Registration No.
201701005022 (1219187-V)

IDEAS POLICY RESEARCH BERHAD
(Incorporated in Malaysia)
(Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2019

INDEX

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IDEAS POLICY RESEARCH BERHAD
(Incorporated in Malaysia)
(Limited by Guarantee)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 30 September 2019.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tunku Zain Al-Abidin Ibni Tuanku Muhriz
Wan Mohd Firdaus Bin Wan Fuaad
Christopher Leong Sau Foo
Thillainathan A/L Ramasamy
Rebecca Fatima Sta Maria

As the Company is a corporation limited by guarantee and has no share capital, the Directors do not consider it applicable to report on the matters under Fifth Schedule, Section 253 Part I (1)(c), (1)(e), (1)(f), Part I(5), and Part I(6) of the Companies Act 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in conducting and supporting research activities that are not profit-oriented to reach out to all segments of the society.

FINANCIAL RESULTS

	RM
Net surplus for the year	376,272

DIRECTORS' REMUNERATION

No Directors' remuneration was paid since the end of the previous financial year and the Directors do not recommend any remuneration to be paid for the financial year under review.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:

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

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

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Company; or

   (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or

   (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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

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

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

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

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

(f) In the opinion of the Directors:

  (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 11 to the financial statements.

AUDITORS

The auditors, Roger Yue, Tan & Associates have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 17 FEB 2020. Signed on behalf of the Board of Directors:

TUNKU ZAIN AL-ABIDIN
IBNI TUANKU MUHRIZ
Director

REBECCA FATIMA STA MARIA
Director

Petaling Jaya

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

We, the undersigned, being two of the Directors of IDEAS POLICY RESEARCH BERHAD do hereby state on behalf of the Directors that in our opinion, the accompanying financial statements together with the notes thereon, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 September 2019 and financial performance of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 FEB 2020

TUNKU ZAIN AL-ABIDIN
IBNI TUANKU MUHRIZ
Director

REBECCA FATIMA STA MARIA
Director

Petaling Jaya

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

I, TUNKU ZAIN AL-ABIDIN IBNI TUANKU MUHRIZ (NRIC NO. 820706-14-5185), being the Director primarily responsible for the financial management of IDEAS POLICY RESEARCH BERHAD do solemnly and sincerely declare that the accompanying financial statements together with the notes thereon, are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Petaling Jaya)
in Selangor Darul Ehsan)
this day of 17 FEB 2020)

Before me

PESURUHJAYA SUMPAH
No : B185
Nama: NG SAY HUNG
1/1/2019 - 31/12/2021
MALAYSIA

Commissioner for Oaths

No. 71-1, Jalan SS21/37
Damansara Utama (Uptown)

ROGER YUE, TAN & ASSOCIATES

CHARTERED ACCOUNTANTS (FIRM NO: AF : 0134)

WISMA GOSHEN (1ST FLR.) NO. 60 & 62 JALAN SS 22/21, DAMANSARA JAYA,
47400 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA.
TEL: (603) 7726 2828 (HUNTING LINE) FAX: (603) 7728 9986 E-mail: ryt@ryt.com.my

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

IDEAS POLICY RESEARCH BERHAD
(Incorporated in Malaysia)
(Limited by Guarantee)

30 SEPTEMBER 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDEAS POLICY RESEARCH BERHAD, which comprise the statement of financial position as at 30 September 2019, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with Approved Standards on Auditing in Malaysia and International Standards on Auditing. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' 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 Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Approved Standards on Auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ROGER YUE, TAN & ASSOCIATES	TANG YEW YIN
AF : 0134	02200/09/2021 (J)
Chartered Accountants	Chartered Accountant

Petaling Jaya

Date : 17 FEB 2020

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IDEAS POLICY RESEARCH BERHAD
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STATEMENT OF FINANCIAL POSITION – 30 SEPTEMBER 2019

	Note	2019 RM	2018 RM
ASSETS			
Non-current asset			
Property, plant and equipment	5	50,096	50,461
Current assets			
Trade and other receivables	6	42,440	366,986
Amount due from related party		-	304,964
Cash and cash equivalents	7	539,591	105,612
Tax recoverable		7,650	6,750
		589,681	784,312
TOTAL ASSETS		639,777	834,773
ACCUMULATED FUND			
Accumulated surplus		385,361	9,089
LIABILITY			
Current liability			
Trade and other payables	8	254,416	825,684
TOTAL ACCUMULATED FUND AND LIABILITY		639,777	834,773

