

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

ANNUAL REPORT AND FINANCIAL STATEMENTS  
30 SEPTEMBER 2018

**ROGER YUE, TAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Firm No: AF 0134

Company No.  
1219187-V

IDEAS POLICY RESEARCH BERHAD  
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ANNUAL REPORT AND FINANCIAL STATEMENTS  
30 SEPTEMBER 2018

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 30 September 2018.

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 (appointed on 16.11.2017)  
Wan Saifuruddin Bin Wan Jan (resigned on 28.2.2018)

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 | <u>16,954</u> |

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 13 to the financial statements.

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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.



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- (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.

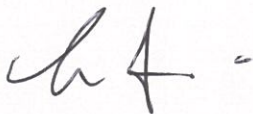
AUDITORS' REMUNERATION

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

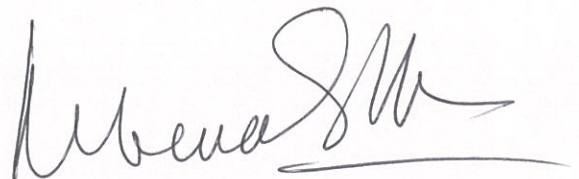
AUDITORS

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

This report was approved by the Board of Directors on - 4 FEB 2019 . Signed on behalf of the Board of Directors:



TUNKU ZAIN AL-ABIDIN  
IBNI TUANKU MUHRIZ  
Director



REBECCA FATIMA STA MARIA  
Director

Petaling Jaya

Company No.  
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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 2018 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 - 4 FEB 2019

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 - 4 FEB 2019 )

Before me





# 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)  
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30 SEPTEMBER 2018

### 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 2018, 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 2018, 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.

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**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.



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**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.

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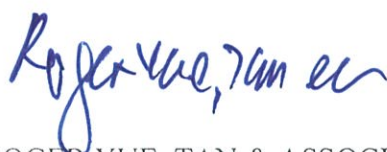
30 SEPTEMBER 2018

- 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.

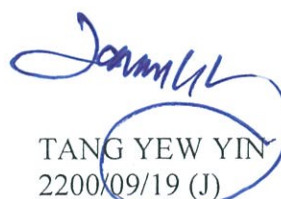
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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  
AF : 0134  
Chartered Accountants



TANG YEW YIN  
2200/09/19 (J)  
Chartered Accountant

Petaling Jaya

Date : - 4 FEB 2019



Company No.  
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IDEAS POLICY RESEARCH BERHAD  
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STATEMENT OF FINANCIAL POSITION – 30 SEPTEMBER 2018

|   | Note | 2018<br>RM     | 2017<br>RM     |
|---|------|----------------|----------------|
| <b>ASSETS</b>                                   |      |                |                |
| <b>Non-current asset</b>                        |      |                |                |
| Property, plant and equipment                   | 4    | 50,461         | -              |
| <b>Current assets</b>                           |      |                |                |
| Trade and other receivables                     | 5    | 366,986        | -              |
| Amount due from related party                   | 6    | 304,964        | -              |
| Bank balance                                    | 7    | 105,612        | 6,946          |
| Tax recoverable                                 |      | 6,750          | -              |
|   |      | <u>784,312</u> | <u>6,946</u>   |
| <b>TOTAL ASSETS</b>                             |      | <u>834,773</u> | <u>6,946</u>   |
| <b>ACCUMULATED FUND</b>                         |      |                |                |
| Accumulated surplus/(deficit)                   |      | <u>9,089</u>   | <u>(7,865)</u> |
| <b>LIABILITY</b>                                |      |                |                |
| <b>Current liability</b>                        |      |                |                |
| Trade and other payables                        | 8    | 825,684        | 3,391          |
| Amount due to related party                     |      | -              | 11,420         |
| <b>TOTAL LIABILITY</b>                          |      | <u>825,684</u> | <u>14,811</u>  |
| <b>TOTAL ACCUMULATED FUND AND<br/>LIABILITY</b> |      | <u>834,773</u> | <u>6,946</u>   |

