



# **GCB COURT**

## **GENERAL REPORT**

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**2018 –  
2019/2020**







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## PREFACE (a note of Thanks)

There's a curve in managing GCB Court...

From the time when a building start to 'aged', burst pipes, floodings with heavy rains, the like of heavy drama often seen on TVs culminated in not just by residents, visitors, contractors but the animal kingdom (dogs, cats, reptiles (just to name them) kept the managerial office on their feet, overshoot the regular work hours and as yet the next day with smile and laughter appear to smoothen back this low-density building living to a magnificent aura.

Suffice to say, the dramatic loads had come from entrusted fiduciary and due diligent effort of the management teams of GCB Court; overdo and overcome that stigma of 'aged' building into one of the forward selection to condominium living in Kuala Lumpur, the city.

With it, it has managed within computerized system the accounting software that mirrored it to the concluding audit reports presented herewith of the better performance of the years noted.

The contents of the report too form an annexure to the forthcoming AGM as the Chairman reports and the yearly auditor's report are presented to you now for easier comprehension; precisely guide anyone who wants to present any resolution that may further guide the forthcoming elect committee.

The Management Office takes this opportunity to conclude this short summary a big note of THANK YOU to all our parcel owners for the support and co-operation given to us. It had enabled us to perform our duties efficiently, promptly and with due diligence. We seek to have this same support and cooperation over the coming years.

THANK YOU FOR GIVING US THE OPPORTUNITY TO SERVE YOU.

For And On Behalf Of  
The Management Committee 2018-19/20,



Lai Chiew Foon

Secretary

Date: 15/12/2020

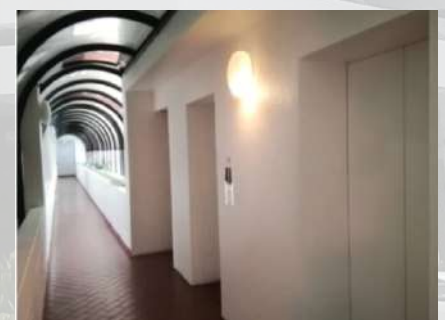
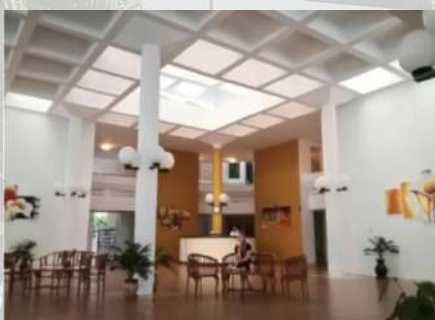
**GCB COURT CONDOMINIUM** - Harmony in communal living. GCB Court is located in one of the most strategic area in Kuala Lumpur; being one of the oldest well maintained condominium in Kuala Lumpur. Low density with only 180 units seated on 3 acres of surrounded green lung undisturbed by the newly developed high rise concepts high density living standards.

The building itself is solidly raised by high quality steel bars and red bricks of thick columns and beams with a huge Grand Lobby in the centre of the land with constant wind and breeze at all times. There are four (4) brand new passenger lifts waiting to be at service - no rush, no need to wait. The concept of the building is on corridor type split level with private entrance to the respective units - no connectivity walk to another floor via staircases except by the exit stairs in the centre and corners of the V-shaped building.

Residents are pampered by facilities such as function hall, tennis court, squash court, table tennis room, gymnasium, jogging track, barbecue pits, exercise room and swimming pool 8.5' depth of beautiful blue color occupies almost 1 acre dedicated land, envious to the neighbors. A comprehensive House Rules 2013 backed with security services to be reckoned with strict registration and tenanting procedures are enforced on this 100% residential building; family minded dwelling ranging from professionals to embassy staff coupled with students from higher learning universities. In house management of GCB Court compliments the 180 units on a 24 hours standby at the building for the residents.

Easily accessible via Jalan Ampang, MRR2, DUKE and AKLEH; close to public facilities Ampang Point, KLCC, Great Eastern Mall, Village Grocers of M-City, Gleneagles Medical Centre and Puteri Specialist Centre, Fairview International School, International School of Kuala Lumpur, Sayfol International School and Mutiara International School.

Wake up in the morning by songs of chirping birds with the rising of the sun and sleep the night thru in peace and tranquility; this is the trade off by owners who have been living in GCB Court from the time the foundation took its footing not comparing to newer condominiums and for the residents who wisely chose to be part of this community.

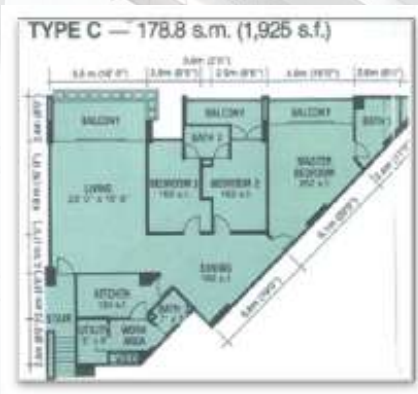
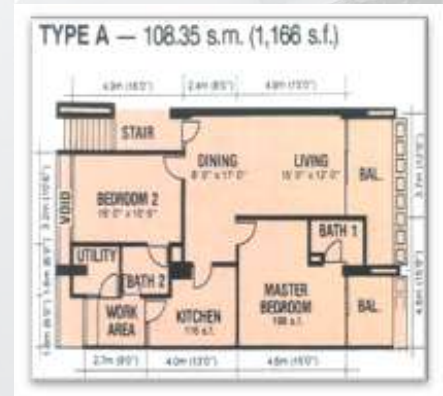




## LAYOUT & DESIGN TYPES:

There are 5 design types in GCB Court to choose from:

- 1) Type A – 1,166 sq ft comes with 2 rooms, 2 baths, kitchen, utility & store room plus balcony.
- 2) Type B – 1,596 sq ft comes with 3 rooms, 4 baths, kitchen, utility & store room plus 2 balconies.
- 3) Type C – 1,925 sq ft comes with 3 rooms, 3 baths, kitchen, utility & store room plus balcony.
- 4) Type D – 1,683 sq ft comes with 3 rooms, 3 baths, kitchen, utility & store room plus balcony.



## FACILITIES :

- Swimming Pool
- Children Wading Pool
- Changing Room
- Tennis Court
- Squash Courts
- Table Tennis Room
- Gym Room
- Function Hall
- Jogging/Walking Track
- Gazebo & BBQ Pit
- CCTV
- 24 Hours Security
- 24 Hours Hotline Contact



# Chairman's Report of The Management

## INTRODUCTION

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THAT it was, the much awaited (year 2020) came with and gone by with, a wave of mixed emotions creating new norms and setting mandatory rules/regulations/requirements which generally has curbed our former-free living styles. Things stopped, especially travel mode and with it living a dormitory lives. We never anticipated that we would go down in history to have lived in an era of a global pandemic - Covid 19. Do we expect to have all these by 2021? Let's see.

Being in charge of the maintenance of the building and, most importantly, people, it is the responsibility of Management Committee with the Management Office to take action towards implementing the right prevention and containment strategies in the building, the respective units, the common areas, the contractors and visitors. We have had to take stricter measures and observation mainly due to we are housing many residents aged 60 and above. Management Office has been diligently in operation thru the lockdowns and MCOs/CMCOs. Many arguments has taken place at the guard house for us acting firmly without fear and/or favoritism in upholding the SOPs laid down by the Malaysian Government for the governance of Covid-19 and also strict adherence to GCB's House Rules 2013.

Re-regulating and keeping everyone informed via whatsapp on the new norm at GCB Court for e-hailing, e-food deliveries, e-groceries has toned down the number of visitors/delivery person accessing the building; this is ultimately a good move to curb the spread of Covid-19 - denial usage of lifts, lavatories in the lobby, distancing our prime workers from outsiders. Shutting down swimming pools and gym was a requirement spelt out by Kementerian Perumahan & Kerajaan Tempatan.

Somewhat being titled as "aged building" we are at par with smart buildings thru effort to rehabilitate and recondition old machineries: example our lightings are all on timers, strategic alarm indicators to notify domestic water tank has problems, barrier gated system, almost 80% owners are banking online - yet we did not position ourselves in the category of practicing work-from-home. The Management Office remained opened on usual basis to cater to all other activities that went as scheduled for the year on daily basis:

- cleaning, rubbish disposal, scrubbing floors, washing of polycarbonate roof, jet-washing sumps and drains,
- maintaining the vast flora and fauna landscape of GCB Court,
- maintenance of fire equipments & various motorized pumps,
- routine maintenance of our 8.5 feet depth swimming pool,
- total replacement of 4 new lifts saw its completion in September 2020,
- premix road works covering the drive to basement, to tennis court & lobby.

Management Committee performed its duties vide the group chat with the Management Office; which is bounty in numbers maintaining a two way track information dissemination for crucial decision making and also made it possible for the Management Committee to have first hand information on the well-being of GCB Court's residents and the building itself; regardless during the pandemic or not.

Since the first official lock down on 18 March 2020 termed as Movement Control Order (MCO) we have sailed thru CMCOs, EMCOs and RMCOs which bring us to the last week in the month of the year 2020.

Not certain what the year 2021 has in store for Malaysia - I present to you with an edition of GCB Court's Annual General Report detailing the activities that took place from the last Annual General Meeting (AGM) that was held on 17 November 2018 together with the Audited Report for the financial years ended 31 December 2018 and 31 December 2019. We also prepared the unaudited management accounts for the cumulative month ended 30 November 2020 for the next AGM.

We were supposed to have had the AGM somewhere in March 2020 but due to the pandemic lockdown, this AGM was put on hold tentatively; albeit, that the big majority of GCB Court's valued owners are "warga emas". The Movement Control Order (MCO), self-imposed quarantines, lessen visitation and delicate social distancing, is yet to be trounced for a total victory, thus would give this opportunity to decide the date of AGM safely.

Nevertheless, we continued our projects that are remaining on track, a vision to make our home comparable to other neighboring developments. It was fortunate that the decision to pay 50% up front for the lift project and the cooperation from the lift contractor to ship to site all the four (4) sets of equipment was well paid off as we would have been caught in the cargo delays.

The stretch of twenty four (24) months from November 2018 to November 2020 enabled us complete amongst other jobs - the painting of GCB Court and also the total lift replacement project; two (2) monumental projects by the Management Committee; which were also labor intensive.

AND, also it was for the Management Committee, in earlier deliberations, caused the Commissioner of Building to remind us of the law of operation that Management Committee (MC) in itself, to be within limitation of 3 years; which ended March 2020. I shall elaborate this in issue Item No. 9 below. For now, the stoppage was because of COVID-19!

## **MANAGING GCB COURT**

Continued challenges/problems rises on daily basis and requires instant action that keeps the Management Committee alert, whilst being a voluntary service in nature. Notwithstanding any of those challenges, the Management Committee's adhere to standards of corporate governance and views some of it as more of an ethical, regulatory requirements. We are proud that our growth and transformation over the last few years has come from staying the course for long term sustainability without taking short cuts nor compromising on our obligations to the parcel owners at large.

In today's dilemma, it is necessary to have a strong Management Committee team and an impeccably dedicated accountable management office - GCB Court has had this on its plate since 2013/2014 when we decided to have in-house manager. The activities of our building are monitored closely and since the building manager is residing in the building; we are able to attend medical emergencies or even pipe burst, alarm triggered situations, are handled quickly and not prior 9am in the morning.

Whilst we experienced that of managing agents squandering maintenance fees to inflate the expenses/project cost; we worked to the last Ringgit to ensure that our funds are stretched to the maximum. As such, we have negotiated for our lifts a Defect Liability Period of twenty four (24) months which translates to a savings of RM67,200.00 over the said period.

Stricter house rules guided by the Strata Management Act 2013, GCB Court has established a reputable resident base family minded locals and foreigners; living in harmony and with full cooperation with the



Management Committee and management office. We have surpassed without fear or favour, the days of vandalisms, over populated units, domestic violence, drunken & drug parties, abusive towards the building workers by those enforcement. Management office vets thru documents of potential foreigner i.e. tenants; possibly with helping out renting to people who maybe entering the country clandestinely, without authorization and who may be liable for action by Immigration Authorities. Likewise, similarly it apply for foreigners visitation.

On the note of social media, vide resident forum groups, we chose not to include as GCB Court parcel owners preferred to be dealt with one-on-one basis maintaining privy relationship with the management office. The alternative has been to the Management Committee on daily basis via GCB Court's hotline. A preference which is maintained on status quo.

