Company No.: 1170303-A

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.: 1170303-A

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

TRUSTEES' REPORT

The trustees hereby submit their report together with the audited financial statements of the Foundation for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Foundation are to receive and administer funds for charitable purposes. There has been no significant change in the nature of this activity during the financial year.

RESULTS

	RM
Deficit for the financial year	(614,874)

DIVIDENDS

In accordance with the Memorandum of Association, no dividends are payable to the members of the Foundation.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Foundation were prepared, the trustees took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was required.

At the date of this report, the trustees are not aware of any circumstances which would render the amount written off as bad debts or to make any allowance for doubtful debts in the financial statements of the Foundation in adequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Foundation were prepared, the trustees took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Foundation had been written down to an amount which they might be expected so to realise.

At the date of this report, the trustees are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Company.

TRUSTEES' REPORT (continued)

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

In the opinion of the trustees, no contingent or other liability of the Foundation has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Foundation to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the trustees,

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

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

TRUSTEES

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

Jerald A/L S Joseph
Yong Kai Ping
Loh Kuan Yong (Resigned on 30 September 2018)

TRUSTEES' REPORT (continued)

TRUSTEES' INTERESTS AND BENEFITS

The Foundation is a company limited by guarantee and thus has no shares in which the trustees could have an interest. Similarly, the Foundation does not issue any shares or debentures.

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

Neither during, nor at the end of the financial year, was the Foundation a party to any arrangements where the object is to enable the trustees to acquire benefits by means of the acquisition of shares in, or debentures of the Foundation or any other body corporate.

INDEMNITY TO TRUSTEES AND OFFICERS

Every trustee, agent, secretary, and other officer for the time being of the Foundation shall be indemnified out of the assets of the Foundation against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Companies Act 2016 in which relief is granted to him by the court in respect of any negligence default breach of duty or breach of trust.

During the financial year, there is no insurance effected for any trustees or officer of the foundation.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 5 to the financial statements.

INDEMNITY TO AUDITORS

The Foundation has agreed to indemnify the auditors of the Foundation as permitted under Section 289 of the Companies Act 2016 in Malaysia.

Company No.: 1170303-A

TRUSTEES' REPORT (continued)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT (converted from a conventional partnership, Baker tilly Monteiro heng on 5 March 2019), have expressed their willingness to continue in office.

This report was approved and signed by the Board of Trustees in accordance with a resolution of the trustees:

....
JERALD A/L S JOSEPH
Trustee

....
YONG KAI PING
Trustee

Date: 30 April 2019

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

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

	Note	2018 RM	2017 RM
Revenue	4	3,140,037	433,086
Administrative expenses		(3,756,673)	(1,695,168)
Gross deficit		(616,636)	(1,262,082)
Other income		1,762	-
Deficit before tax	5	(614,874)	(1,262,082)
Tax expense	6	-	-
Deficit for the financial year, representing total comprehensive loss for the financial year		(614,874)	(1,262,082)

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

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current asset			
Plant and equipment	7	56,784	110,667
Current assets			
Other receivables, deposits and prepayments	8	75,780	37,145
Cash and bank balances		1,406,564	869,848
		1,482,344	906,993
TOTAL ASSETS		1,539,128	1,017,660
FUND AND LIABILITIES			
Accumulated fund			
Deficit at beginning of the financial year		(1,874,794)	(612,712)
Deficit for the financial year		(614,874)	(1,262,082)
Deficit at end of the financial year		(2,489,668)	(1,874,794)
Current liabilities			
Other payables and accruals	9	4,028,796	2,892,454
TOTAL FUND AND LIABILITIES		1,539,128	1,017,660

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

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

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

	2018 RM	2017 RM
Cash Flows from Operating Activities		
Deficit before tax	(614,874)	(1,262,082)
Adjustments for:		
Depreciation of plant and equipment	85,337	103,227
Plant and equipment written off	2,678	-
Operating deficit before working capital changes	(526,859)	(1,158,855)
Receivables	(38,635)	2,149
Payables	1,136,342	1,817,829
Net cash flows from operating activities	570,848	661,123
Cash Flows from Investing Activity		
Purchase of plant and equipment, representing net cash flows used in investing activity	(34,132)	(213,894)
Net increase in cash and cash equivalents	536,716	447,229
Cash and cash equivalents at the beginning of the financial year	869,848	422,619
Cash and cash equivalents at the end of the financial year	1,406,564	869,848

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Greenpeace Southeast Asia Berhad ("The Foundation") is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office of the Foundation is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Foundation is located at No. L6-12, Menara Sentral Vista, 150 Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.