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

|  | Note | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--|------|------------------------------------|------------------------------------|
| <b>INCOME</b>  |      |                                    |                                    |
| Project receipts   | 9    | 1,831,202                          | -                                  |
| Donations and general grants   | 10   | 582,398                            | 5,611                              |
|  |      | <u>2,413,600</u>                   | <u>5,611</u>                       |
| <b>DIRECT EXPENSES</b>   |      | <u>(1,933,551)</u>                 | <u>-</u>                           |
| <b>GROSS SURPLUS</b>   |      | <u>480,049</u>                     | <u>5,611</u>                       |
| <b>EXPENDITURE</b>   |      |                                    |                                    |
| Administration expenses  |      | (451,295)                          | (5,476)                            |
| Other operating expenses   |      | (10,937)                           | (8,000)                            |
|  |      | <u>(462,232)</u>                   | <u>(13,476)</u>                    |
| <b>Surplus/(deficit) before tax</b>  | 11   | 17,817                             | (7,865)                            |
| Tax expense  | 14   | <u>(863)</u>                       | <u>-</u>                           |
| <b>Surplus/(deficit) after tax and representing total comprehensive income/(loss) for the year</b> |      | <u>16,954</u>                      | <u>(7,865)</u>                     |

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



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STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

|   | Accumulated<br>Fund/<br>(Deficit)<br>RM | Total<br>Accumulated<br>Fund/<br>(Deficit)<br>RM |
|---|---|--|
| <b>At 22 February 2017</b>              | -                                       | -  |
| Total comprehensive loss for the period | <u>(7,865)</u>                          | <u>(7,865)</u>                                   |
| <b>At 30 September 2017</b>             | <u>(7,865)</u>                          | <u>(7,865)</u>                                   |
| <b>At 1 October 2017</b>                | (7,865)                                 | (7,865)  |
| Total comprehensive income for the year | <u>16,954</u>                           | <u>16,954</u>                                    |
| <b>At 30 September 2018</b>             | <u>9,089</u>                            | <u>9,089</u>                                     |

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

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
30 SEPTEMBER 2018

|   | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|---|------------------------------------|------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                          |                                    |                                    |
| Surplus/(deficit) before tax                                  | 17,817                             | (7,865)                            |
| Adjustments for :   |                                    |                                    |
| Depreciation  | 8,539                              | -                                  |
| OPERATING SURPLUS/(DEFICIT) BEFORE<br>WORKING CAPITAL CHANGES | 26,356                             | (7,865)                            |
| Increase in receivables                                       | (366,986)                          | -                                  |
| Increase in payables  | 822,293                            | 14,811                             |
| Increase in related party's account                           | (316,384)                          | -                                  |
| CASH GENERATED FROM OPERATIONS                                | 165,279                            | 6,946                              |
| Taxes paid  | (7,613)                            | -                                  |
| NET CASH GENERATED FROM<br>OPERATING ACTIVITIES               | 157,666                            | 6,946                              |
| CASH FLOWS FROM INVESTING ACTIVITY                            |                                    |                                    |
| Purchase of property, plant and equipment                     | (59,000)                           | -                                  |
| NET INCREASE IN CASH AND CASH<br>EQUIVALENTS                  | 98,666                             | 6,946                              |
| CASH AND CASH EQUIVALENTS AT<br>BEGINNING OF YEAR             | 6,946                              | -                                  |
| CASH AND CASH EQUIVALENTS AT END OF<br>YEAR (NOTE 7)          | 105,612                            | 6,946                              |

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



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NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018

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 4 February 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation

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

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IDEAS POLICY RESEARCH BERHAD  
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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.2 Statement of Compliance

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:

MFRSs, Amendments and Interpretations effective for annual periods beginning on or after 1 January 2018

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

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2014 – 2016 Cycle”

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

|                        |  |
|------------------------|--|
| 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               |

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2015 – 2017 Cycle”



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.2 Statement of Compliance - Continued