Now coming to the brief summary of the progress works at GCB Court undertaken by the Management Committee over the past twenty (20) months:

#### **1. TOTAL REPLACEMENT OF FOUR (4) UNITS PASSENGER LIFT FOR GCB COURT**

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- a) Four (4) unit lifts at GCB Court was ear-marked for total replacement in the year 2015/2016. During the AGM 2015/2016, a resolution was passed to approve this project and the estimated funds for total four (4) units lift replacement to be collected vide a Special Fund Contribution totaling RM1,258,000 to which owners had a choice of 36 months installment or any other part payments. The amount that was collected periodically was placed in fixed deposits with CIMB.
- b) In the past, (year 2011) - GCB Court's lifts, a modernization project carried out by TZF Elevator who replaced all the original electronic parts of Toshiba to China OEM using third party brands; only the mechanical parts of the lifts remained original Toshiba. Even after the modernization, all four (4) lifts were not in top performance, continued to have breakdowns resulting in high yearly maintenance expenditure and the operator was pressuring the Management Committee to fork out another budget for the mechanical parts. WE then engaged another operator to carry out diagnostic exercise and subsequently award a package to rectify the four (4) lifts; to which after that all four (4) lifts was kept in fair running order until the time came for the replacement project.
- c) A tender exercise was carried out in accordance to procedures, inviting seven (7) lift companies to quote for this project and Management Committee became aware that the paradigm shifts of various industries whereby OEM parts has proven over Brand and our prolonged lessons learnt thru previous lift contractors, we felt:
  - 1) the criteria needed is a JKKP approved lift contractor in hand to carry out the installations and regulate the maintenance.
  - 2) Management Committee should favour to move forward with technology changes/newer features at any time. Lift components/parts should be replaced with ease and reasonable pricing.

- 3) new lifts technology and parts used in this project should be compatible to/by any JKKP contractors.
- d) The Total Replacement of four (4) units passenger lift was awarded to the incumbent lift maintenance contractor RK Elevator Sdn Bhd (L-082 JKKP) at RM940,400 under direct manufacturer concept; that is, we are dealing directly with the manufacturer of the new lifts who flew in for a meeting with the Management Committee and promised to support in terms of parts and technology irrespective of the choice of operator.
- e) The Total Replacement of Lift Project commenced on 3 August 2019 for Lifts No. 1 and 2, installed, tested, commissioned and received JKKP certification on 21 January 2020 (2 lifts at a time, so as not to burden the residents).  
  
Lifts 3 and 4 was dismantled on 23 January 2020, installation completed in June/July 2020 and JKKP certification was issued on 14 August 2020; should have completed sooner but due to Covid-19 lockdown there was a reflective delays of 2 months or more.
- f) Further onward planning move by Management Committee was to sign off a twenty four (24) months Free Defect Liability Period Contract followed by the Comprehensive Contract for the subsequent four (4) years maintenance fees locked in with the said lift contractor.
- g) The new lifts are equipped to operate by way of swipe resident card to access the lift to your relevant floors. We are however, not activating this system yet albeit, our guard house entry point is proactive; thus any person in the building are either residents or registered visitors/contractors/etc. If in future the need arises, then the card access system for the lifts can be immediately activated.

## **2. FULL FIBER OPTICAL INTERNET BROADBAND SERVICES AT YOUR DOORSTEP**

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- a) GCB Court telephone distribution frames and infrastructure was developed on copper cables with the sole service provider Telekom Malaysia giving a band width speed of 30mbps which is the maximum support from copper cabling network.
- b) After two (2) years discussion with Telekom Malaysia and seeing no results, Management Committee approached TIME dotcom who was willing to bring in 100% full fiber from the main telephone manhole near Plaza Ampang City into GCB's telephone manhole then to the Main Distribution Room (MDF) to serve the individual telephone riser rooms each floor - at TIME's own cost.
- c) Important note given to TIME dotcom from the Management Committee is that no fiber optical cables or trunking boxes are to be extended or exposed on the corridors. The fiber optical cables are to be inserted into the original junction boxes on the flooring until it goes into the respective units.
- d) Six (6) months of meetings with TIME dotcom and with the strong mindset of nothing is impossible, we closed the deal. This dated building is now on Fiber Optical technology competitive to new buildings. Many units are already on full fiber broadband services.



### **3. FACE LIFT TO CHANGING ROOMS, NEW POOL GRATINGS AND NEW BBQ BURNERS**

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The swimming pool is our most precious facility asset to which this time around the Management Committee decided to:

- a) both changing rooms at the swimming pool side was renovated within its same space. Instead of 4 tiny bathing cubicles, we decided to have two (2) sizable ones with new sanitary fittings and shower facility. The ambience is to suit similar hotel concept with big mirrors and vanity counters coordinated with earthy color matching the swimming pools area floorings. Six (6) months period was taken from start and finish.
- b) The existing swimming pool gratings was already discolored and mostly broken and the full length was replaced with the job done in-house.
- c) The BBQ pits and washing area was also upgraded, like one would see on BBQ television cooking shows. New charcoal stove that comes with a cover and temperature monitoring setting was installed with cabinets and fully tiled up giving a clean outlook. The washing area was demolished and refitted with new double sink bowl.
- d) Gazebo structure was also repaired with new tiles, lights and water supply ready for residents to do brisk on the spot cooking for small gatherings.

### **4. GYM ROOM EQUIPMENT TRADED OFF AND REPLACED WITH NEW ONES**

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The gym was relocated from the spiral stair room to a nicer empty common room on the first floor over the management office much easier to access by all ages to this facility. We had managed to get a fitness company willing to do a trade off on the old equipments and advise us on what is best suited for a small community by age and gender.

### **5. COMPLETION OF PAINTING GCB AND SEALING OFF LIFT WAITING AREAS BY NETTINGS**

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- a) A challenging job that had finally been completed in March 2019 by AkzoNobel Paints (Malaysia) Sdn Bhd and their applicator Makarios Holding Sdn Bhd for a contract sum of RM528,000.00 (Ringgit Malaysia Five Hundred Twenty Eight Thousand Only). A team of fifteen (15) manpower placed by the applicator took every nooks and corners using gondolas, scaffolding and 'sky-walking' over the polycarbonate roof! AkzoNobel Paints (Malaysia) Sdn Bhd has given a warranty of ten (10) year on their product.
- b) After the completion of the painting project, we had installed nettings above the polycarbonate roof at the lift areas on each floor to prevent pigeons from nesting and dirtying the roofs in these locations. The results were lesser pigeons on the corridors and lift landing areas where previously heavy washing on bi-weekly basis had to be carried out by the building's cleaning team. This is now done once in a month.

## **6. EXPIRY OF TENAGA NATIONAL BERHAD'S PPU SUBSTATION LEASE WITH GCB COURT**

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A thirty year's lease signed on 1 September 1984 between Lembaga Letrik Negara (LLN) and Ampang Specialist Centre Sdn Bhd (ASCSB) for the incoming supply-station (PPU) sitting on our premises expired on 31 August 2014; was upon consideration of sum RM10.00 (Ringgit Malaysia Ten Only), the period has ceased. The agreement was administered by LLN now known as Tenaga National Berhad (TNB) whilst ASCSB has been replaced by GCB Court Management Corporation. By virtue of older agreement LLN reserved the right to pursue a newer extension for next thirty (30) years. However, on GCB's Management Committee's preliminary demand, TNB should look into the *mala fide' act* (bad faith) of executive demand. It can no longer be automatically renewed without further compensation approach.

We have issued letters to TNB, informing that GCB Court Management Corporation is not in agreement to have the lease carried on/renewed based on the old lease philosophy, albeit, is loop-sided and wrongly-stated, for example; the area sized is understated and that endorsement of the lease-hold is partially, not to cover the whole of GCB court property.

We have engaged surveyor and valuation companies to give us their professional report on this matter. A solicitor has been engaged to issue notice of demands to TNB and this matter is to be pursued further; hoping that both parties can come to an amicable solution of a commercial arrangement. Due to Covid-19, a joint meeting with TNB has been put on hold. The Management Committee has not renewed the lease that has expired on August 2014.

## **7. CHANGE OF AUDITORS, THE YEAR 31 DECEMBER 2018**

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Previous auditors YYC & Co issued notice of resignation on 10 April 2019 with reason given was that the company's move is to follow "SME and corporate auditing".

We were recommended to Ket & Co based on the firm's involvement in the audit and tax of Building Maintenance Account/Audit for Developers, JMBs and MCs; with more than 50 strata managed clients established under various Acts including, but not limited to, the followings:-

- the Strata Management Act 2013;
- the Strata Title Act 1985,
- the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) (repealed)

In addition to annual reporting, Ket & Co also engaged in other incidental services including attending and observing the Annual General Meeting as independent scrutinizers. The Firm is also engaged to perform special audit on specific scope to investigate areas of concern.

GCB Court's 2018 audited report is prepared in compliance with the Malaysia Private Entities Reporting Standard (MPERS2015) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Strata Management Act 2013. Recognition/cleaning of accounts was jointly carried by Ket & Co and the accounting software company Advelsoft (M) Sdn Bhd; 2018 will reflect new items and write-off of fixed assets in compliance to the accounting standards.



In saying so, the vital part of accounts and audit is to ensure that the monies collected are accounted for via official receipts issued to owners, cash collected is banked in on time whilst we have also issued updates to owners in order to do online banking - to which cash dealing is now at minimal amounts. For regulated payments which are basically towards various out-sourced contractors/service providers, our accountability on other incomes such as car parks/sale of scrap metals/vehicle clamping/penalties. We are able to maintain good reports on these matters.

#### **8. FINANCIAL SUMMARY - AUDIT REPORT 2019 AND MANAGEMENT ACCOUNTS 30/11/2020**

##### **Current Assets:**

- a) Receivables From Owners - are standby reserves that can be called up for payment anytime as these are mandatory invoices under Strata Act. Defaulters are levied a system generated 10% late payment interest per annum and this interest shall not be waived by the Management Committee.

2019 Receivables From Owners stands at RM295,938 against late payment interest earnings of RM24,076.00. Whilst as at 30/11/2020 Receivables From Owners stands at RM282,816.00 against late payment interest earnings of RM13,189.00 (31/12/2020 will have final billing late payment interest).

We discontinued the practice of naming defaults in notice boards causing them to shun away from management office. All parcel owners are duly notified in writing of their outstanding maintenance charges. A final step would be visitation to Tribunal; whereby in our experience the verdict to the defaulting owner was pay in full the outstanding inclusive of the late payment interest accrued in their account. In earnest, Management Corporation only gain in 10% interest per annum.

- b) Cash and Cash Equivalent is current and fixed deposit account maintained with CIMB, Jalan Ampang. Fixed Deposit was created using the Special Fund Contribution for the lift total replacement project. An amount of RM 783,898.00 was uplifted on need basis to pay for the lift's project.

As at 30/11/2020, the current account balance amounts to RM110,119.00 is purposed for paying property maintenance expenses, service contractors, staff cost and administration expenses.

##### **Current Liabilities:**

- c) Other Payables denotes amount owing to the service providers and/or project contractor. All GCB Court's service contractor providers are paid currently thus we do not have a situation of owing any service providers. Thus, they have remained with us over the years giving ready support when carrying out their respective job scopes. The RM550,560.00 is attributed towards the lift project.

As at 30/11/2020, the amount payable to service providers amounts to RM46,000.00 .

d) *Income and Expenses:*

Income is fixed on the maintenance billing (service charges and sinking funds) of RM0.28/sq.ft. which totals up to RM895,709.00 per annum. Other Income is a variable derived from fixed deposit interest, late payment interest, management car park rental, facility rentals and fines/penalties. Other Income amounted for financial year 2019 amounted to RM84,505.00 as extracted from the Audit Report 2019.

Expenses for the year financial ended 31 December 2019 amounted to RM865,236.00 for utilities, staff cost, property maintenance and administration expenses.

As at 30/11/2020, maintenance billing amounts to RM821,066.00 whilst other income amounts to RM32,054.00; not inclusive of fixed deposit interest which will be computed in January 2021.

Expenses as at 30/11/2020 amounts to RM851,291.00 for utilities, staff cost, property maintenance and administration expenses.

**9. RETIREMENT OF MEMBERS OF SERVING MANAGEMENT COMMITTEE 2018-2019/2020**

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Finally - It's time to say goodbye for the Committee.

We held the fort since as early as October 2013 where the Management Committee took over the management office and introduced the in-house management of GCB Court. For those owners who know the history and the comparison of works done towards this dated old building and also duties performed towards the respected parcel owners; we have come a long way together.

It's only with the full support and cooperation from parcel owners; the Management Committee elected and management office appointed was able to uphold the enforcement of GCB's House Rules 2013 which is a fundamental document needed in establishing the peace and harmony for a strata building focusing in communal living. Nevertheless, the seven (7) members of the Management Committee elected from term 2015-2016 right thru 2018-2019/2020 carried out various jobs/repairs/replacements/projects which are by no means an exhaustive list but it gives an indication of the many changes taken place in GCB Court to which the final project was to replace the four unit passenger lifts. Monthly meetings of the Management Committee goes beyond 11.00pm, numerous emails and countless whatsapp messages to be replied/attended to in the wake of decision making to ensure management office is able to execute the task.