The principal activities of the Foundation are to receive and administer funds for charitable purposes. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution of the trustees on 29 March 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The Foundation has adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

<u>New MFRS</u>

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

<u>Amendments/Improvements to MFRS</u>

MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property

<u>New IC Int</u>

IC Int 22	Foreign Currency Transactions and Advance Consideration

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Foundation, and did not result in significant changes to the Foundation's existing accounting policies.

MFRS 9 Financial Instruments

MFRS 9 replaced the guidance of MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities, on impairment of financial assets, and on hedge accounting.

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses which replaced the "incurred loss" model in MFRS 139. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised. Trade receivables and contract assets that do not contain a significant financing component shall always measure the loss allowance at an amount equal lifetime expected credit losses.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

The retrospective application of MFRS 9 does not require restatement of 2017 comparative financial statements. As such, the Foundation has not restated the comparative information, which continues to be reported under MFRS 139. The Foundation recognised any difference between the carrying amount of financial instruments under MFRS 139 and the restated carrying amount under MFRS 9 in the opening balance of retained earnings (or other equity components) of the annual reporting period including the date of initial application i.e. 1 January 2018.

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 9 Financial Instruments (continued)

Impact of the adoption of MFRS 9

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to financial instruments, which the Foundation has complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Company, except for those as discussed below.

(i) Classification and measurement

The following are the changes in the classification of the Foundation's financial assets and liabilities:

Other receivables, including refundable deposits, and cash and bank balances previously classified as Loans and Receivables under MFRS 139 as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Accordingly, these financial assets are classified and measured as debt instruments at amortised cost beginning 1 January 2018.

In summary, upon the adoption of MFRS 9, the Foundation had the following "required or elected" reclassifications as at 1 January 2018:

		MFRS 9 measurement category Amortised cost
MFRS 139 measurement category	**RM**	**RM**
Financial assets		
Loans and receivables		
Other receivables, deposits and prepayments	37,145	37,145
Cash and bank balances	869,848	869,848
	906,993	906,993

		MFRS 9 measurement category Amortised cost
MFRS 139 measurement category	**RM**	**RM**
Financial liabilities		
Other financial liabilities		
Other payables and accruals	2,892,454	2,892,454

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective

The Foundation has not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021#
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 132	Financial instruments: Presentation	1 January 2021#
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138	Intangible Assets	1 January 2020*
MFRS 140	Investment Property	1 January 2021#

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

The Foundation has not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective: (continued)

		Effective for financial periods beginning on or after
New IC Int		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IC Int		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

* *Amendments to References to the Conceptual Framework in MFRS Standards*
# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

2.3.1 The Foundation plans to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below.

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Foundation as a lessee currently accounts for as operating leases. On adoption of this standard, the Foundation will be required to capitalise its rented premises, on the statement of financial position by recognising them as "rights-of-use" assets and its corresponding lease liabilities for the present value of future lease payments.

The Foundation plans to adopt this standard when it becomes effective in the financial year beginning 1 January 2019 by applying the transitional provisions and include the required additional disclosures in their financial statements of that year. The Foundation is likely electing the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, existing lease contracts that are still effective on 1 January 2019 will be accounted for as lease contracts under MFRS 16.

2. **BASIS OF PREPARATION** (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

2.3.1 (continued)

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The Amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:
(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

Amendments to References to the Conceptual Framework in MFRS Standards

The Malaysian Accounting Standards Board has issued a *revised Conceptual Framework for Financial Reporting* and amendments to fourteen Standards under the Malaysian Financial Reporting Standards Framework on 30 April 2018.