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

|                                    |   |
|------------------------------------|---|
| Amendments to MFRS 2               | Share-Based Payment   |
| Amendments to MFRS 3               | Business Combinations   |
| Amendments to MFRS 6               | Exploration for and Evaluation of Mineral Resources             |
| Amendments to MFRS 14              | Regulatory Deferral Accounts                                    |
| Amendments to MFRS 101             | Presentation of Financial Statements                            |
| Amendments to MFRS 108             | Accounting Policies, Changes in Accounting Estimates and Errors |
| Amendments to MFRS 134             | Interim Financial Reporting                                     |
| Amendments to MFRS 137             | Provisions, Contingent Liabilities and Contingent Assets        |
| Amendments to MFRS 138             | Intangible Assets   |
| Amendment to IC Interpretation 12  | Service Concession Arrangements                                 |
| Amendment to IC Interpretation 19  | Extinguishing Financial Liabilities with Equity Instruments     |
| Amendment to IC Interpretation 20  | Stripping Costs in the Production Phase of a Surface Mine       |
| Amendment to IC Interpretation 22  | Foreign Currency Transactions and Advance Consideration         |
| Amendment to IC Interpretation 132 | Intangible Assets—Web Site Costs                                |

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 |
|------------------------------------|---|

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.2 Statement of Compliance - Continued

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 the Company in the period of initial application except as mentioned below.

(i) MFRS 9 Financial Instruments: Classification of Measurement of Financial Assets and Financial Liabilities

MFRS 9 will replace MFRS 139 Financial Instruments: Recognition and Measurement when it becomes effective. MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Company are currently assessing the financial impact that may arise from the adoption of MFRS 9.



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.3 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.

2.4 Functional and Presentation Currency

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

2.5 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.

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 amounts recognised in the financial statements other than as disclosed in Note 3 below.

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.6 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.



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.6 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.

2.7 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.

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.8 Financial Instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

Financial assets

All financial assets of the Company are classified as loans and receivables, which include "other receivables", "amount due from related party" and "bank balance".

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their values with the gain or loss recognised in profit or loss.



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.8 Financial Instruments - Continued

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.9 Impairment

(i) Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments past the average credit period and observable changes in economic conditions.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.9 Impairment - Continued

The carrying amount of the financial asset is reduced by the impairment loss except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Other assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.10 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.

2.11 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.

(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.

2.12 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.



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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.13 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.

2.14 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.

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.14 Income Taxes - Continued

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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.15 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2 above, management is of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.



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3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made (other than that involving estimation for allowance for doubtful debts and estimation of useful life of property, plant and equipment as mentioned below) concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Useful life of property, plant and equipment

The Company estimates the useful life of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful life of property, plant and equipment is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful life of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

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4. PROPERTY, PLANT AND EQUIPMENT

| Cost                                | Furniture<br>and<br>fittings<br>RM | Computer<br>and<br>software<br>RM | Office<br>equipment<br>RM | Motor<br>vehicle<br>RM | Total<br>RM |
|-------------------------------------|------------------------------------|-----------------------------------|---------------------------|------------------------|-------------|
| At 1 October 2017                   | -                                  | -                                 | -                         | -                      | -           |
| Additions                           | 15,254                             | 27,336                            | 7,018                     | 9,392                  | 59,000      |
| Disposals                           | -                                  | -                                 | -                         | -                      | -           |
| At 30 September 2018                | 15,254                             | 27,336                            | 7,018                     | 9,392                  | 59,000      |
| Accumulated<br>Depreciation         |                                    |                                   |                           |                        |             |
| At 1 October 2017                   | -                                  | -                                 | -                         | -                      | -           |
| Depreciation charge for<br>the year | 1,379                              | 5,521                             | 1,404                     | 235                    | 8,539       |
| Disposals                           | -                                  | -                                 | -                         | -                      | -           |
| At 30 September 2018                | 1,379                              | 5,521                             | 1,404                     | 235                    | 8,539       |
| Net Book Value                      |                                    |                                   |                           |                        |             |
| At 30 September 2018                | 13,875                             | 21,815                            | 5,614                     | 9,157                  | 50,461      |
| At 30 September 2017                | -                                  | -                                 | -                         | -                      | -           |