However, Commissioner of Building DBKL had issued letter to the Management Committee that we had expired the three (3) years consecutive term of service; we then had sought special approval from the Minister of Wilayah Persekutuan Ministry Of Local Government to which we received the nod to continue till the completion of the twelve (12) months in 2018-2019 and final extension is to March 2020.



## CONCLUSION:

Having gone thru the tougher journey with GCB Court's learning curve, we now hand over duties to a new team to take GCB Court to a higher platform. Moving forward, the candidate for Management Committee should have the passion to rehabilitate and restore; more importantly to serve the parcel owners, uphold the communal living system, preserve security measures, maintain the market value of the property and to envisage a path to further enhancement of GCB Court. In doing so, continues some of the remaining items on the Wish list of past years:

- a) Item 6 - Expiry of TNB's PPU Substation Lease
- b) Covered car park system for open area (if so borne by respective owners),
- c) CCTVs for 11 corridors,
- d) New landscaping,
- e) Roof Top light roof structure to channeling rain water to main culvert
- f) Squash Court - new air-thrust floor needed,
- g) Tennis Court - resurface to new condition.
- h) Updates of the House Rules.

For And On Behalf Of  
The Management Committee 2018-19/20,



Mohd Hadzir Bin Manah  
Chairman

Date: 15/12/2020

*Project List 2018-2019/2020*  
*Jobs completed*

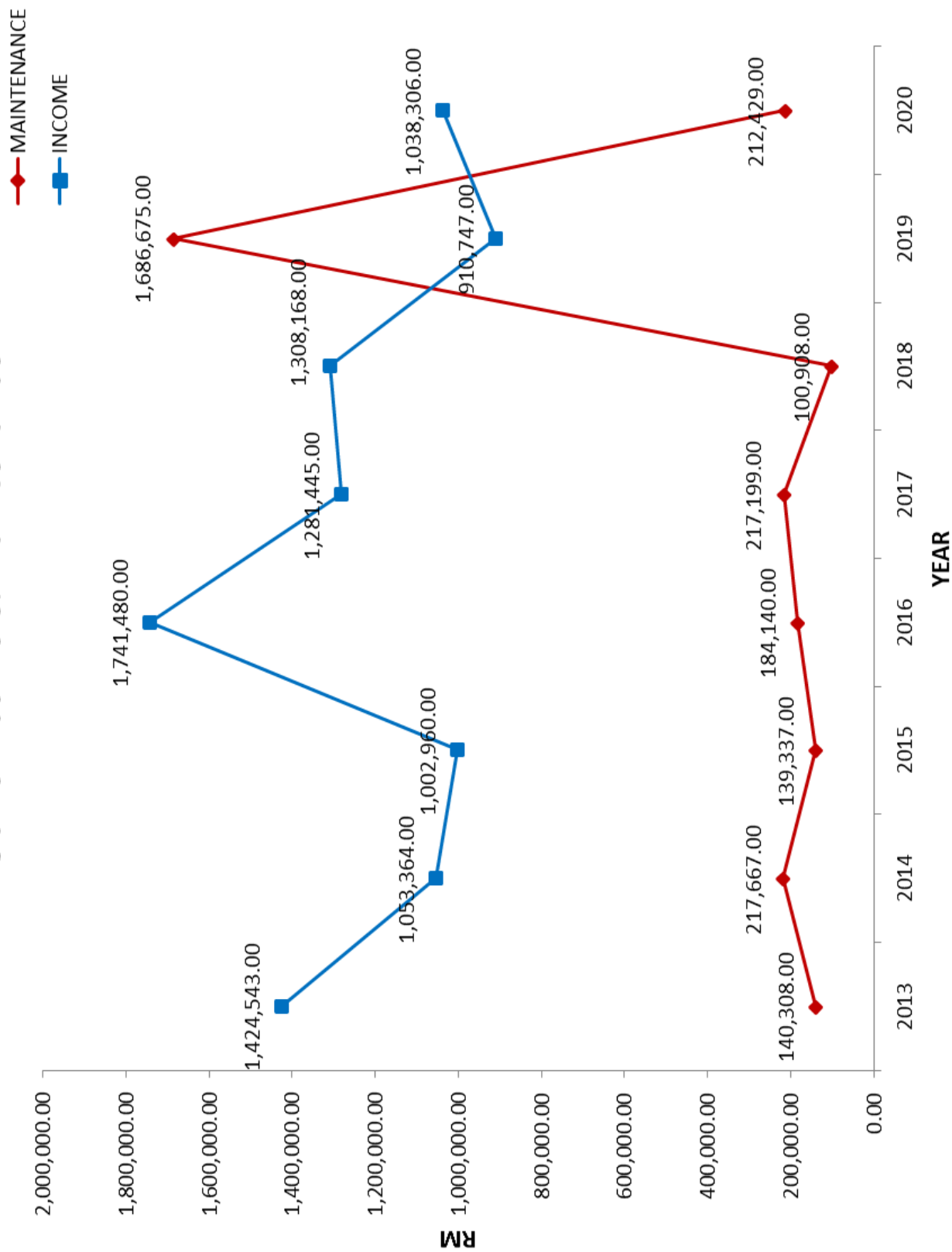
GCB COURT MANAGEMENT CORPORATION

**LIST OF SOME GENERAL MAINTENANCE JOBS 2018-2019/2020 (COMPLETED)**

No.	Description	RM
1	Painting GCB Court - AkzoNobel & Makarios.	501,600
2	LIFT - 1 & 2 total replacement incl. motor, inverter, ropes, pulley, car, doors.	460,000
3	LIFT - 3 & 4 total replacement incl. motor, inverter, ropes, pulley, car, doors.	253,000
4	LIFT - 3 & 4 total replacement incl. motor, inverter, ropes, pulley, car, doors.	207,000
5	Premix - G/Hse to TNB, G/Hse to Basement, E23-E41 car park	74,280
6	Netting at lift sides. Material is fence.	17,300
7	Changing Room Male - 2 cubicles with toilet, shower & wash hand basin.	16,750
8	Changing Room Female - 2 cubicles with toilet, shower & wash hand basin.	16,750
9	Lift motor room, pit, inside shaft - civil works	14,300
10	Lift motor room, pit, inside shaft - civil works	14,300
11	Lightning Arrester copper rod. Patch up job	11,600
12	LIFT - 1 & 2 UG Doors etching & LCD Panel	10,200
13	LIFT - 1 & 2 UG Doors etching & LCD Panel	10,200
14	Main Power Switches - change to MCB from fuis system	9,875
15	Survey area occupied by PPU TNB Substation	9,782
16	Main roof top 4 redundant tanks flooring damage	8,200
17	Swimming Pool - Gratings replacement	6,838
18	Fitness Galery gym equipment	6,595
19	Valuation area occupied by PPU TNB Substation	6,000
20	BBQ Renovation	5,600
21	Jaffar & Menon - letters to TNB on PPU lease expired	5,000
22	Corridor - tiles impacted by air trapped & curved up	4,800
23	Relocate refuse chamber pipes in lift motor rooms	4,600
24	GYM Room remove the sliding glass, casement window	3,200
25	Lobby Counter Rehab	3,150
26	Replace mosquito netting in gen set, LV & VCB room	3,100
27	Raise kerb for field, over flow & staining the walls leading to basement	3,000
28	Lobby Toilets - doors damaged due to wear & tear	2,960
29	Gazebo tile up, render, patching & sink basin	2,950
30	RWDP - Leakage in lobby side with mould	2,310
31	Sewerage Pipe burst in Function Hall	2,300
32	Unit 7A 2nd room sewerage pipe leakage in the column	2,200
33	Repair 3 lamp post, dig the footing & re-concrete back	2,000
34	RWDP - 5B & 5A hack the common wall & cut pipes.	1,900
35	Wiring for basement & LG lights & LG lift lobby area	1,810
36	RWDP - 5E hack the common wall balcony side	1,800
37	Function Hall Toilet Door - damaged due to wear & tear	1,780
38	Drain near tennis court collapsed invert	1,600
39	Distribution box change fuse to MCB motor room	1,500
40	RWDP - 6D & 7D hack the common wall room side	1,500
41	Digi Tool reader for security clocking spoilt.	1,480
42	Tile up centre concrete in drive way lobby	1,400
43	Refuse chamber room door beyond repair. 3 nos.	1,280
44	BBQ Structures - metal louvers	1,265
45	Basement & LG car park bay numbering	1,245
46	Hole in the ceiling. Re-concrete back.	1,200
47	11th 40 pieces fuze for exit stairs 2 & 3	1,100
		<b>1,727,473</b>



## GCB's Income & Maintenance



## *SECTION A*

### *Auditor's Report & Financial Statements For The Financial Year 31 December 2019*

**Registration No. 1023**

**GCB COURT MANAGEMENT CORPORATION**  
**(Established in Malaysia under the Strata Titles Act, 1985)**

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

**KET & CO. (AF 1167)**  
**Chartered Accountants, Malaysia**



**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

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

**MANAGEMENT CORPORATION INFORMATION**

<b>MANAGEMENT COMMITTEES:</b>	Mohd Hadzir bin Manah Lai Chiew Foon Chai Wai Ming Cheong Chee Leng Bhajan Kaur A/P Manjit Singh Zainol bin Ahmed Pung Kwai Sang
<b>PRINCIPAL PLACE OF ENTITY:</b>	332B, GCB COURT Jalan Ampang. 50450 Kuala Lumpur.
<b>PRINCIPAL BANKERS:</b>	CIMB Bank Berhad
<b>AUDITORS:</b>	Ket & Co. (AF 1167) Chartered Accountants, Malaysia

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

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

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**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**MANAGEMENT COMMITTEES' REPORT**

The Management Committees hereby submit their report together with the audited financial statements of the GCB Court Management Corporation (hereinafter referred to as the "Entity") for the financial year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the Entity is engaged in providing maintenance and management services to the GCB Court Condominium. This property consists of 180 units. There has been no significant change in the nature of this principal activity during the financial year under review.

**FINANCIAL RESULTS**

	RM
<b>Deficit for the financial year:</b>	
- Maintenance fund	(17,707)
- Sinking fund	<u>(860,111)</u>
Total deficit for the financial year	<u><u>(877,818)</u></u>

**MANAGEMENT COMMITTEES**

The Management Committees who held office since the last Annual General Meeting are:

<u>Position</u>	<u>Name</u>
Chairman	Mohd Hadzir bin Manah
Secretary	Lai Chiew Foon
Treasurer	Chai Wai Ming
Committee Member	Cheong Chee Leng Bhajan Kaur A/P Manjit Singh Zainol bin Ahmed Pung Kwai Sang

**AUDITORS' REMUNERATION**

Details of auditors' remuneration are set out in Note 17 to the financial statements.



**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**COMMITTEE MEMBERS' REPORT (CONTINUED)**

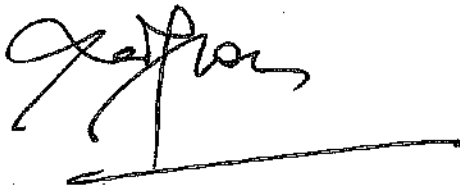
**AUDITORS**

The auditors, Messrs. Ket & Co., have expressed their willingness to continue in office.

Signed on behalf of the Committee,



**MOHD HADZIR BIN MANAH**  
Chairman



**LAI CHIEW FOON**  
Secretary

**CHAI WAI MING**  
Treasurer



Kuala Lumpur

Date: 30 JUN 2020

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

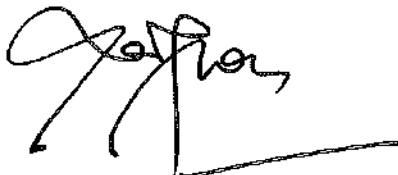
**STATEMENT BY THE COMMITTEE**

We, being three of the Committee Members of the GCB Court Management Corporation (hereinafter referred as to the "Entity"), do hereby state on behalf of the Entity that in our opinion, the accompanying Statement of Financial Position as at 31 December 2019, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the financial year then ended, together with the notes thereto, are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as Strata Management Act 2013 (Act 757), so as to give a true and fair view of the financial position of the Entity as at 31 December 2019 and of the results and of the cash flows for the financial year ended on that date.

