
Donations receivable	(i)	1,127,000	150,000
Fellow's advancement		-	30,011
Others		9,110	17,498
		1,236,968	300,624
Less: Prepayments		(35,350)	(30,028)
Total financial assets at amortised cost		1,201,618	270,596

(i) Donations receivable contributed by Yayasan Petronas and Facebook Malaysia amounting to RM1,100,000 and RM27,000 respectively, which were subsequently received in January and February 2022.

16. Cash and bank balances

	2021 RM	2020 RM
Cash on hand and at bank	1,268,038	1,633,528
Deposits with licensed banks with original maturity less than 90 days	6,331,229	4,539,540
Cash and cash equivalents	7,599,267	6,173,068
Deposits with licensed banks with original maturity more than 90 days	223,138	219,819
	7,822,405	6,392,887

The weighted average effective interest ("WAEIR") per annum and the average maturity of deposit at the reporting date were as follows:

	WAEIR per annum		Average maturity	
	2021 %	2020 %	2021 Days	2020 Days
Fixed rate deposits	1.60	1.46	18	11

17. Other payables

	Note	2021 RM	2020 RM
Sundry payables	(i)	41,945	3,269
Other accruals		189,187	188,002
Teach For All Grant payable	24	-	278,880
		231,132	470,151

(i) Sundry payables are interest free and are normally settled on an average term of 30 days (2020: average term of 30 days).

18. Government grant

	2021 RM	2020 RM
At 1 January	-	-
Received during the year	28,000	312,500
Movement in receivable during the year	-	-
	28,000	312,500
Recognised in profit or loss	(28,000)	(312,500)
At 31 December	-	-

Government grant is grant received from the Government of Malaysia through the MOE based on milestones achieved as stipulated in the grant agreements entered between the Foundation and MOE.

Based on government grant agreement with MOE, Fellows recruited are required to complete 2 years of service in school, failing which MOE will require the Foundation to pay a penalty based on the agreed drop-out penalty rate.

The grant income recognised during the year relates to Phase 2 contract with MOE which has ended in 2020. The renewal process of MOE Phase 3 contract is still on-going as at the date of this report.

19. Donation-in-advance

	Note	2021 RM	2020 RM
At 1 January		5,343,545	3,465,120
Received during the year		8,654,091	7,082,982
Movement in receivable during the year	15	977,000	-
		14,974,636	10,548,102
Recognised in profit or loss		(7,046,361)	(5,204,557)
At 31 December		7,928,275	5,343,545

Donation will be recognised in profit or loss as and when expenses are incurred.

20. Contribution from members

The members of the Foundation undertake to contribute, not exceeding RM100, to the assets of the Foundation in the event of the Foundation being wound up.

21. Financial risk management objectives and policies

The Foundation's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Foundation's objectives and principal activities whilst managing its liquidity, credit and interest/profit rate risks.

(a) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as and when they fall due. The Foundation actively manages this risk by maintaining good governance over the cash management of the donations received and government grant, and operates within clearly defined guidelines that are approved by the Trustees.

The maturity profile of the Foundation's liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Note	Within 1 year RM
2021		
Other payables	17	231,132

21. Financial risk management objectives and policies (cont'd.)

(a) Liquidity risk (cont'd.)

	Note	Within 1 year RM
2020		
Other payables	17	470,152

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Foundation's exposure to credit risk arises from other receivables, deposits with licensed banks and cash at bank. The Foundation minimises credit risk by dealing exclusively with credible and established companies.

At the reporting date, the Foundation's maximum exposure to credit risk is represented by the carrying amount of the other receivables, cash and cash equivalents and deposits with licensed banks.

(c) Interest/profit rate risk

Interest/profit rate risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market interest/profit rates.

The Foundation's primary interest/profit rate risk relates to its deposits with licensed banks.

Sensitivity analysis for interest/profit rate risk

The following table demonstrates the sensitivity to a reasonably possible changes in interest/profit rates with all other variables held constant, of the Foundation's surplus before taxation.

	2021 RM	2020 RM
Effect on surplus before taxation		
Increase in 25 basis points	249	194
Decrease in 25 basis points	(249)	(194)

22. Fair values

The fair values of all financial assets and liabilities approximate the carrying amounts due to their relative short term maturities.

23. Capital management

The Foundation manages its capital by following the Foundation's policies and guidelines and also seeks approval from the Trustees with regard to all capital management matters. Presently, the Foundation's activities are entirely funded by donations and government grant.

24. Teach For All Grant

The Teach For All grant was approved by the Economic Planning Unit of Malaysia to be paid to Teach For All to provide support and consultancy services to the Foundation to aid successful execution of Teach For Malaysia programme. This grant amounted to RM280,000 per annum and was paid by the Government of Malaysia to Teach For All via the Foundation as part of the Government Grant. In 2020, RM278,880 nett (after 0.4% commission deduction) was received from the Government and was subsequently disbursed to Teach For All in February 2021.

25. Commitments and contingencies

Contingent liability - secured

	Amount	
	2021	2020
	RM	RM
Bank guarantee	196,206	196,206

In prior years, the Foundation obtained a secured and non-revolving bank guarantee facility of up to RM196,206 as performance guarantees to the MOE grant for the period from 2016 to 2021. The bank guarantee is part of the requirement of the government grant as disclosed in Note 18. The bank guarantee is pledged against the Foundation's fixed deposits of the same amount.

26. Financial instruments categorisation

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

(a) Financial assets at amortised cost; and
(b) Other financial liabilities at amortised cost.

	Note	2021 RM	2020 RM
Financial assets at amortised cost			
Deposit	15	60,242	70,942
Interest and hibah receivable	15	5,266	2,145
Donations receivable	15	1,127,000	150,000
Fellow's advancement	15	-	30,011
Other receivables	15	9,110	17,498
Deposits with licensed banks	16	223,138	219,819
Cash and cash equivalents	16	7,599,267	6,173,068
Total financial assets at amortised cost		9,024,023	6,663,483
Financial liabilities at amortised cost			
Other payables	17	231,132	470,151
Donation-in-advance	19	7,928,275	5,343,545
Total financial liabilities at amortised cost		8,159,407	5,813,696