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5. TRADE AND OTHER RECEIVABLES

|                                   | 2018<br>RM     | 2017<br>RM |
|-----------------------------------|----------------|------------|
| Trade receivable                  |                |            |
| - Third party                     | <u>310,538</u> | <u>-</u>   |
| Other receivables                 |                |            |
| - Deposit                         | 30,000         | -          |
| - Prepayment                      | <u>26,448</u>  | <u>-</u>   |
|                                   | <u>56,448</u>  | <u>-</u>   |
| Total trade and other receivables | <u>366,986</u> | <u>-</u>   |

The foreign currency exposure for trade receivable is made up as follows:

|                      | 2018<br>RM     | 2017<br>RM |
|----------------------|----------------|------------|
| United States Dollar | <u>310,538</u> | <u>-</u>   |

6. AMOUNT DUE FROM RELATED PARTY

This is unsecured, interest free and repayable on demand.

7. CASH AND CASH EQUIVALENTS

|              | 2018<br>RM     | 2017<br>RM   |
|--------------|----------------|--------------|
| Bank balance | <u>105,612</u> | <u>6,946</u> |



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8. TRADE AND OTHER PAYABLES

|                                | 2018<br>RM     | 2017<br>RM   |
|--------------------------------|----------------|--------------|
| Trade payables                 |                |              |
| - Third parties                | <u>83,670</u>  | <u>-</u>     |
| Other payables                 |                |              |
| - Accruals                     | 109,854        | 2,000        |
| - Sundry payables              | <u>632,160</u> | <u>1,391</u> |
|                                | <u>742,014</u> | <u>3,391</u> |
| Total trade and other payables | <u>825,684</u> | <u>3,391</u> |

The foreign currency exposure for trade payables are made up as follows:

|                      | 2018<br>RM    | 2017<br>RM |
|----------------------|---------------|------------|
| United States Dollar | 30,927        | -          |
| Hong Kong Dollar     | 25,573        | -          |
| Thai Baht            | <u>3,980</u>  | <u>-</u>   |
|                      | <u>60,480</u> | <u>-</u>   |

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9. PROJECT RECEIPTS

|   | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|---|------------------------------------|------------------------------------|
| A&A Charitable Trust  | 72,920                             | -                                  |
| Air Asia Berhad   | 69,000                             | -                                  |
| Asian Development Bank  | 14,492                             | -                                  |
| Atlas Network   | 74,698                             | -                                  |
| The Center for International Private Enterprise<br>(CIPE)             | 44,635                             | -                                  |
| Commonwealth Initiative for Freedom of Religion<br>or Belief (CIFoRB) | 8,781                              | -                                  |
| East Asia Institute   | 2,228                              | -                                  |
| Embassy of France Malaysia  | 3,500                              | -                                  |
| EU-Malaysia Chamber of Commerce and Industry<br>(EUMCCI)              | 20,000                             | -                                  |
| Friedrich Naumann Foundation for Freedom                              | 163,013                            | -                                  |
| FTI Consulting (Singapore) Pte. Ltd.                                  | 150,000                            | -                                  |
| Geneva Network  | 12,992                             | -                                  |
| Global Facilities Management (GFM)                                    | 30,000                             | -                                  |
| International Budget Partnership (IBP)                                | 3,908                              | -                                  |
| International Republican Institute (IRI)                              | 455,582                            | -                                  |
| JT International S.A.   | 180,034                            | -                                  |
| JT International Trading Sdn. Bhd.                                    | 81,300                             | -                                  |
| Kuok Brothers Sdn. Bhd.   | 114,000                            | -                                  |
| National Endowment of Democracy                                       | 160,353                            | -                                  |
| Philip Morris Asia Limited  | 43,475                             | -                                  |
| Dato' Sri Nazir Razak   | 16,667                             | -                                  |
| Tan Sri Tony Fernandes  | 16,667                             | -                                  |
| Tan Sri Yong Poh Kon  | 16,667                             | -                                  |
| The Catholic Bishops of Malaysia                                      | 30,000                             | -                                  |
| Uber Malaysia Sdn. Bhd.   | 44,000                             | -                                  |
| Yayasan Sime Darby  | 2,290                              | -                                  |
|   | <u>1,831,202</u>                   | <u>-</u>                           |