Signed on behalf of the Committee,



**MOHD HADZIR BIN MANAH**  
Chairman



**LAI CHIEW FOON**  
Secretary

**CHAI WAI MING**  
Treasurer



Kuala Lumpur

Date: 30 JUN 2020

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATUTORY DECLARATION**

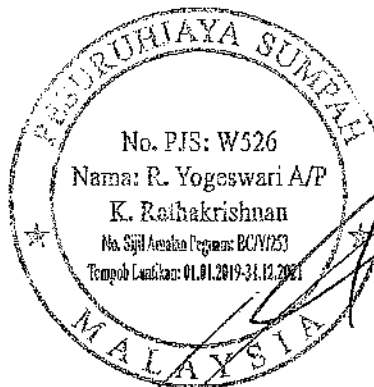
I, **CHAI WAI MING**, being the person primarily responsible for the financial management of GCB Court Management Corporation (hereinafter referred to as the "Entity") do solemnly and sincerely declare that the financial statements of the the Entity are, to the best of our knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by       )  
the above named, at Kuala Lumpur       )  
in the State of Federal Territory this day       )  
of **30 JUN 2020**       )

**CHAI WAI MING**  
Treasurer



Before me,



MESSRS R. YOGESWARI & CO  
Lot 61-2A, OG Business Park,  
Jalan Taman Tan Yew Lai,  
58200 Kuala Lumpur



**KET & CO.** (AF 1167)

**CHARTERED ACCOUNTANTS, MALAYSIA**

160-4A, BATU 3½, JALAN KLANG LAMA, 58000 KUALA LUMPUR, MALAYSIA.

Tel: 603 – 7983 6322

Fax: 603 – 7983 6323

**Registration No. 1023**

**INDEPENDENT AUDITORS' REPORT  
TO THE COMMITTEE MEMBERS OF  
GCB COURT MANAGEMENT CORPORATION**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of GCB COURT MANAGEMENT CORPORATION (hereinafter referred to as the "Entity"), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Entity as at 31 December 2019 and of its financial performance and cash flows for the financial year in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as Strata Management Act 2013 (Act 757).

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

**Registration No. 1023**

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Management Committees of the Entity are responsible for other information. The other information comprises the Management Committees' Report but does not include the financial statements of the Entity and our auditors' report thereon.

Our opinion on the financial statements of the Entity does not cover the Management Committees' Report and we do not express any form of assurance conclusion thereon.

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

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

**Responsibilities of the Management Committees for the Financial Statements**

The Management Committees of the Entity are responsible for the preparation of financial statements of the Entity that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as Strata Management Act 2013 (Act 757). The Management Committees are also responsible for such internal controls as the Management Committees determine necessary to enable the preparation of financial statements of the Entity that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Entity, the Management Committees are responsible for assessing the Entity'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 Committees either intend to liquidate the Entity 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 whether the financial statements of the Entity 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 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.

**Registration No. 1023**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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:

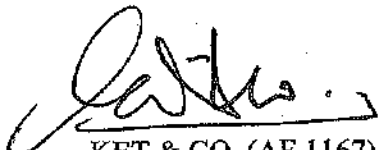
- Identify and assess the risks of material misstatement of the financial statements of the Entity, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 controls.
- Obtain an understanding of internal controls 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 Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committees.
- Conclude on the appropriateness of the Management Committees' 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 Entity'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 Entity 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Entity, 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 Committees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

**Registration No. 1023**

**Other Matters**

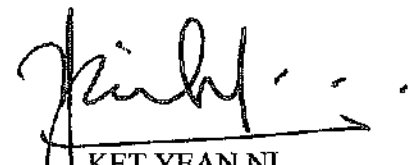
This report is made solely to the Management Committees of the GCB Court Management Corporation as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KET & CO. (AF 1167)  
Chartered Accountants

Date: **30 JUN 2020**

Kuala Lumpur



KET YEAN NI  
01929/11/2020 J  
Chartered Accountant



**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

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

	Note	2019 RM	2018 RM
<b>ASSETS</b>			
<b>Current assets</b>			
Receivable from owners	6	295,938	289,850
Other receivables	7	31,022	30,366
Cash and cash equivalents	8	928,190	1,564,680
		<u>1,255,150</u>	<u>1,884,896</u>
<b>TOTAL ASSETS</b>		<u><u>1,255,150</u></u>	<u><u>1,884,896</u></u>
 <b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of GCB Court Condominium</b>			
Sinking fund reserve	9	934,000	1,794,111
Maintenance fund reserve		<u>(263,130)</u>	<u>(245,423)</u>
<b>TOTAL EQUITY</b>		<u><u>670,870</u></u>	<u><u>1,548,688</u></u>
 <b>Current liabilities</b>			
Other payables	10	550,560	303,428
Refundable deposits	11	33,720	32,780
		<u>584,280</u>	<u>336,208</u>
<b>TOTAL LIABILITIES</b>		<u><u>584,280</u></u>	<u><u>336,208</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,255,150</u></u>	<u><u>1,884,896</u></u>

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

**GCB COURT MANAGEMENT CORPORATION**  
**(Established in Malaysia under the Strata Titles Act 1985)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	2019 RM	2018 RM
REVENUE	12	799,740	799,740
OTHER INCOME	13	95,327	232,303
UTILITIES	14	(113,158)	(113,708)
STAFF COSTS	15	(140,005)	(166,247)
PROPERTY MAINTENANCE EXPENSES	16	(615,048)	(616,693)
ADMINISTRATION EXPENSES	17	(44,563)	(25,323)
OTHER OPERATING EXPENSES	18	<u>-</u>	<u>(25,203)</u>
(DEFICIT)/SURPLUS BEFORE TAX		(17,707)	84,869
INCOME TAX EXPENSE	19	<u>-</u>	<u>-</u>
(DEFICIT)/SURPLUS FROM MAINTENANCE FUND FOR THE FINANCIAL YEAR		(17,707)	84,869
DEFICIT FROM SINKING FUND FOR THE FINANCIAL YEAR	9	<u>(860,111)</u>	<u>(298,367)</u>
TOTAL DEFICIT FOR THE FINANCIAL YEAR		<u><u>(877,818)</u></u>	<u><u>(213,498)</u></u>

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

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act 1985)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	<b>Sinking fund reserve (Note 9) RM</b>	<b>Maintenance fund Reserve RM</b>	<b>Total equity RM</b>
At 1 January 2019	1,794,111	(245,423)	1,548,688
Surplus/(Deficit) for the financial year	<u>(860,111)</u>	<u>(17,707)</u>	<u>(877,818)</u>
At 31 December 2019	<u>934,000</u>	<u>(263,130)</u>	<u>670,870</u>
At 1 January 2018	2,092,478	(330,292)	1,762,186
(Deficit)/Surplus for the financial year	<u>(298,367)</u>	<u>84,869</u>	<u>(213,498)</u>
At 31 December 2018	<u>1,794,111</u>	<u>(245,423)</u>	<u>1,548,688</u>

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

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

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

	2019 RM	2018 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from owners and tenants	29,808	661,295
Cash payments to suppliers and contractors	<u>(666,298)</u>	<u>(775,834)</u>
Net cash used in operating activities	(636,490)	(114,539)
 <b>CASH FLOWS FROM INVESTING ACTIVITY</b>	 -	 -
 <b>CASH FLOWS FROM FINANCING ACTIVITY</b>	 -	 -
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 <u>(636,490)</u>	 <u>(114,539)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	 <u>1,564,680</u>	 <u>1,679,219</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 4.5 and Note 8)</b>	 <u><u>928,190</u></u>	 <u><u>1,564,680</u></u>

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

**GCB COURT MANAGEMENT CORPORATION**  
**(Established in Malaysia under the Strata Titles Act, 1985)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**1. GENERAL INFORMATION**

GCB Court Management Corporations (hereinafter referred to as "Entity") was established on 7 September 2006 by the proprietors/owners of the GCB Court Condominium under the Strata Titles Act, 1985 (Act 318) bearing Selangor Commissioner of Buildings (Pesuruhanjaya Bangunan) registration number 1023.

The principal activity of the Entity is engaged in providing maintenance and management services to the GCB Court Condominium. This property consists of 180 units condominiums. There has been no significant change in the nature of this principal activity during the financial year under review.

As custodian, the Entity will manage and maintain the common property and will establish adequate funds, including, but not limited to, maintenance fund and sinking fund to meet all expenses necessary to meet its obligations. The principal place of business of the Entity is at 332B, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements of the Entity are presented in Ringgit Malaysia (RM). The functional currency of the Entity is Ringgit Malaysia.

**2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE STRATA MANAGEMENT ACT 2013 (Act 757)**

The financial statements of the Entity have been prepared in compliance with the Malaysia Private Entities Reporting Standard (MPERS<sub>2015</sub>) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Strata Management Act 2013 (Act 757).

**3. BASIS OF PREPARATION**

The financial statements of the Entity have been prepared using cost bases (which include historical cost, amortised cost as well as lower of cost and net realisable value) and fair value bases (which include fair value basis and fair value less costs to sell basis).

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant estimation uncertainties are disclosed in Note 5.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Impairment of Non-Financial Assets**

An impairment loss arises when the carrying amount of the Entity's asset exceeds its recoverable amount.

At the end of each reporting date, the Entity assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Entity estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use.

The Entity determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on:

- (i) price in a binding sale agreement;
- (ii) market price traded in an active market; and
- (iii) estimate of market price using the best available information.

The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budget and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in surplus or deficit. For a plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

##### **4.2 Financial Instruments**

###### **4.2.1 Initial Recognition and Measurement**

The Entity recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Entity becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through surplus or deficit.



#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.2 Financial Instruments (Continued)**

###### **4.2.1 Initial Recognition and Measurement (Continued)**

For instruments measured at fair value through surplus or deficit, transaction costs are expensed to surplus or deficit when incurred. For loans and advances, and other contractual arrangements, that constitute a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

###### **4.2.2 Derecognition of Financial Instruments**

For derecognition purposes, the Entity first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Entity transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred. A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

For this purpose, the Entity considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

###### **4.2.3 Subsequent Measurement of Financial Assets**

For the purpose of subsequent measurement, the Entity classifies financial assets into two categories, namely:

- (i) financial assets at fair value through surplus or deficit; and
- (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through surplus or deficit, all other financial assets are subject to review for impairment in accordance with Note 4.2.5.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.2 Financial Instruments (Continued)**

##### **4.2.4 Subsequent Measurement of Financial Liabilities**

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

##### **4.2.5 Impairment and Uncollectible of Financial Assets**

At the end of each reporting period, the Entity examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include:

- (i) significant difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) granting exceptional concession to an owner;
- (iv) it is probable that an owner will enter bankruptcy or financial re-organisation;
- (v) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Entity's experience of loss ratio in each class, taking into consideration current market conditions.

##### **4.3 Tax Assets and Tax Liabilities**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused tax credits can be utilised.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.3 Tax Assets and Tax Liabilities (Continued)**

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period.

##### **4.4 Provisions**

The Entity recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision is measure at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

##### **4.5 Revenue Recognition and Measurement**

Revenue from service and sinking fund charges are recognised on accrual basis in accordance with agreement between owners and the Entity and in accordance with the Strata Management Act 2013 (Act 757).

Interest income is recognised using the effective interest method, and accrued on a time basis. Late interest charges and rental income are recognised on accruals basis.

Disbursements are expenses (fire insurance, quit rent and water charges) which are incurred by the Entity and receivable/recoverable from owners. The entirety of these expenses is billed to the Entity including those under common areas of the property and the appropriate portion is recovered from the owners accordingly.

##### **4.6 Cash and cash equivalents**

Cash and cash equivalents consist of cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **5. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY**

##### **5.1 Judgements and Assumptions Applied**

In the selection of accounting policies for the Entity's, the Management Committees do not identify any significant judgement and assumptions that is required for reporting during the financial year.

## **5. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY (CONTINUED)**

### **5.2 Estimation Uncertainty**

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas that are subject to significant estimation uncertainties of the Entity are as follows:-

#### **(a) Loss Allowances of Financial Assets**

The Entity recognises impairment losses for loans and receivables using the incurred loss model. Individually receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Entity's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Entity's financial position and results.

#### **(b) Measurement of Income Taxes**

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

**6. RECEIVABLE FROM OWNERS**

Receivable from owners are amount due by owners (net of prepayments from owners) which include service charge, sinking fund, fire insurance, late interest charges, quit rent and water charges. The Management Committees are of the opinion that all receivable from owners are fully recoverable and no impairment is necessary.

**7. OTHER RECEIVABLES**

	2019 RM	2018 RM
Deposits	<u>31,022</u>	<u>30,366</u>

**8. CASH AND CASH EQUIVALENTS**

	2019 RM	2018 RM
Cash in hand	3,279	3,279
Cash at bank	<u>141,013</u>	<u>197,347</u>
Cash and bank balances	<u>144,292</u>	<u>200,626</u>
Fixed deposits with licensed bank	<u>783,898</u>	<u>1,364,054</u>
Cash and cash equivalents	<u>928,190</u>	<u>1,564,680</u>

The interest rates during the financial year and the maturity of the deposits as at 31 December 2019 were ranged from 3.25% to 3.35% per annum and 12 months respectively.