The revised Conceptual Framework comprises a comprehensive set of concepts of financial reporting. It is built on the previous version of the Conceptual Framework issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wordings to give more prominence to the importance of providing information need to assess management's stewardship of the entity's economic resources.

Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular the definition of a liability – and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

The Amendments to the fourteen Standards are to update the references and quotations in these Standards which include MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Int 12, IC Int 19, IC Int 20, IC Int 22 and IC Int 132.

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The Amendments to the nine Standards are a consequence of MFRS 17 with an effective date on or after 1 January 2021, which include MFRS 1, MFRS 5, MFRS 7, MFRS 15, MFRS 107, MFRS 116, MFRS 132, MFRS 136 and MFRS 140.

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

2.3.2 The Foundation is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int.

2.4 Functional and presentation currency

The financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates ("the functional currency"). The financial statements of the Foundation are presented in Ringgit Malaysia ("RM"), which is also the Foundation's functional currency.

2.5 Basis of measurement

The financial statements of the Foundation has been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting year. It also requires trustees to exercise their judgement in the process of applying the Foundation's accounting policies. Although these estimates and judgement are based on the trustees' best knowledge of current events and actions, actual results may differ.

There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements.

2.7 Fundamental accounting principle

The financial statements of the Foundation have been prepared on the assumption that the Foundation will continue as a going concern. The application of the going concern basis is based on the assumption that the Foundation will be able to realise its assets and liquidate its liabilities in the normal course of business.

During the financial year, the Foundation incurred a net deficit of RM614,874. As at 31 December 2018, the current liabilities of the Foundation exceeded its current assets by RM2,546,452 and recorded a deficit in accumulated fund of RM2,489,668.

The ability of the Foundation to continue as a going concern will be dependent on the continuous support from the trustees and grants to provide adequate funds for the Foundation to meet its liabilities as and when they fall due. If these are not forthcoming, the Foundation may be unable to realise its assets and discharge its liabilities in the normal course of business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Foundation.

3.1 Revenue

Accounting policies applied from 1 January 2018

The Foundation recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to the Foundation expect to be entitled in exchange for those goods or services.

Revenue from donation is recognised on receipt basis.

Accounting policies applied until 31 December 2017

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates, returns and taxes.

Revenue from donation is recognised using same accounting policies until 31 December 2017 and from 1 January 2018.

3.2 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Foundation.

(b) Defined contribution plan

As required by law, the Foundation contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the year in which the employees render their services.

3.3 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting year.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

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 the benefit of part or all of that 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 is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially 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.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3.4 Financial instruments

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

<u>Accounting policies applied from 1 January 2018</u>

(a) Subsequent measurement

The Foundation categorises the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Foundation reclassify financial assets when and only when their business models for managing those assets change.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 January 2018 (continued)

(a) Subsequent measurement (continued)

The Foundation categorises the financial instruments as follows: (continued)

(i) Financial assets (continued)

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Foundation classifies its financial liabilities at amortised cost.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liablities are derecognised and through the amortisation process

(b) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Foundation commits itself to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or
(ii) the Foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Foundation has transferred substantially all the risks and rewards of the asset, or (b) the Foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Foundation evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Foundation continues to recognise the transferred asset to the extent of its continuing involvement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 January 2018 (continued)

(c) Derecognition (continued)

In that case, the Foundation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Foundation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Foundation could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

Accounting policies applied until 31 December 2017

(a) Subsequent measurement

The Foundation categorises the financial instruments as follows:

(i) Financial assets

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(a). Gains and losses are recognised in profit or loss through the amortisation process.

(ii) Financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

Accounting policies applied until 31 December 2017 (continued)

(b) Regular way purchase or sale of financial assets

Same accounting policies applied until 31 December 2017 and from 1 January 2018.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive 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 other comprehensive income 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, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Same accounting policies applied until 31 December 2017 and from 1 January 2018.