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10. DONATIONS AND GENERAL GRANTS

|   | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|---|------------------------------------|------------------------------------|
| Receipt from anniversary dinner                                     | 275,877                            | -                                  |
| Donation from:  |                                    |                                    |
| - Istanbul Network  | 50,423                             | -                                  |
| - Lee Foundation  | 80,000                             | -                                  |
| - Others (Individual)   | 86,832                             | 4,961                              |
| - Yayasan Pengurusan Ilmu   | 50,000                             | -                                  |
| Fees for IDEAS Café   | 605                                | 650                                |
| Royalty income received from GB Gerakbudaya<br>Enterprise Sdn. Bhd. | 21,614                             | -                                  |
| Income received from briefing event by Citibank<br>Berhad           | 10,000                             | -                                  |
| Speaking fees received from:  |                                    |                                    |
| - CIMB Bank Berhad  | 3,000                              | -                                  |
| - Macquarie Group   | 3,000                              | -                                  |
| Fees for 'Foundations for Market Economy' event                     | 1,047                              | -                                  |
|   | <u>582,398</u>                     | <u>5,611</u>                       |



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11. SURPLUS/(DEFICIT) BEFORE TAX

Surplus/(deficit) before tax is stated after charging:

|                                     |      | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|-------------------------------------|------|------------------------------------|------------------------------------|
|                                     | Note |                                    |                                    |
| Auditors' remuneration              |      | 5,000                              | 2,000                              |
| Depreciation                        | 4    | 8,539                              | -                                  |
| Loss on foreign exchange - realised |      | 2,398                              | -                                  |
| Rental of premises                  |      | 84,086                             | -                                  |
| Staff costs                         | 12   | 250,956                            | -                                  |
| Included in direct expenses         |      |                                    |                                    |
| - Hire of venue                     |      | 235,508                            | -                                  |
| - Staff costs                       | 12   | 792,702                            | -                                  |

12. STAFF COSTS

|  |  | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--|--|------------------------------------|------------------------------------|
| Included in administration expenses        |  |                                    |                                    |
| Wages and salaries                         |  | 223,993                            | -                                  |
| Social security costs                      |  | 1,793                              | -                                  |
| Pension costs – defined contribution plans |  | 25,170                             | -                                  |
|  |  | 250,956                            | -                                  |
| Included in direct expenses                |  |                                    |                                    |
| Wages and salaries                         |  | 755,009                            | -                                  |
| Social security costs                      |  | 3,806                              | -                                  |
| Pension costs – defined contribution plans |  | 33,887                             | -                                  |
|  |  | 792,702                            | -                                  |
|  |  | 1,043,658                          | -                                  |

Included in staff costs of the Company are Directors' remuneration amounting to RM104,705 (2017: Nil) as further disclosed in Note 13.

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13. DIRECTORS' REMUNERATION

|                               | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|-------------------------------|------------------------------------|------------------------------------|
| Salaries and other emoluments | <u>104,705</u>                     | <u>-</u>                           |

14. TAX EXPENSE

|  | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--|------------------------------------|------------------------------------|
| Malaysian taxation based on result for the year: |                                    |                                    |
| - current year's provision                       | -                                  | -                                  |
| - underprovision in prior year                   | <u>(863)</u>                       | <u>-</u>                           |
|  | <u>(863)</u>                       | <u>-</u>                           |