**9. SINKING FUND RESERVE**

This sinking fund reserve is created to meet major and extraordinary expenditure required for the upkeep and maintenance of the common property, as set out in Section 61 of the Strata Management Act 2013 (Act 757). The movements of the sinking fund reserve can be summarised as:

	2019 RM	2018 RM
<b>Revenue</b>		
Sinking fund charges billed for the year	95,969	95,969
Lift fund billed for the year	18,986	169,410
Fixed deposits interest income	<u>45,654</u>	<u>22,254</u>
	<u>160,609</u>	<u>287,633</u>
Less: Expenditure (refer analysis below)	<u>(1,020,720)</u>	<u>(586,000)</u>
Deficit for the year	<u>(860,111)</u>	<u>(298,367)</u>
Balance at beginning of year	<u>1,794,111</u>	<u>2,092,478</u>
Balance at end of year	<u>934,000</u>	<u>1,794,111</u>

**9. SINKING FUND RESERVE (CONTINUED)**

The expenditure incurred above can be analysed as:

	2019 RM	2018 RM
Installation of 4 units passenger lifts (with capacity of 955kgs each) c/w landing doors at lobby and cabin operating panels	940,400	-
Construction work at motor room for lift 1 and 2	28,600	-
Installation and netting work at lift area, generator room, HD room, gas room and LV room	20,420	-
Renovation of 2 changing rooms	28,000	-
Purchase of a full set of 1TB PC and LED monitor	3,300	-
Painting of the building	-	528,000
Installation of riser pipe	-	58,000
	<u>1,020,720</u>	<u>586,000</u>

The sinking fund charges contributed by the owners during the financial year are determined in proportion to the size (in square foot) of each parcel which was charged at RM0.03 (2018: RM0.03) per square foot.

The lift fund is created pursuant to the 11<sup>th</sup> Annual General Meeting held on 21 November 2015 to initiate a cash call from the owners to meet the cash flow requirements for upgrading lift. The lift fund contribution by each parcel are determined in proportion to the size (in share unit) of each parcel which was charged at RM1.389 per share unit for a period of three years commencing January 2016.

**10. OTHER PAYABLES**

	2019 RM	2018 RM
Amount due to contractors and service providers	507,254	230,020
Accruals for expenses	10,600	5,300
Prepayment from owners	3,383	45,733
Unidentified bank in	29,323	22,375
	<u>550,560</u>	<u>303,428</u>

**11. REFUNDABLE DEPOSITS**

	2019 RM	2018 RM
Access card and car sticker deposits	24,520	23,580
Facilities deposits	200	200
Renovation deposits	9,000	9,000
	<u>33,720</u>	<u>32,780</u>



**12. REVENUE**

	2019 RM	2018 RM
Service charges	<u>799,740</u>	<u>799,740</u>

The service charges contributed by the owners are determined in proportion to the size of each parcel which was charged at RM0.25 (2018: RM0.25) per square foot.

**13. OTHER INCOME**

	2019 RM	2018 RM
<b>Sundry income:</b>		
Access card	1,960	2,010
Astro wiring installation	-	11,680
Clamping fee	-	50
Miscellaneous income	1,020	12,100
Financial statements spring cleaning:		
- Over provision of expenses in prior year no longer required (Note 22.1)	-	40,218
- Under provision of expenses in prior year no longer required	-	(3,481)
	-	36,737
Unreconciled balance in bank reconciliation written off (Note 22.1)	-	2,841
Late payment interest charges:		
- Current year	24,076	23,128
- Prior year	-	72,040
	<u>27,056</u>	<u>160,586</u>
<b>Interest income:</b>		
Interest income for utility deposits	657	1,266
<b>Rental income:</b>		
Car park	14,100	17,710
Facilities and common area	675	925
	<u>14,775</u>	<u>18,635</u>
<b>Disbursements:</b>		
Fire insurance	47,538	47,891
Quit rent	3,757	3,757
Water charges	1,544	168
	<u>52,839</u>	<u>51,816</u>
	<u><u>95,327</u></u>	<u><u>232,303</u></u>

**14. UTILITIES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Electricity charges	102,623	103,657
Water charges	10,535	10,051
	<u>113,158</u>	<u>113,708</u>

**15. STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
EPF and SOCSO contributions	31,294	37,331
PCB contributions	2,640	3,360
Staff medical fee	609	940
Salaries, allowances and bonus	104,522	124,286
Staff welfare	940	330
	<u>140,005</u>	<u>166,247</u>

**16. PROPERTY MAINTENANCE EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Cleaning services	114,943	117,350
Electrical inspection	11,448	21,160
Festive celebration	5,022	-
Fire insurance	47,538	47,776
Fire protection services	4,028	5,930
General expenses	4,025	2,131
Landscaping maintenance	50,400	59,060
Lift maintenance	20,330	8,050
Maintenance of auto gate	7,000	15,661
Pest control services	6,100	5,994
Quit rent	3,757	3,757
Repair and maintenance	101,771	100,908
Security services	223,757	213,778
Software maintenance	383	119
Swimming pool maintenance	14,546	15,019
	<u>615,048</u>	<u>616,693</u>

**17. ADMINISTRATION EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Accounting fee	1,590	1,590
AGM expenses	-	1,753
Auditors' remuneration	5,300	5,300
Bank charges	622	393
Courier and postage	3,015	2,801
Printing and stationery	2,561	1,442
Office expense	234	-
Professional fee (Note 22.2)	20,782	-
Rental of photocopier	2,804	4,091
Telephone and fax charges	6,899	6,754
Telephone service charges	50	250
Travelling expenses	706	949
	<b>44,563</b>	<b>25,323</b>

**18. OTHER OPERATING EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other receivables written off	-	1,100
Plant and equipment written off	-	24,103
	<b>-</b>	<b>25,203</b>

**19. INCOME TAX EXPENSE**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<b>Current tax:</b>		
Malaysian income tax on maintenance fund	-	-

No taxation is provided on maintenance charges, late interest charges, sinking fund and sundry income which fulfill the principle of mutuality. There are no material unrecognised deferred tax liabilities and deferred tax assets at the end of the reporting date.

## **20. RELATED PARTY DISCLOSURE**

### **20.1 Key Management Personnel Compensation**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Entity either directly or indirectly. The key management personnel includes all the Committee Members of the Entity.

During the financial year, there is no key management personnel compensation paid/payable to the Management Committees.

### **20.2 Related Party Transactions**

Related party refers to an Entity in which the Management Committees of the Entity are also directors/shareholders and have financial interest.

The Committee Members are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## **21. SIGNIFICANT EVENTS**

### **21.1 Resolving 2017 audit qualification**

The previous auditors, YYC & Co., expressed a qualified opinion in relation to the financial statement for the year ended 31 December 2017. The Committee Members and representatives of the management office as well as the accountants cum system provider sorted out those issues (collectively known as "*financial statements spring cleaning*").

The areas of qualification indicated by the auditors for the financial information as at 31 December 2017 were dealt with as follows:

#### **(i) Amount due from owners – RM22,374.95**

The above issue was highlighted to the current Committee Members and was agreed to be remained for one year to allow time for resolving by verification and tracing of evidences. The Management was also instructed to inform the owners to report for disagreement of statement of account amount, if any.

The Committee further decided to account for such unidentified deposits of RM22,374.95 as income in the following year. Currently, such amount was categorised as "unidentified deposits" grouped under "other payables" (Note 11).

## 21. SIGNIFICANT EVENTS (CONTINUED)

### 21.1 Resolving 2017 audit qualification

#### (ii) Trade and other payables of RM50,443.63 and RM4,682.45 respectively

As reported in the auditors' report for the year 2017, there were trade payables of RM50,443.63 and other payables of RM4,682.45 respectively due to various suppliers and service providers. After the *financial statements spring cleaning*, such amounts were verified through subsequent settlement and a portion of such amounts were found to be no longer payable and there is no future obligation to settle these outstanding balances.

As such, the Committee decided the portion of unsettled amount of RM40,218.10 should be reversed as "over provision of expenses in prior year no longer required" which was reported as "other income" (Note 14) in year 2018.

#### (iii) Bank reconciliation – unreconciled difference and unpresented cheques of RM35,964.70 and RM6,038.01 respectively

As reported in the auditors' report for the year 2017, there were unreconciled balances (bank statement in excess than cash book) of RM35,964.70 and long uncredited cheques totalling RM6,038.01. After the *financial statements spring cleaning*, the unreconciled balances were reduced to RM2,840.88.

The Committee then decided to "zerolise" by adjusting the unreconciled balances of RM2,840.88 as "unreconciled balance in bank reconciliation written off" which was reported in "other income" (Note 14) in year 2018.

In summary, the *financial statements spring cleaning* had resulted the following adjustments made in 2018 to rectify the 2017 qualified opinion:

Particulars	Items reported above	RM
Derecognition of amount payable to suppliers/service providers (Note 13)	Item (ii)	40,218.10
Adjustments to unreconciled bank balances (Note 13)	Item (iii)	2,840.88
Total adjustments to other income in 2018		<u>43,058.98</u>

**21. SIGNIFICANT EVENTS (CONTINUED)**

**21.2 Lease of land by Tenaga Nasional Berhad ("TNB")**

The Entity received a letter from TNB (formerly known as Lembaga Elektrik Negara) dated 9 October 2018 for the purpose of renewal for a lease period in relation to a portion of the common area of GCB Court which was occupied as main division substation ("*pencawang pembahagian utama*" or "PPU"). The original lease period, which was for a period of 30 years, commenced since 1 September 1984 and ended on 31 August 2014 with a consideration of RM10 and the entire tenure of the lease.

The Committee Members are of the opinion that the lease which was ended for more than four years shall be re-considered. As such, various professionals were engaged and the total costs incurred in the financial year amounted to RM20,782 (including lawyers, surveyors and valuers for RM5,000, RM9,782 and RM6,000 respectively).

**22. DATE OF AUTHORISATION FOR ISSUE**

The financial statements were authorised for issue by the Management Committee on **30 JUN 2020**



## *SECTION B*

### *Auditor's Report & Financial Statements For The Financial Year 31 December 2018*

**Registration No. 1023**

**GCB COURT MANAGEMENT CORPORATION**  
**(Established in Malaysia under the Strata Titles Act, 1985)**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR**  
**31 DECEMBER 2018**

**KET & CO. (AF 1167)**  
**Chartered Accountants, Malaysia**

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**ANNUAL REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR  
31 DECEMBER 2018**

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**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**COMMITTEE MEMBERS' REPORT**

The Committee Members hereby submit their report together with the audited financial statements of the GCB Court Management Corporation (hereinafter referred to as the "Entity") for the financial year ended 31 December 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the Entity is engaged in providing maintenance and management services to the GCB Court Condominium. This property consists of 180 units. There has been no significant change in the nature of this principal activity during the financial year under review.

**FINANCIAL RESULTS**

	RM
<b>Surplus/(Deficit) for the financial year:</b>	
- Maintenance fund	84,869
- Sinking fund	<u>(298,367)</u>
Total deficit for the financial year	<u><u>(213,498)</u></u>

**COMMITTEE MEMBERS**

The Committee Members who held office since the last Annual General Meeting are:

<u>Position</u>	<u>Name</u>
Chairman	Mohd Hadzir bin Manah
Secretary	Lai Chiew Foon
Treasurer	Chai Wai Ming
Committee Member	Cheong Chee Leng Bhajan Kaur A/P Manjit Singh Zainol bin Ahmed Pung Kwai Sang

**AUDITORS' REMUNERATION**

Details of auditors' remuneration are set out in Note 18 to the financial statements.

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**COMMITTEE MEMBERS' REPORT (CONTINUED)**

**AUDITORS**

The auditors, Messrs. Ket & Co., have expressed their willingness to continue in office.

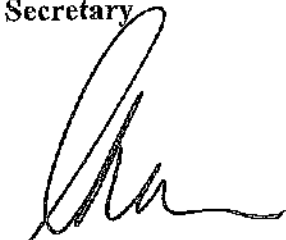
Signed on behalf of the Committee,



**MOHD HADZIR BIN MANAH**  
Chairman



**LAI CHIEW FOON**  
Secretary



**CHAI WAI MING**  
Treasurer

Kuala Lumpur

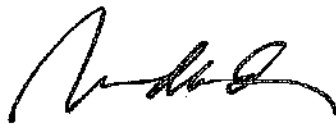
Date: 17 MAR 2020

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATEMENT BY THE COMMITTEE**

We, being three of the Committee Members of the GCB Court Management Corporation (the "Entity"), do hereby state on behalf of the Entity that in our opinion, the accompanying Statement of Financial Position as at 31 December 2018, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the financial year then ended, together with the notes thereto, are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as Strata Management Act 2013 (Act 757), so as to give a true and fair view of the financial position of the Management Corporation as at 31 December 2018 and of the results and of the cash flows for the financial year ended on that date.

