

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

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

GREENPEACE SOUTHEAST ASIA BERHAD
(Incorporated in Malaysia)

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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 2019.

PRINCIPAL ACTIVITY

The principal activity of the Foundation is 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	<u>(519,185)</u>

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 there were no known bad debts 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 it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Foundation.

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

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

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 trustee 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.

Nelther 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 was no insurance effected for any trustees or officer of the Foundation.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event subsequent to the end of the financial year is disclosed in Note 15 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 6 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.

TRUSTEES' REPORT (continued)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, 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: 13 May 2020

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

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

	Note	2019 RM	2018 RM
Revenue	5	3,651,116	3,140,037
Administrative expenses		<u>(4,162,941)</u>	<u>(3,756,673)</u>
Gross deficit		(511,825)	(616,636)
Other income		2,073	1,762
Finance cost		<u>(9,433)</u>	<u>-</u>
Deficit before tax	6	(519,185)	(614,874)
Tax expense	7	<u>-</u>	<u>-</u>
Deficit for the financial year, representing total comprehensive deficit for the financial year		<u><u>(519,185)</u></u>	<u><u>(614,874)</u></u>

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

GREENPEACE SOUTHEAST ASIA BERHAD
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 RM	2018 RM
ASSETS			
Non-current asset			
Plant and equipment	8	234,500	56,784
Current assets			
Other receivables, deposits and prepayments	9	462,368	75,780
Cash and bank balances		2,217,662	1,406,564
Total current assets		<u>2,680,030</u>	<u>1,482,344</u>
TOTAL ASSETS		<u>2,914,530</u>	<u>1,539,128</u>
FUND AND LIABILITIES			
Accumulated funds			
Deficit at beginning of the financial year		(2,489,668)	(1,874,794)
Deficit for the financial year		(519,185)	(614,874)
Deficit at end of the financial year		<u>(3,008,853)</u>	<u>(2,489,668)</u>
Non-current liability			
Lease liability	10	58,642	-
Current liabilities			
Other payables and accruals	11	5,798,215	4,028,796
Lease liability	10	66,526	-
Total current liabilities		<u>5,864,741</u>	<u>4,028,796</u>
TOTAL LIABILITIES		<u>5,923,383</u>	<u>4,028,796</u>
TOTAL FUND AND LIABILITIES		<u>2,914,530</u>	<u>1,539,128</u>

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

GREENPEACE SOUTHEAST ASIA BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM	2018 RM
Cash flows from operating activities			
Deficit before tax		(519,185)	(614,874)
Adjustments for:			
Bad debts written off		-	1,475
Depreciation of plant and equipment		109,301	85,337
Interest expense		9,433	-
Plant and equipment written off		-	2,678
Operating deficit before working capital changes		(400,451)	(525,384)
Receivables		(386,588)	(40,110)
Payables		1,769,419	1,136,342
Net cash generated from operations		982,380	570,848
Interest paid		(9,433)	-
Net cash used in operating activities		972,947	570,848
Cash flows from investing activity			
Purchase of plant and equipment, representing net cash used in investing activity		(99,282)	(34,132)
Cash flows from financing activity			
Repayment of lease liability, representing net cash used in financing activity	(a)	(62,567)	-
Net increase in cash and cash equivalents		811,098	536,716
Cash and cash equivalents at the beginning of the financial year		1,406,564	869,848
Cash and cash equivalents at the end of the financial year		2,217,662	1,406,564

(a) Reconciliation of liability arising from financing activity:

	1 January 2019 RM	Effect of adoption of MFRS 16 RM	Cash flows RM	31 December 2019 RM
Lease liability	-	187,735	(62,567)	125,168

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

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

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 activity of the Foundation is to receive and administer funds for charitable purposes. There has been no significant change in the nature of this activity 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 13 May 2020.

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 MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”)

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

New MFRS

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3 Business Combinations

MFRS 9 Financial Instruments

MFRS 11 Joint Arrangements

MFRS 112 Income Taxes

MFRS 119 Employee Benefits

MFRS 123 Borrowing Costs

MFRS 128 Investments in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

2. BASIS OF PREPARATION (continued)

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

The adoption of the above new MFRS, 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, except for those as discussed below.