A reconciliation of income tax expense applicable to surplus/(deficit) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

|  | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--|------------------------------------|------------------------------------|
| Surplus/(deficit) before tax                           | <u>17,817</u>                      | <u>(7,865)</u>                     |
| Taxation at Malaysian statutory tax rate @ 24%         | (4,276)                            | 1,888                              |
| Tax effect of expenses not deductible for tax purposes | 4,545                              | (1,888)                            |
| Deferred tax assets not recognised                     | (269)                              | -                                  |
| Underprovision of corporate tax in prior year          | <u>(863)</u>                       | <u>-</u>                           |
| Tax expense for the year                               | <u>(863)</u>                       | <u>-</u>                           |

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14. TAX EXPENSE - Continued

As at 30 September 2018, the amount of unabsorbed tax losses and unutilised capital allowances which are available for set-off against future chargeable income amounted to approximately RM1,123 (2017: Nil).

As at 30 September 2018, the Company has deferred tax (liabilities)/assets not recognised in the financial statements as there is no probability that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised and made up as follows:

|  | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--|------------------------------------|------------------------------------|
| Excess of tax capital allowances claimed over<br>book depreciation of property, plant and<br>equipment | (7,307)                            | -                                  |
| Unutilised capital allowances  | 269                                | -                                  |
|  | <u>(7,038)</u>                     | <u>-</u>                           |

15. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

|                               | 2018<br>RM     | 2017<br>RM    |
|-------------------------------|----------------|---------------|
| Financial Assets              |                |               |
| Loans and receivables         |                |               |
| Trade and other receivables   | 340,538        | -             |
| Amount due from related party | 304,964        | -             |
| Bank balance                  | 105,612        | 6,946         |
|                               | <u>751,114</u> | <u>6,946</u>  |
| Financial Liability           |                |               |
| Trade and other payables      | 825,684        | 3,391         |
| Amount due to related party   | -              | 11,420        |
|                               | <u>825,684</u> | <u>14,811</u> |



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15. FINANCIAL INSTRUMENTS - Continued

(b) Fair value of financial instruments

The carrying amounts of the above financial asset and liability as at reporting date approximate their fair values/amortised cost due to their short-term nature.

(c) Financial risk management objectives and policies

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and cash flow risks and foreign currency risk.

The following are the details regarding the Company's exposure to financial risks and the objectives, policies and processes for the management of these risks:

(i) Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from current bank accounts with financial institution.

The Company minimise this risk by dealing exclusively with high credit rating counterparties.

(ii) Liquidity and Cash Flow Risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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15. FINANCIAL INSTRUMENTS - Continued

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has minimum exposure to foreign currency risk as most of its transactions are denominated in Ringgit Malaysia.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit after tax to a 5% change in the United States Dollar ('USD'), Hong Kong Dollar ('HKD') and Thai Baht ('THB') exchange rates against the Ringgit Malaysia ('RM') respectively, with all other variables held constant.

|                    | 2018<br>(Decrease)/<br>Increase<br>on<br>Profit after<br>tax<br>RM | 2017<br>(Decrease)/<br>Increase<br>on<br>Profit after<br>tax<br>RM |
|--------------------|--|--|
| USD/RM             |  |  |
| - strengthen by 5% | 11,213   | -  |
| - weaken by 5%     | (11,213)   | -  |
| HKD/RM             |  |  |
| - strengthen by 5% | (972)  | -  |
| - weaken by 5%     | 972  | -  |
| USD/RM             |  |  |
| - strengthen by 5% | (151)  | -  |
| - weaken by 5%     | 151  | -  |

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16. OPERATING LEASE ARRANGEMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

|  | 2018<br>RM     | 2017<br>RM |
|--|----------------|------------|
| Future minimum rentals payables:             |                |            |
| Not later than 1 year                        | 142,000        | -          |
| Later than 1 year and not later than 5 years | 156,000        | -          |
|  | <u>298,000</u> | <u>-</u>   |

17. RELATED PARTY DISCLOSURES

17.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Company.

Except for the amount due from related party as shown in Note 6, there are no other related party transactions during the current financial year or balances as at 30 September 2018.

17.2 Compensation of key management personnel

The compensation paid to key management personnel during the financial year is disclosed in Note 13.