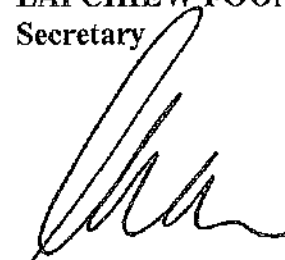
Signed on behalf of the Committee,



**MOHD HADZIR BIN MANAH**  
Chairman



**LAI CHIEW FOON**  
Secretary



**CHAI WAI MING**  
Treasurer

Kuala Lumpur

Date: 17 MAR 2020

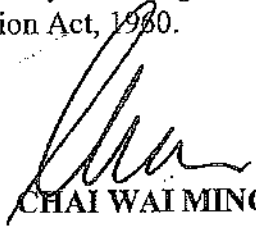


**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

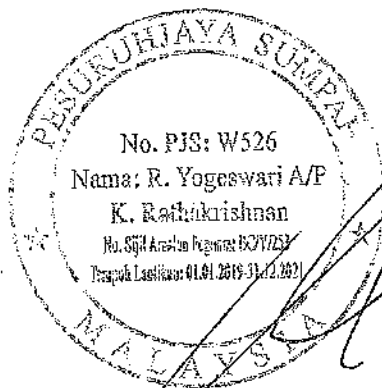
**STATUTORY DECLARATION**

I, **CHAI WAI MING**, being the person primarily responsible for the financial management of GCB Court Management Corporation (the "Entity") do solemnly and sincerely declare that the financial statements of the the Entity are, to the best of our knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by )  
the above named, at Kuala Lumpur )  
in the State of Federal Territory this day )  
of **17 MAR 2020** )

  
**CHAI WAI MING**  
Treasurer

Before me,



**MESSRS. YOGESWARI & CO**  
Lot 61-2A, OG Business Park,  
Jalan Taman Tan Yew Lai,  
58200 Kuala Lumpur

**KET & CO.** (AF 1167)

CHARTERED ACCOUNTANTS, MALAYSIA

160-4A, BATU 3½, JALAN KLANG LAMA, 58000 KUALA LUMPUR, MALAYSIA.

Tel: 603 – 7983 6322 Fax: 603 – 7983 6323

Registration No. 1023

**INDEPENDENT AUDITORS' REPORT  
TO THE COMMITTEE MEMBERS OF  
GCB COURT MANAGEMENT CORPORATION**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of GCB Court Management Corporation (hereinafter referred to as the "Entity" or "Management Corporation"), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 29.

In our opinion, except for the effects of the adjustments in relation to the preceding year qualified opinion as described in the Basis of Qualified Opinion paragraph below, the accompanying financial statements give a true and fair view of the financial position of Entity as at 31 December 2018 and of its financial performance and cash flows for the financial year in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as the Strata Management Act 2013 (Act 757).

**Basis for Qualified Opinion**

We were appointed as auditors of the Entity on 28 April 2019. In the preceding financial year (year 2017), the auditors' report were issued with qualified opinion.

During the financial year, the Committee Members together with representatives of the management office as well as the accountants/system provider sorted out those issues (collectively known as "financial statements spring cleaning 2017"). The said items were adjusted in the current year and the impact which amounted RM43,058.98 were reflected in Note 24 to the financial statements. These adjustments increased "other income" by RM43,058.98 with a decreased in "other payables" and increased in "bank balances" of RM40,218.10 and RM2,840.88 respectively.

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 qualified opinion.

**Registration No. 1023**

**Independence and Other Ethical Responsibilities**

We are independent of the Entity 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 Committee Members of the Entity are responsible for other information. The other information comprises the Committee Members' Report but does not include the financial statements of the Entity and our auditors' report thereon.

Our opinion on the financial statements of the Entity does not cover the Committee Members' Report and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of the Committee Members' Report, we are required to report that fact. Except for those as described in the Basis for Qualified Opinion section above, we have nothing to report in this regard.

**Responsibilities of the Committee Members for the Financial Statements**

The Committee Members of the Entity are responsible for the preparation of financial statements of the Entity that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Strata Title Act 1985 (Act 318) as well as Strata Management Act 2013 (Act 757). The Committee Members are also responsible for such internal controls as the Committee Members determine necessary to enable the preparation of financial statements of the Entity that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Entity, the Committee Members are responsible for assessing the Entity'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 Committee Members either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

**Registration No. 1023**

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance whether the financial statements of the Entity 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Entity, 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 controls.
- Obtain an understanding of internal controls 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 Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.
- Conclude on the appropriateness of the Committee Members' 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 Entity'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 Entity 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Entity, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

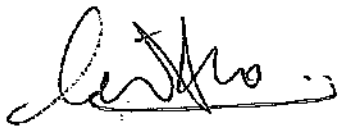
We communicate with the Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

**Registration No. 1023**

**Other Matters**

This report is made solely to the Committee Members of the GCB Court Management Corporation as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

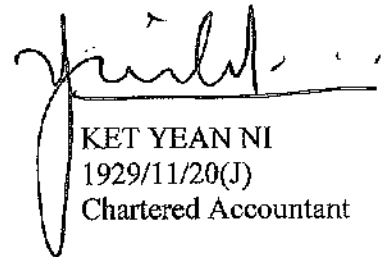
The financial statements for the year ended 31 December 2017 were audited by another firm of chartered accountants whose report dated 17 September 2018 expressed a qualified opinion on receivable from owners, others payables and bank reconciliation.



KET & CO. (AF 1167)  
Chartered Accountants

Date: 17 MAR 2020

Kuala Lumpur



KET YEAN NI  
1929/11/20(J)  
Chartered Accountant

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	Note	2018 RM	2017 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	6	-	24,103
<b>Current assets</b>			
Receivable from owners	7	289,850	221,019
Other receivables	8	30,366	30,200
Fixed deposits with licensed bank	9	1,364,054	1,509,370
Cash and bank balances	9	200,626	169,849
		<u>1,884,896</u>	<u>1,930,438</u>
<b>TOTAL ASSETS</b>		<u>1,884,896</u>	<u>1,954,541</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of GCB</b>			
<b>Court Condominium</b>			
Sinking fund reserve	10	1,794,111	2,092,478
Maintenance fund reserve		<u>(245,423)</u>	<u>(330,292)</u>
<b>TOTAL EQUITY</b>		<u>1,548,688</u>	<u>1,762,186</u>
<b>Current liabilities</b>			
Other payables	11	303,428	156,025
Refundable deposits	12	32,780	36,330
Current tax liabilities		-	-
		<u>336,208</u>	<u>192,355</u>
<b>TOTAL LIABILITIES</b>		<u>336,208</u>	<u>192,355</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,884,896</u>	<u>1,954,541</u>

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

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 RM	2017 RM
REVENUE	13	799,740	799,740
OTHER INCOME	14	232,303	98,818
UTILITIES	15	(113,708)	(121,131)
STAFF COSTS	16	(166,247)	(147,882)
PROPERTY MAINTENANCE EXPENSES	17	(616,693)	(806,826)
ADMINISTRATION EXPENSES	18	(25,323)	(22,530)
OTHER OPERATING EXPENSES	19	<u>(25,203)</u>	<u>(10,285)</u>
SURPLUS/(DEFICIT) BEFORE TAX		84,869	(210,096)
INCOME TAX EXPENSE	20	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) FROM MAINTENANCE FUND FOR THE YEAR		84,869	(210,096)
(DEFICIT)/SURPLUS FROM SINKING FUND FOR YEAR	10	<u>(298,367)</u>	<u>374,008</u>
TOTAL (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		<u><u>(213,498)</u></u>	<u><u>163,912</u></u>

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

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Sinking fund reserve (Note 10) RM	Maintenance fund reserve RM	Total equity RM
At 1 January 2018	2,092,478	(330,292)	1,762,186
(Deficit)/Surplus for the financial year	<u>(298,367)</u>	<u>84,869</u>	<u>(213,498)</u>
At 31 December 2018	<u>1,794,111</u>	<u>(245,423)</u>	<u>1,548,688</u>
 At 1 January 2017	 1,718,470	 (120,196)	 1,598,274
Surplus/(Deficit) for the financial year	<u>374,008</u>	<u>(210,096)</u>	<u>163,912</u>
At 31 December 2017	<u>2,092,478</u>	<u>(330,292)</u>	<u>1,762,186</u>

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



**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018 RM	2017 RM <i>(Re-stated)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from owners and tenants	661,295	1,281,520
Cash payments to suppliers and contractors	<u>(775,834)</u>	<u>(1,154,528)</u>
Net cash (used in)/generated from operating activities	<u>(114,539)</u>	<u>126,992</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITY</b>	 -	 -
 <b>CASH FLOWS FROM FINANCING ACTIVITY</b>	 -	 -
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 <u>(114,539)</u>	 <u>126,992</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<u>1,679,219</u>	<u>1,552,227</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 4.6 and Note 9)</b>	<u><u>1,564,680</u></u>	<u><u>1,679,219</u></u>

Note:

In the preceding financial year, the statement of cash flows was prepared using indirect method. In year 2018, the Entity presented the statement of cash flows using direct method. As a result, the statement of cash flows in year 2017 is re-stated for comparison purposes.

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

**GCB COURT MANAGEMENT CORPORATION**  
(Established in Malaysia under the Strata Titles Act, 1985)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**1. GENERAL INFORMATION**

GCB Court Management Corporations (hereinafter referred to as "Entity" or "Management Corporation") was established on 7 September 2006 by the proprietors/owners of the GCB Court Condominium under the Strata Titles Act, 1985 (Act 318) bearing Selangor Commissioner of Buildings (Pesuruhanjaya Bangunan) registration number 1023.

The principal activity of the Management Corporation is engaged in providing maintenance and management services to the GCB Court Condominium. This property consists of 180 units condominiums. There has been no significant change in the nature of this principal activity during the financial year under review.

As custodian, the Entity will manage and maintain the common property and will establish adequate funds, including, but not limited to, Maintenance Fund (presented in statement of comprehensive income as surplus/deficit for the year) and Sinking Fund (presented in statement of comprehensive income as other comprehensive income, surplus/deficit from sinking fund) to meet all expenses necessary to meet its obligations.

The principal place of business of the Management Corporation is at 332B, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements of the Entity are presented in Ringgit Malaysia (RM). The functional currency of the Entity is Ringgit Malaysia.

**2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE STRATA MANAGEMENT ACT 2013**

The financial statements of the Entity have been prepared in compliance with the Malaysia Private Entities Reporting Standard (MPERS<sub>2015</sub>) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Strata Management Act 2013.

### 3. BASIS OF PREPARATION

The financial statements of the Management Corporation have been prepared using cost bases (which include historical cost, amortised cost as well as lower of cost and net realisable value) and fair value bases (which include fair value basis and fair value less costs to sell basis).

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period.

Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant estimation uncertainties are disclosed in Note 5.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Plant and Equipment

Operating tangible assets that are used for more than one accounting period for administrative purposes are recognised as plant and equipment when the Entity obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation are computed by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

Particulars	Method	Rate
Equipment	Straight-line	10%
Furniture and fittings	Straight-line	10%
Computer	Straight-line	33.33%
Office equipment	Straight-line	10%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the plant and equipment are reviewed for reasonableness. Any changes in estimation of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.2 Impairment of Non-Financial Assets**

An impairment loss arises when the carrying amount of the Entity's asset exceeds its recoverable amount.

At the end of each reporting date, the Entity assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Entity estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use.

The Entity determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on:

- (i) price in a binding sale agreement;
- (ii) market price traded in an active market; and
- (iii) estimate of market price using the best available information.

The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budget and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in surplus or deficit. For a plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

##### **4.3 Financial Instruments**

###### **4.3.1 Initial Recognition and Measurement**

The Entity recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Entity becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through surplus or deficit.

For instruments measured at fair value through surplus or deficit, transaction costs are expensed to surplus or deficit when incurred. For loans and advances, and other contractual arrangements, that constitute a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.3 Financial Instruments (Continued)**

##### **4.3.2 Derecognition of Financial Instruments**

For derecognition purposes, the Entity first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Entity transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred. A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

For this purpose, the Entity considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

##### **4.3.3 Subsequent Measurement of Financial Assets**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely:

- (i) financial assets at fair value through surplus or deficit; and
- (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through surplus or deficit, all other financial assets are subject to review for impairment in accordance with Note 4.3.5.

##### **4.3.4 Subsequent Measurement of Financial Liabilities**

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **4.3 Financial Instruments (Continued)**

##### **4.3.5 Impairment and Uncollectible of Financial Assets**

At the end of each reporting period, the Entity examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include:

- (i) significant difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) granting exceptional concession to an owner;
- (iv) it is probable that an owner will enter bankruptcy or financial re-organisation;
- (v) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Entity's experience of loss ratio in each class, taking into consideration current market conditions.