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

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IDEAS POLICY RESEARCH BERHAD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 RM	2018 RM
INCOME			
Project receipts	9	2,647,407	1,831,202
Donations and general grants	10	352,659	582,398
		3,000,066	2,413,600
DIRECT EXPENSES		(2,005,402)	(1,933,551)
GROSS SURPLUS		994,664	480,049
OTHER OPERATING INCOME		3,345	-
		998,009	480,049
EXPENDITURE			
Administration expenses		(470,083)	(451,295)
Other operating expenses		(21,457)	(10,937)
		(491,540)	(462,232)
Surplus before tax	11	506,469	17,817
Tax expense	14	(130,197)	(863)
Surplus after tax and representing total comprehensive income for the year		376,272	16,954

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

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IDEAS POLICY RESEARCH BERHAD
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STATEMENT OF CHANGES IN ACCUMULATED FUND

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Accumulated Fund RM	Total Accumulated Fund RM
At 1 October 2017	(7,865)	(7,865)
Total comprehensive surplus for the year	16,954	16,954
At 30 September 2018	9,089	9,089
At 1 October 2018	9,089	9,089
Total comprehensive income for the year	376,272	376,272
At 30 September 2019	385,361	385,361

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

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IDEAS POLICY RESEARCH BERHAD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

30 SEPTEMBER 2019

	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax	506,469	17,817
Adjustments for :		
Depreciation	16,991	8,539
Interest income	(3,345)	-
OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES	520,115	26,356
Decrease/(increase) in receivables	324,546	(366,986)
(Decrease)/increase in payables	(571,268)	822,293
Decrease/(increase) in related party's account	304,964	(316,384)
CASH GENERATED FROM OPERATIONS	578,357	165,279
Taxes paid	(139,311)	(7,613)
Taxes refunded	8,214	-
Interest received	3,345	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	450,605	157,666
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(16,626)	(59,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	433,979	98,666
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	105,612	6,946
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 7)	539,591	105,612

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

1. CORPORATE INFORMATION

The Company is a public company incorporated and domiciled in Malaysia as a company limited by guarantee without a share capital. The Company is principally engaged in conducting and supporting research activities that are not profit-oriented to reach out to all segments of the Society.

The registered office of the Company is located at 1-17-1, Menara Bangkok Bank @ Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur.

The address of the principal place of business of the Company is located at The Lower Penthouse, Wisma Hang Sam, 1, Jalan Hang Lekir, 50000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 February 2020.

2. BASIS OF PREPARATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements by the Company, unless otherwise stated.

2.1 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board and the provisions of the Companies Act, 2016 in Malaysia.

2. BASIS OF PREPARATION - Continued

2.2 Adoption of the New and Revised MFRSs

For the current year ended 30 September 2019, the Company has adopted all of the new and revised MFRSs that are effective on 1 October 2018 as follows:

MFRS 9	Financial Instruments
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRS Standards 2014 – 2016 Cycle

The new and revised MFRSs that are applicable and relevant to the Company on 1 January 2018 are as follows:

(i) MFRS 9 Financial Instruments

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

(a) financial assets at amortised cost;
(b) financial assets at fair value through other comprehensive income and
(c) financial assets at fair value through profit or loss.

The classification is based on the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

2. BASIS OF PREPARATION - Continued

2.2 Adoption of the New and Revised MFRSs - Continued

After initial recognition, the Company measures financial assets as follows:

(i) Financial assets at amortised cost ("AC")

A financial asset is measured at AC if:

(a) it is held within the Company's business objective to hold the asset only to collect contractual cash flows, and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial assets at fair value to other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if:

(a) it is held within the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(iii) Financial assets at fair value to profit or loss ("FVPL")

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

2. BASIS OF PREPARATION - Continued

2.2 Adoption of the New and Revised MFRSs - Continued

MFRS 9(2014) also introduces a new impairment methodology for financial assets, lease receivables and contract assets subject to impairment requirements and a new hedge accounting model. It uses a single forward-looking expected credit loss model that requires a 12-month expected credit loss be provided on initial recognition of a financial instrument, and if, and only if, there has been a significant deterioration in the credit risk after initial recognition, a lifetime expected credit loss shall be recognised. Also, the new hedge accounting model has been aligned to an entity's business model for managing financial risks, with eligible qualifying hedged items being extended to cover hedges of non-financial items.

Changes in Measurement Categories

The original measurement categories of the Company's financial assets and financial liabilities have been changed to conform with the new measurement categories, as follows:

Financial Assets	Original measurement category in MFRS 139	New measurement category in MFRS 9
Trade and other receivables	Loans and receivables	Financial assets at AC
Cash and cash equivalents	Loans and receivables	Financial assets at AC
Trade and other payables	Loans and receivables	Financial assets at AC

The measurement basis for the above financial assets at amortised cost is retained as the Company's business model objective for such financial assets is to collect contractual cash flows following the adoption of MFRS 9 and there is no change in the carrying amounts of the Company's financial assets at date of initial application.