3.5 Plant and Equipment and Depreciation

(a) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as a separate item of plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Plant and Equipment and Depreciation (continued)

(c) Depreciation

All plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computers and office equipment	3 – 5 years
Campaign and action equipment	3 – 5 years
Renovation	1 year

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

(d) Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances.

3.7 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Leasee accounting

If the Foundation is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as plant and equipment.

For operating leases, the Foundation does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets

(a) Impairment of financial assets

Accounting policies applied from 1 January 2018

Financial assets measured at amortised cost will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Foundation measures loss allowance at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Foundation is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Foundation assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets

(a) Impairment of financial assets

Accounting policies applied from 1 January 2018 (continued)

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedure for recovery of amounts due.

Accounting policies applied until 31 December 2017

At each reporting date, all financial are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Foundation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Foundation may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Foundation. If a write-off is later recovered, the recovery is credited to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Foundation makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

3.9 Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

When measuring the fair value of an asset or a liability, the Foundation uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Foundation recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Foundation.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statement of financial position.

3.11 Provisions

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

There were no significant accounting judgements, estimates and assumptions made by us in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

5. REVENUE

	2018 RM	2017 RM
Point in time:		
Donation received	3,140,037	433,086

6. DEFICIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at deficit before tax:

	2018 RM	2017 RM
Auditors' remuneration	25,000	22,000
Bad debts written off	1,475	-
Depreciation of plant and equipment	85,337	103,227
Employee benefits expense (Note (a))	1,506,973	592,617
Realised loss on foreign exchange	13,431	195
Rental of office	59,470	69,477
Plant and equipment written off	2,678	-

(a) Employee benefits expense:

	2018 RM	2017 RM
Salaries, wages, bonuses and others	1,368,145	514,574
Defined contribution plans	138,828	78,043
	1,506,973	592,617

7. TAX EXPENSE

There is no income tax charge for the current and previous financial years as the Foundation does not have any chargeable income.

The reconciliation from the tax amount at statutory income tax rate to the Foundation's tax expense is as follows:

	2018 RM	2017 RM
Deficit before tax	(614,874)	(1,262,082)
Tax at Malaysian statutory income tax rate of 28% (2017: 28%)	(172,165)	(353,383)
Tax effect on:		
- non-deductible expenses	28,395	330,759
Deferred tax asset not recognised	143,770	22,624
Tax expense	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 28% (2017: 28%) of the estimated assessable profit for the financial year. The estimated amount of temporary difference for which no deferred tax asset are recognised in the financial statements is as follow:

	2018 RM	2017 RM
Unutilised tax losses	513,261	80,800

8. PLANT AND EQUIPMEENT

At cost	Computers and office equipment RM	Campaign and action equipment RM	Renovation RM	Total RM
At 1.1.2018	53,596	1,697	158,601	213,894
Additions	19,462	14,670	-	34,132
Written off	(6,659)	-	-	(6,659)
At 31.12.2018	66,399	16,367	158,601	241,367
Accumulated depreciation				
At 1.1.2018	9,352	189	93,686	103,227
Charge for the financial year	18,498	1,924	64,915	85,337
Written off	(3,981)	-	-	(3,981)
At 31.12.2018	23,869	2,113	158,601	184,583
Net carrying amount				
At 31.12.2018	42,530	14,254	-	56,784
At 31.12.2017	44,244	1,508	64,915	110,667
Depreciation charged for financial year ended 31.12.2017	9,352	189	93,686	103,227

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018 RM	2017 RM
Other receivables	7,624	1,893
Deposits	48,743	25,255
Prepayments	19,413	9,997
	75,780	37,145

10. OTHER PAYABLES AND ACCRUALS

	2018 RM	2017 RM
Other payables	3,955,507	2,857,505
Accruals	73,289	34,949
	4,028,796	2,892,454

11. OPERATING LEASE COMMITMENTS

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follow:

	2018 RM	2017 RM
- More than one year and not later than five years	54,000	12,720

12. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

From 1 January 2018:
(i) Amortised cost

On or before 31 December 2017
(i) Loans and receivables
(ii) Other financial liabilities

	Amortised cost RM
At 31 December 2018	
Financial assets	
Receivables, net of prepayments	56,367
Cash and bank balances	1,406,564
	1,462,931
Financial liabilities	
Other payables and accruals	4,028,796

	Loans and receivables RM	Other financial liabilities RM
At 31 December 2017		
Financial assets		
Receivables, net of prepayments	27,148	-
Cash and bank balances	869,848	-
Financial liabilities		
Other payables and accruals	-	2,892,454
	896,996	2,892,454

12. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management

The Foundation is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

It is, and has been throughout the current financial year, the Foundation's policy that no derivatives shall be undertaken. The Foundation does not apply hedge accounting.