##### **4.4 Tax Assets and Tax Liabilities**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.4 Tax Assets and Tax Liabilities (Continued)**

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or that entire deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in the statement of comprehensive income for the period, except to the extent that the tax arises from items recognised outside the statement of comprehensive income. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

**4.5 Provisions**

The Entity recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision is measure at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

**4.6 Cash and cash equivalents**

Cash and cash equivalents consist of cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**4.7 Revenue Recognition and Measurement**

Revenue from service charges is recognised in statement of comprehensive income (referred to as maintenance fund) whereas revenue from sinking fund charges is recognised in statement of comprehensive income as other comprehensive income (net of expenditure and tax). Both revenues are recognised on accrual basis in accordance with agreement between owners and the Entity.

Interest income is recognised using the effective interest method, and accrued on a time basis. Late interest charges and rental income are recognised on accruals basis.

Disbursements are expenses which are incurred by the Entity and receivable/recoverable from owners. The entirety of these expenses is billed to the Entity including those under common areas of the property and the appropriate portion is recovered from the owners accordingly.

## **5. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY**

### **5.1 Judgements and Assumptions Applied**

In the selection of accounting policies for the Entity's, the Committee Members do not identify any significant judgement and assumptions that is required for reporting during the financial year.

### **5.2 Estimation Uncertainty**

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas that are subject to significant estimation uncertainties of the Entity are as follows:-

#### **(a) Depreciation of Plant and Equipment**

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

#### **(b) Loss Allowances of Financial Assets**

The Entity recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Entity's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Entity's financial position and results.

#### **(c) Measurement of Income Taxes**

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



## 6. PLANT AND EQUIPMENT

	Renovation and signboard RM	Office equipment RM	Computer equipment RM	Rubbish bins RM	Furniture and fittings RM	Maintenance equipment RM	Swimming equipment RM	Total RM
Cost								
At 1 January 2018	39,420	27,155	18,229	12,870	5,744	5,381	3,750	112,549
Addition	-	-	-	-	-	-	-	-
Disposals	(39,420)	(27,155)	(18,229)	(12,870)	(5,744)	(5,381)	(3,750)	(112,549)
At 31 December 2018	-	-	-	-	-	-	-	-
Accumulated depreciation								
At 1 January 2018	25,603	25,579	14,373	12,868	2,309	3,965	3,749	88,446
Depreciation	-	-	-	-	-	-	-	-
Disposals	(25,603)	(25,579)	(14,373)	(12,868)	(2,309)	(3,965)	(3,749)	(88,446)
At 31 December 2018	-	-	-	-	-	-	-	-
Net carrying amount								
At 31 December 2018	-	-	-	-	-	-	-	-
At 31 December 2017	13,817	1,576	3,856	2	3,435	1,416	1	24,103
Depreciation charge for 31 December 2017	3,865	3,722	1,823	-	340	535	-	10,285

**7. RECEIVABLE FROM OWNERS**

Receivable from owners are amount due by owners (net of prepayments from owners) which include service charge, sinking fund, fire insurance, late interest charges, quit rent and water charges. The Committee Members are of the opinion that all receivable from owners are fully recoverable and no impairment is necessary.

**8. OTHER RECEIVABLES**

	2018 RM	2017 RM
Deposits	<u>30,366</u>	<u>30,200</u>

**9. CASH AND CASH EQUIVALENTS**

	2018 RM	2017 RM
Cash in hand	3,279	4,079
Cash at bank	<u>197,347</u>	<u>165,770</u>
Cash and bank balances	200,626	169,849
Fixed deposits with licensed bank	<u>1,364,054</u>	<u>1,509,370</u>
Cash and cash equivalents	<u>1,564,680</u>	<u>1,679,219</u>

The interest rates during the financial year and the maturity of the deposits as at 31 December 2018 were ranged from 3.25% to 3.35% per annum and 12 months respectively.

**10. SINKING FUND RESERVE**

This sinking fund is created to meet major and extraordinary expenditure required for the upkeep and maintenance of the common property, as set out in Section 61 of the Strata Management Act 2013. The movements of the sinking fund reserve can be summarised as:-

	2018 RM	2017 RM
<b>Revenue</b>		
Sinking fund charges billed for the year	95,969	95,969
Lift fund contributions	169,410	226,211
Fixed deposits interest income	22,254	51,828
Less: Expenditure (refer analysis below)	<u>(586,000)</u>	-
(Deficit)/Surplus before tax	(298,367)	374,008
Less: Income tax expense (Note 20)	-	-
(Deficit)/Surplus for the year	<u>(298,367)</u>	<u>374,008</u>
Balance at beginning of year	2,092,478	1,718,470
Balance at end of year	<u>1,794,111</u>	<u>2,092,478</u>

**10. SINKING FUND RESERVE (CONTINUED)**

The expenditure incurred above can be analysed as:-

	2018 RM	2017 RM
Painting of the building	528,000	-
Installation of riser pipe	58,000	-
	<u>586,000</u>	<u>-</u>

The sinking fund charges contributed by the owners during the financial year are determined in proportion to the size (in square foot) of each parcel which was charged at RM0.03 (2017: RM0.03) per square foot.

The lift contribution fund is created pursuant to the 11<sup>th</sup> Annual General Meeting held on 21 November 2015 to initiate a cash call from the owners to meet the cash flow requirements for upgrading lift. The lift fund contribution by each parcel are determined in proportion to the size (in share unit) of each parcel which was charged at RM1.389 per share unit for a period of three years commencing January 2016.

**11. OTHER PAYABLES**

	2018 RM	2017 RM
Amount due to contractors and service providers	230,020	56,374
Accruals for expenses	5,300	20,149
Prepayment from owners	45,733	-
Unidentified bank in (Note 24(a))	22,375	-
Late payment interest charges	-	72,040
Sundry payable	-	7,462
	<u>303,428</u>	<u>156,025</u>

**12. REFUNDABLE DEPOSITS**

	2018 RM	2017 RM
Access card and car sticker deposits	23,580	23,080
Facilities deposits	200	250
Renovation deposits	9,000	13,000
	<u>32,780</u>	<u>36,330</u>

**13. REVENUE**

	2018 RM	2017 RM
Service charges	<u>799,740</u>	<u>799,740</u>

Service charges are created pursuant to Section 60 of the Strata Management Act, 2013 (Act 757) for the purposes of managing and administering the common property. The service charges contributed by the owners are determined in proportion to the size of each parcel which was charged at RM0.25 (2017: RM0.25) per square foot.

**14. OTHER INCOME**

	2018 RM	2017 RM
<b>Sundry income</b>		
Access card	2,010	1,850
Astro wiring installation	11,680	-
Clamping fee	50	250
Insurance claim	-	11,700
Miscellaneous income	12,100	4,134
Over provision of expenses in prior year no longer required (Note 24(b))	36,737	-
Unreconciled balance in bank reconciliation written off (Note 24(c))	2,841	-
Late payment interest charges:		-
- Current year	23,128	
- Prior year	72,040	
	<u>160,586</u>	<u>17,934</u>
<b>Interest income</b>		
Interest income for utility deposits	1,266	-
<b>Rental income</b>		
Car park	17,710	18,450
Car wash	-	450
Facilities and common area	925	675
	<u>18,635</u>	<u>19,575</u>
<b>Disbursements</b>		
Fire insurance	47,891	47,891
Quit rent	3,757	3,757
Water charges	168	9,661
	<u>51,816</u>	<u>61,309</u>
	<u>232,303</u>	<u>98,818</u>

**15. UTILITIES**

	2018 RM	2017 RM
Electricity charges	103,657	103,972
Water charges	10,051	17,159
	<u>113,708</u>	<u>121,131</u>

**16. STAFF COSTS**

	2018 RM	2017 RM
EPF and SOCSO contributions	37,331	32,548
PCB contributions	3,360	2,992
Staff medical fee	940	1,310
Salaries, allowances and bonus	124,286	110,757
Staff welfare	330	275
	<u>166,247</u>	<u>147,882</u>

**17. PROPERTY MAINTENANCE EXPENSES**

	2018 RM	2017 RM
Cleaning services	117,350	106,000
Cold water pipe project	-	55,771
Electrical inspection	21,160	13,568
Festive celebration	-	5,663
Fire insurance	47,776	47,890
Fire protection services	5,930	10,199
General expenses	2,131	2,071
Landscaping maintenance	59,060	52,164
Lift maintenance	8,050	35,938
Maintenance of auto gate	15,661	8,754
Pest control services	5,994	11,264
Quit rent	3,757	3,757
Repair and maintenance	100,908	217,199
Security services	213,778	222,079
Software maintenance	119	79
Swimming pool maintenance	15,019	14,430
	<u>616,693</u>	<u>806,826</u>

**18. ADMINISTRATION EXPENSES**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Accounting fee	1,590	1,590
AGM expenses	1,753	1,724
Auditors' remuneration	5,300	4,150
Bank charges	393	472
Courier and postage	2,801	3,549
Legal fee	-	62
Printing and stationery	1,442	2,724
Rental of photocopier	4,091	-
Telephone and fax charges	6,754	6,694
Telephone service charges	250	600
Travelling expenses	949	965
	<u>25,323</u>	<u>22,530</u>

**19. OTHER OPERATING EXPENSES**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Depreciation of plant and equipment	-	10,285
Other receivables written off	1,100	-
Plant and equipment written off	24,103	-
	<u>25,203</u>	<u>10,285</u>

**20. INCOME TAX EXPENSE**

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>Current tax:-</b>		
- Malaysian income tax on maintenance fund	-	-
- Malaysian income tax on sinking fund (Note 10)	-	-
Income tax expense for the year	<u>-</u>	<u>-</u>

The Management Corporation is a taxable person (an association) under Section 53A of the Income Tax Act, 1967. The current year provision for taxation is in respect of rental income, interest income as well as income from non-owners (which are reduced by portion of eligible expenses). No taxation is provided on maintenance charges, late interest charges, sinking fund and sundry income which fulfill the principle of mutuality.

There are no material unrecognised deferred tax liabilities and deferred tax assets at the end of the reporting date.

## **21. RELATED PARTY DISCLOSURE**

### **21.1 Key Management Personnel Compensation**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Entity either directly or indirectly. The key management personnel includes all the Committee Members of the Entity.

### **21.2 Related Party Transactions**

Related party refers to an Entity in which the Committee Members of the Entity are also directors/shareholders and have financial interest.

The Committee Members are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## **22. COMPARATIVE FIGURES**

The financial information contains in the audited report in relation to the preceding financial year is not audited by Ket & Co. Certain of the financial information had been reclassified to conform to the current year's presentation.

## **23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Entity's financial risk management objective is to optimise value creation for owners whilst minimising the potential adverse impact arising from fluctuation in interest rates and the increasing in costs of living.

The Entity operates within an established risk management framework and guidelines that are regularly reviewed by the Committee Members and does not trade in derivative financial instruments. Financial risk management is carried out through internal control systems, insurance programmes and adherence to the Entity's financial risk management policies. The Entity is exposed mainly to liquidity risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

### **(a) Liquidity (or cash flow) risk**

Liquidity risk arises from the Entity's management of working capital. It is the risk that the Entity will encounter difficulty in meeting its financial obligations when due. The Entity actively manages its operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met.

**23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES  
(CONTINUED)**

**(b) Credit risks**

Credit risk, which is the risk of counter parties defaulting, is controlled by the application of credit limits and monitoring procedures. Receivable from owners are monitored on an ongoing basis to ensure that the Entity is exposed to minimal credit risk. Other than as mentioned below, the Entity has no significant concentration of credit risks. Other financial assets of the Entity with exposure to credit risk include cash and bank balances as well as fixed deposits, which are placed with banks and financial institutions with good standing.

**Exposure to credit risk**

At the end of the reporting period, the Entity's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

**(c) Interest rate**

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

The Entity is not exposed to any significant interest rate risk other than changes in interest rates related to the investment in fixed deposits. The Entity monitors the financial standing of the banks and financial institutions on an ongoing basis to ensure that the Entity is exposed to minimal risk. There is no formal hedging policy with respect to interest rate exposure.

**(d) Fair value**

The carrying amounts of the financial assets and liabilities of the Entity as at 31 December 2018 approximate to their fair values.

**24. SIGNIFICANT EVENT**

During the previous financial year, the auditors' expressed a qualified opinion which was summarised as:

- (a) Amount due from owners – RM22,374.95;
- (b) Other payables and accruals – RM4,682.45;
- (c) Bank reconciliation – unreconciled difference of RM35,964.70 as well as unrepresented cheques RM6,038.01; and
- (d) Trade payables – RM50,443.63.