For financial liabilities, there is no change in the measurement categories because the requirements in MFRS 9 are substantially similar to those in the former MFRS 139.

2. BASIS OF PREPARATION - Continued

2.2 Adoption of the New and Revised MFRSs - Continued

Impairment of financial assets

The adoption of MFRS 9 has changed the Company's assessment for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. MFRS 9 requires the Company to recognise a provision for impairment based on the ECL approach for all debt instruments not held at fair value through profit or loss and contract assets.

There is no impact arising on the adoption of MFRS 9.

2.3 New and Revised MFRSs issued but are not yet effective

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

<u>MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2019</u>

Amendments to MFRS 9	Prepayment Features with Negative Compensation
MFRS 16	Leases
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015 – 2017 Cycle

<u>MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2020</u>

Amendments to References to the Conceptual Framework in MFRS Standards

2. BASIS OF PREPARATION - Continued

2.3 New and Revised MFRSs issued but are not yet effective - Continued

MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts

MFRSs, Amendments and Interpretations effective date deferred

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors anticipate that the abovementioned standards, Amendments and Interpretations will be adopted when they become effective if applicable to the Company and that the adoption of these standards, Interpretations and Amendments will have no material impact on the financial statements of the Company in the period of initial application except as mentioned below.

(i) MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease when it becomes effective.

MFRS 16 specifies how entities will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Whereas, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

2. BASIS OF PREPARATION - Continued

2.3 New and Revised MFRSs issued but are not yet effective - Continued

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-to-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measures at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The Company is currently assessing the impact to the financial statements upon adopting the above standards on the effective dates.

2.4 Basis of Measurement

The financial statements of the Company have been prepared under the historical cost convention except for those indicated in the individual policy notes.

2.5 Functional and Presentation Currency

The financial statements are stated in Ringgit Malaysia (RM), which is the Company's functional currency.

2.6 Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial statements, other than as disclosed in note 4 below.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that assets, then the component is depreciated separately.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.1 Property, Plant and Equipment - Continued

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

	Useful life (years)
Furniture and fittings	10
Computer and software	3
Office equipment	5
Motor vehicle	5

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

3.2 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instruments designated as a hedge of currency risk, which are recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.3 Financial Instruments

(i) Initial Recognition and Measurement

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

On initial recognition, all financial assets and financial liabilities are measured at fair value, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of Financial Instruments

For derecognition purposes, the Company 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 Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company 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 Company 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 is different by 10% or more when compared with the carrying amount of the original liability.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.3 Financial Instruments - Continued

(iii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) financial assets at amortised cost ("AC");
(b) financial assets at fair value through other comprehensive income ("FVOCI"); and
(c) financial assets at fair value through profit or loss ("FVPL").

The classification is based on the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Company measures financial assets, as follows:

(a) Financial assets at amortised cost - A financial asset is measured at amortised cost if:

- it is held within the Company's business objective to hold the asset only to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.3 Financial Instruments - Continued

(b) Financial assets at FVOCI - A financial asset is measured at FVOCI if:

- it is held within the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at FVPL - A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.4.

Financial liabilities

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for:

(a) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.

(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraphs 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.

(c) Financial guarantee contracts issued, and commitments to provide loans at a below-market interest rate given, by the Company are measured at the higher of the amount of impairment loss determined and the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 - Revenue from Contracts with Customers.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.3 Financial Instruments - Continued

(iv) Fair Value Measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.11.

(v) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or losses are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.4 Impairment

(i) Financial Assets

The Company applies the expected credit loss model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month expected credit loss is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime expected credit loss is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Company has availed the exception to the 12-month ECL requirement to recognise only lifetime expected credit losses.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions.

For operational simplifications:

(a) a 12-month expected credit loss is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and

(b) credit risk is considered to have increased significantly if payments are more than 30 days past due if no other borrower-specific information is available without undue cost or effort.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.4 Impairment - Continued

(ii) Other Assets

The expected credit loss (ECL) is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidences of impairment), the lifetime ECL is determined individually. For trade receivables, the lifetime ECL is determined at the end of each reporting period using a provision matrix. For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

3.5 Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash at bank which have an insignificant risk of changes in value.

3.6 Employee Benefits

(i) Short-term employee benefits

Short-term employee benefits obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.6 Employee Benefits - Continued

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial period to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

3.7 Income Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Income from fund raising activities

Income from fund raising activities is recognised to the extent that activities are completed on or before the reporting date, any surplus or deficit is recognised in the statement of profit or loss and other comprehensive income

(ii) Donation income

Donation income is recognised when the projects for which the donations have been received.

3.8 Operating Leases

Leases, where the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease, except for lease arrangement where the operating lease payments are structured to increase in line with expected general inflation. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.9 Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

3.9 Income Taxes

(ii) Deferred tax - Continued

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.10 Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.