The Foundation's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Foundation's exposure to credit risk arises primarily from its receivables. For other financial assets, the Foundation minimises credit risk by dealing with high credit rating counterparties.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents and derivatives), the Foundation minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Foundation's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

To consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Foundation compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The exposure to credit risk is managed through monitoring process.

<u>Exposure to credit risk</u>

At the reporting date, the Foundation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

12. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risk Management (continued)

(ii) Liquidity risk

The Foundation's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Foundation actively manages its debts maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Foundation maintains sufficient levels of cash and cash convertible investments to meet its working capital requirements.

Maturity analysis

The Foundation's financial liabilities at the reporting date are either payable on demand or mature within 1 year.

(c) Fair value measurement

The carrying amounts of cash and bank balances, short-term receivables and payables reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between level 1 and level 2 during the current and previous financial years.

13. CAPITAL MANAGEMENT

The Foundation relies solely on funds from the public, its Board of Trustees and grants to meet its financial obligations.

Company No.: 1170303-A

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

STATEMENT BY BOARD OF TRUSTEES
Pursuant to Section 251(2) of the Companies Act 2016

We, **JERALD A/L S JOSEPH** and **YONG KAI PING**, being the two trustees of Greenpeace Southeast Asia Berhad, do hereby state that in our opinion, the accompanying financial statements set out on pages 5 to 29 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Foundation as at 31 December 2018 and of its financial performance and cash flows for the financial year ended.

Signed by the Board of Trustees in accordance with a resolution of the trustees:

....
JERALD A/L S JOSEPH
Trustee

....
YONG KAI PING
Trustee

Kuala Lumpur

Date: 30 April 2019

Company No.: 1170303-A

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, **JERALD A/L S JOSEPH**, being the trustee primarily responsible for the financial management of Greenpeace Southeast Asia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 5 to 29 are 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.

....

JERALD A/L S JOSEPH

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 30 April 2019.

Before me,

SUMPAH
W 725
ABDUL SHUKOR MD NOOR
1.10.2018-31.12.2020
MALAYSIA
43, Leboh Ampang
50100 Kuala Lumpur

Company No.: 1170303-A

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
www.bakertilly.my

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia Limited by Guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenpeace Southeast Asia Berhad, which comprise the statement of financial position as at 31 December 2018 of the Foundation, and the statement of comprehensive income, statement of changes in equity and statement of its cash flows of the Foundation for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2018, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.7 to the financial statements, which disclosed that the Foundation incurred a net deficit of RM614,874 during the financial year ended 31 December 2018 and, as of that date, the Foundation's current liabilities exceeded its current assets by RM2,546,452 and recorded a deficit in accumulated fund of RM2,489,668, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Foundation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GREENPEACE SOUTHEAST ASIA BERHAD (continued)
(Incorporated in Malaysia Limited by Guarantee)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Trustees for the Financial Statements

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

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

The trustees of the Foundation are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GREENPEACE SOUTHEAST ASIA BERHAD (continued)
(Incorporated in Malaysia Limited by Guarantee)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements of the Foundation represents the underlying transactions and events in a manner that achieves fair presentation.

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

Company No.: 1170303-A

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GREENPEACE SOUTHEAST ASIA BERHAD (continued)
(Incorporated in Malaysia Limited by Guarantee)

Other Matters

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

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Baker Tilly Monteiro Heng PLT
LLP0019411-LCA & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2020 J
Chartered Accountant

Kuala Lumpur

Date: 30 April 2019