The Committee Members together with representatives of the management office as well as the accountants/system provider sorted out those issues (collectively known as "financial statements spring cleaning 2017"). The said items were dealt with individually (except item (b) and (d) were reported collectively), as follows:-



## 24. SIGNIFICANT EVENT (CONTINUED)

### (i) Amount due from owners

The above issue was highlighted to the current Committee Members and was agreed to remain 1 additional year and to be resolved by verification and tracing of evidences. The Management was also instructed to inform the owners to report for disagreement of statement of account amount.

The Committee further decided to account for such unidentified deposits of RM22,374.95 as income in the following year. Currently, such amount was categorised as "unidentified deposits" grouped under "other payables" (Note 11).

### (ii) Trade and other payables

As reported in the previous auditors' report, there were trade payables of RM50,443.63 and other payables of RM4,682.45 respectively due to various supplier and service providers which was brought forward and no settlement was made. After the accounting spring cleaning 2017, the Committee are of the opinion that such amount are no longer payable and there is no future obligation to settle these outstanding balances. In the process of verification, a total amount of RM40,218.10 was then reversed as "over provision of expenses in prior year no longer required" which was reported as "other income" (Note 14).

### (iii) Bank reconciliation

As reported in the previous auditors' report, there were unreconciled balances (bank statement in excess than cash book) of RM35,964.70 and long uncredited cheques totalling RM6,038.01. After the accounting spring cleaning 2017, the unreconciled balances were reduced to RM2,840.88.

The Committee then decided to adjust the unreconciled balances of RM2,840.88 as "unreconciled balance in bank reconciliation written off" which was reported in "other income" (Note 14).

In summary, the adjustments made in 2018 for financial statements 2017 to rectify the 2017 qualified opinion can be summarised as follows:-

Particulars	Items in 2017 audited report	RM
<b>Included in other income:</b>		
Waiver of debts/derecognition of trade and other payables owing to suppliers and service providers	Item (b) and (d)	40,218.10
Adjustments to unreconciled bank balances, additional income recognised	Item (c)	2,840.88
Total adjustments		<u>43,058.98</u>

**25. DATE OF AUTHORISATION FOR ISSUE**

The financial statements were authorised for issue by the Management Corporation on 17 March 2020.

*SECTION C*

*Un-audited Management Accounts  
For The Cumulative 11 Months Ended  
30 November 2020*

**GCB COURT MANAGEMENT CORPORATION**

Receipts &amp; Payment for the cumulative month ended 30 November 2020

	Jan-20 RM	Feb-20 RM	Mar-20 RM	Apr-20 RM	May-20 RM	Jun-20 RM	Jul-20 RM	Aug-20 RM	Sep-20	Oct-20 RM	Nov-20 RM	Total RM
<b>Billings:</b>												
Service Charges	66,645	66,354	66,354	66,645	66,645	66,645	66,645	66,645	66,645	66,645	66,645	732,512
Sinking Fund	7,997	7,997	7,997	7,997	7,997	7,997	7,997	7,997	7,997	7,997	7,997	87,971
Late Payment Interest						7,607			6,128			13,735
Fire Insurance					46,180							46,180
Water Billing											1,210	1,210
Car park	3,730	480	240	530	3,680	960	2,680	400	4,080	400	1,360	18,540
Access Card	260	80	80			180	160	240	40	60	20	1,120
Others	250	250	775		200	1,450	1,400	3,350	450	400	100	8,625
	<b>78,882</b>	<b>75,161</b>	<b>75,446</b>	<b>75,172</b>	<b>124,702</b>	<b>84,839</b>	<b>78,882</b>	<b>78,632</b>	<b>85,341</b>	<b>75,502</b>	<b>77,333</b>	<b>909,894</b>

**Receipts**

Service Charges	112,154	44,034	60,244	53,769	33,150	99,388	82,675	47,340	48,820	85,104	72,898	739,575
Sinking Fund	13,518	5,250	7,371	6,432	3,986	11,817	9,990	5,637	5,523	10,418	8,929	88,872
Late Payment Interest	1,794	246	1,823	141	286	414	1,534	1,448	941	1,028	2,557	12,213
Fire Insurance	3,588	1,005	1,150	10,912	2,864	14,431	5,101	1,506	1,109	1,356	2,638	45,660
Quit Rent	40	18	22			55	183	61		16	105	502
Water Billing	186		134					50	145	215	672	1,402
Car park	1,250	1,760	480	1,250	880	2,160	1,960	400	4,370	1,200	240	15,950
Access Card	140	200	80	0		180	140	280	140	60	20	1,240
Special Fund	2,820		233					1,627		2,000		6,680
Others	6,938	384	650	50	2,284	2,156	1,363	3,410	698	1,829	2,000	21,761
FD Draw Down								305,282			-	305,282
	<b>142,428</b>	<b>52,895</b>	<b>72,189</b>	<b>72,554</b>	<b>43,450</b>	<b>130,601</b>	<b>102,946</b>	<b>367,041</b>	<b>61,746</b>	<b>103,228</b>	<b>90,060</b>	<b>1,239,136</b>

**Less: Payment**

Auto Gate Maintenance				700				3,800	9,400			13,900
Cleaning Services	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	107,250
Courier Services	220	212	219	242	203	200	200	210	210	200	217	2,333
Electrical Inspection	954	954	954	954	954	954	954	954	8,321	954	954	17,861
Electricity Charges	8,686	8,577	8,131	8,403	7,942	8,214	8,499	8,369	8,134	8,394		83,348
Fire Inspection		660		660		660		660		1,205		3,845
General Maintenance	29,065	5,548	12,460	500	1,570	18,876	36,950	7,800	21,429	91,130	6,780	232,108
Landscape Maintenance	4,200	4,200	4,200	4,200	3,473	4,200	4,200	4,200	4,200	4,200	4,200	45,473
Audit/Legal/License Fee	7,208		6,106	6,600					6,106	5,600		31,619
Lift Project Payment		-						217,200				217,200
Pest Control Service	480	480		480	480	520	520	520	520	520	520	5,040
Fire Insurance							47,538					47,538
Security Services	16,878	18,764	17,970	15,688	16,820	16,271	18,454	18,454	17,859	18,454	17,859	193,472
Staff Salary Cost	8,589	8,589	23,106	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820	110,844
Swimming Pool	1,113	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	14,113
Printing, Bank & Phone	656	565	613	451	129	481	385	632	852	478	706	5,948
Water charges		579		447		277	1,303	292	403	367		3,668
<b>Total Payment</b>	<b>87,800</b>	<b>60,178</b>	<b>84,808</b>	<b>59,195</b>	<b>51,441</b>	<b>70,524</b>	<b>138,873</b>	<b>282,961</b>	<b>97,303</b>	<b>151,372</b>	<b>51,106</b>	<b>1,135,561</b>

Surplus/(Deficit)	54,628	(7,282)	(12,620)	13,359	(7,991)	60,077	(35,927)	84,079	(35,558)	(48,144)	38,954	103,575
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**Represented by:**

Bank Balance in CIMB	270,812	250,624	38,604	71,059	56,728	105,795	114,169	347,438	287,965	71,165	110,119
Fixed Deposit in CIMB	785,599	1,386,215	1,386,215	785,599	810,240	810,240	810,240	528,271	528,271	528,271	528,271
Sinking Fund in CIMB	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342
Trade Debtors	221,501	238,671	247,527	251,511	328,061	288,909	261,353	283,398	298,237	279,330	282,816

# MANAGEMENT COMMITTEE ORGANIZATION CHART



**Mohd Hadzir Bin Manah**  
(Chairman)



**Patricia Lai Chiew Foon**  
(Secretary)



**Chai Wai Ming**  
(Treasurer)



**Michael Cheong**



**Bhajan Kaur**



**Zainol Bin Ahmed**



**Gary Pung**

## IN-HOUSE MANAGEMENT OFFICE



**Sangheeta Kumaran**  
(Manager)



**Norsafarina Ede**  
(Accounts)



# GCB'S TEAM



**MANAGEMENT OFFICE**



**TENAGA BERSIH**  
Cleaning Services



**ENFORCE SECURITY**  
Security Services



**CROOPING SYSTEM**  
Landscape Maintenance Services



**REDHA MAJU PLUMBING & CONSTRUCTION**



# GCB'S SERVICE PROVIDERS



**MARK JAYA  
ENGINEERING**  
FIRE PROTECTION SERVICES



**MALAYSIAN PEST  
CONTROL**  
PEST CONTROL SERVICES



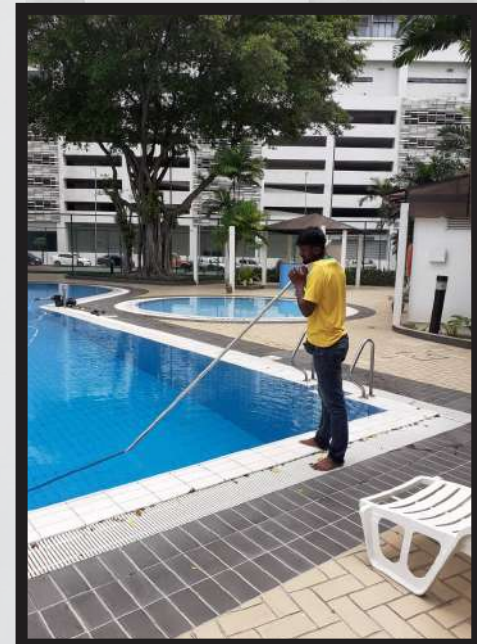
**KY SECURE  
SOLUTION**  
BARRIER GATE MAINTENANCE



**RK ELEVATOR**  
LIFT MAINTENANCE



**T.H. LIEW  
BERSEKUTU**  
ELECTRICAL INSPECTION  
SERVICE



**JUPITER POOLS**  
SWIMMING POOL  
SERVICES

INTERNET PROVIDER :



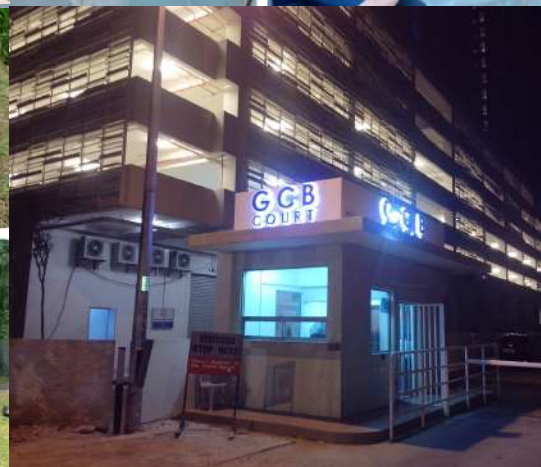
BUILDING INSURED BY :











**WE HOPE YOU LIKE BETTER, FASTER AND STRONGER**

**TIME FIBRE BUSINESS INTERNET**

**100 MBPS**

**TIME FIBRE HOME BROADBAND**

Room	Area	Price	Notes
Room 1	1000 sq. ft.	RM 1,200	Includes furniture and appliances.
Room 2	1200 sq. ft.	RM 1,500	Includes furniture and appliances.
Room 3	1400 sq. ft.	RM 1,800	Includes furniture and appliances.
Room 4	1600 sq. ft.	RM 2,100	Includes furniture and appliances.
Room 5	1800 sq. ft.	RM 2,400	Includes furniture and appliances.
Room 6	2000 sq. ft.	RM 2,700	Includes furniture and appliances.
Room 7	2200 sq. ft.	RM 3,000	Includes furniture and appliances.
Room 8	2400 sq. ft.	RM 3,300	Includes furniture and appliances.
Room 9	2600 sq. ft.	RM 3,600	Includes furniture and appliances.
Room 10	2800 sq. ft.	RM 3,900	Includes furniture and appliances.

**TAXI** **UBER** **Grab**

**PICK UP FROM GGB LOBBY:**

1) Taxi/Uber/Grab/Car/Other PICK UP vehicle

2) RESIDENT to inform SECURITY the Taxi/Uber/Grab car number.

3) ONLY THEN gate will open for Taxi/Uber/Grab to enter GGB Lobby.

4) OTHERWISE - ALL PICK UP VEHICLE WAITS OUTSIDE GUARD HOUSE UNTIL THE RESIDENT COMES TO LOBBY.

**REMEMBER ON DAYTIME PICK UP:**

1) ONLY RESIDENT is allowed to enter.

2) MUST WAIT at the entrance until the car arrives.

3) MUST SHOW ID before entering.

4) MUST WAIT at the entrance until the car arrives.

5) MUST WAIT at the entrance until the car arrives.

6) MUST WAIT at the entrance until the car arrives.

7) MUST WAIT at the entrance until the car arrives.

8) MUST WAIT at the entrance until the car arrives.

9) MUST WAIT at the entrance until the car arrives.

10) MUST WAIT at the entrance until the car arrives.





COMPILED BY : NORSAFARINA EDE 20/08/20



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