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INCOME STATEMENT FOR THE YEAR ENDED

30 SEPTEMBER 2018

|                                | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|--------------------------------|------------------------------------|------------------------------------|
| INCOME                         |                                    |                                    |
| Project receipts               | 1,831,202                          | -                                  |
| Donations and general grants   | 582,398                            | 5,611                              |
|                                | <u>2,413,600</u>                   | <u>5,611</u>                       |
| DIRECT EXPENSES                |                                    |                                    |
| Hire of venue                  | 235,508                            | -                                  |
| Honorarium                     | 265,791                            | -                                  |
| Material publication           | 54,167                             | -                                  |
| Meal expenses                  | 24,094                             | -                                  |
| Media monitoring               | 6,900                              | -                                  |
| Membership fees                | 2,078                              | -                                  |
| Professional fees              | 16,832                             | -                                  |
| Salaries, wages and allowances | 792,702                            | -                                  |
| Scholarship                    | 67,400                             | -                                  |
| Training expenses              | 4,863                              | -                                  |
| Travelling and accommodation   | 417,254                            | -                                  |
| Video and photography          | 6,500                              | -                                  |
| Website and social media       | 33,196                             | -                                  |
| Withholding tax expenses       | 6,266                              | -                                  |
|                                | <u>1,933,551</u>                   | <u>-</u>                           |
| GROSS SURPLUS                  | <u>480,049</u>                     | <u>5,611</u>                       |
| OPERATING EXPENSES             |                                    |                                    |
| Administration expenses        | 451,295                            | 5,476                              |
| Other operating expenses       | 10,937                             | 8,000                              |
|                                | <u>462,232</u>                     | <u>13,476</u>                      |
| NET SUPRLUS/(DEFICIT)          | <u>17,817</u>                      | <u>(7,865)</u>                     |

THIS SCHEDULE DOES NOT FORM PART OF THE AUDITED  
STATUTORY FINANCIAL STATEMENTS

IDEAS POLICY RESEARCH BERHAD  
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SCHEDULE OF OPERATING EXPENSES FOR THE YEAR ENDED

30 SEPTEMBER 2018

|                                     | 1.10.2017<br>TO<br>30.9.2018<br>RM | 22.2.2017<br>TO<br>30.9.2017<br>RM |
|-------------------------------------|------------------------------------|------------------------------------|
| <b>ADMINISTRATION EXPENSES</b>      |                                    |                                    |
| Auditors' remuneration              | 5,000                              | 2,000                              |
| Bank charges                        | 1,037                              | 15                                 |
| Books and periodical                | 1,348                              | -                                  |
| Directors' remuneration             | 104,705                            | -                                  |
| Electricity and water               | 3,198                              | -                                  |
| GST expenses                        | -                                  | 671                                |
| Insurance and road tax              | 488                                | -                                  |
| Internet, telephone and fax         | 8,855                              | -                                  |
| Meeting expenses                    | 1,672                              | -                                  |
| Miscellaneous                       | 1,402                              | -                                  |
| Printing and stationery             | 19,813                             | -                                  |
| Rental of premises                  | 84,086                             | -                                  |
| Repair and maintenance              | 12,410                             | -                                  |
| Salaries and related expenses       | 146,251                            | -                                  |
| Secretarial and tax fees            | 11,505                             | 2,790                              |
| Staff welfare                       | 13,019                             | -                                  |
| Subscription                        | 1,952                              | -                                  |
| Travelling and accommodation        | 10,723                             | -                                  |
| Upkeep of office                    | 19,739                             | -                                  |
| Upkeep of EDP equipment             | 839                                | -                                  |
| Website and social media            | 3,253                              | -                                  |
|                                     | <u>451,295</u>                     | <u>5,476</u>                       |
| <b>OTHER OPERATING EXPENSES</b>     |                                    |                                    |
| Depreciation                        | 8,539                              | -                                  |
| Loss on foreign exchange - realised | 2,398                              | -                                  |
| Preliminary expenses                | -                                  | 8,000                              |
|                                     | <u>10,937</u>                      | <u>8,000</u>                       |

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