MFRS 16 Leases

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 Leases and IC Int 4 Determining whether an Arrangement contains a Lease.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto its statement of financial position except for short-term and low value asset leases.

The Foundation has applied MFRS 16 using the modified retrospective approach with an amount equal to the lease liability, adjusted by the amount of, any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application (i.e. 1 January 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

Definition of a lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Foundation has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 January 2019. Existing lease contracts that are still effective on 1 January 2019 will be accounted for as lease contracts under MFRS 16.

Impact of the adoption of MFRS 16

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Foundation has complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Foundation, except for those as discussed below

(i) Classification and measurement

As a lessee, the Foundation previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Foundation.

2. BASIS OF PREPARATION (continued)

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

MFRS 16 Leases (continued)

Impact of the adoption of MFRS 16 (continued)

(i) Classification and measurement (continued)

On adoption of MFRS 16, for all its leases other than short-term and low value asset leases, the Foundation:

- recognised the right-of-use assets and lease liabilities in the statement of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statement of cash flows for the current financial year.

For leases that were classified as operating lease under MFRS 117

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Foundation's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at either:

- (a) their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the Foundation's incremental borrowing rate at the date of initial application. The Foundation applied this approach to its largest property leases; or
- (b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Foundation applied this approach to all other leases.

(ii) Short-term lease and low value assets

The Foundation has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new, such as office equipment. The Foundation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The effects of adoption of MFRS 16 as at 1 January 2019 are as follows:

	Increase RM
Non-current asset	
Plant and equipment	<u>187,735</u>
Non-current liability	
Lease liability	58,642
Current liability	
Lease liability	<u>129,093</u>
	<u>187,735</u>

The incremental borrowing rate applied to lease liability recognised in the statement of financial position on 1 January 2019 is 6.15%.

2. BASIS OF PREPARATION (continued)**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective**

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

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2020/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2023 [#] / 1 January 2022
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023 [#]

[#] Amendments as to consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (continued)

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 have 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Foundation's financial statements are disclosed in Note 4.

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 ended 31 December 2019, the Foundation incurred a net deficit of RM519,185. As at 31 December 2019, the current liabilities of the Foundation exceeded its current assets by RM3,184,711 and recorded a deficit in accumulated fund of RM3,008,853.

The ability of the Foundation to continue as a going concern will be dependent on the continuous support from the trustees 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

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Income tax (continued)

(b) Deferred tax (continued)

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.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(i) Financial assets (continued)

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 reclassifies financial assets when and only when its 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. 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 liabilities 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(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. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Plant and equipment

(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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Cash and cash equivalents

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

3.7 Leases

(a) Definition of lease

Accounting policies applied from 1 January 2019

At inception of a contract, the Foundation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Foundation assesses whether:

- the contract involves the use of an identified asset;
- the Foundation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Foundation has the right to direct the use of the asset.

Accounting policies applied until 31 December 2018

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.

(b) Lessee accounting

Accounting policies applied from 1 January 2019

At the lease commencement date, the Foundation recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Foundation presents right-of-use asset in Note 8 and lease liability in Note 10.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Leases (continued)

(c) Lessee accounting (continued)

Accounting policies applied from 1 January 2019 (continued)

Right-of-use asset (continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Foundation expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Foundation uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Short-term leases and leases of low value assets

The Foundation has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Foundation recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policies applied until 31 December 2018

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.

Any upfront lease payments are classified as land use rights within intangible assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets

(a) Impairment of financial assets

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 losses are 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 losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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.

The Foundation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Foundation considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Foundation in full, without taking into account any credit enhancements held by the Foundation; or
- the contractual payment of the financial asset is more than 90 days past due unless the Foundation has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

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;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment 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.

(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 its 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 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.

3.10 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)**3.11 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

5. REVENUE

	2019 RM	2018 RM
At a point in time:		
Donation received	<u>3,651,116</u>	<u>3,140,037</u>

6. DEFICIT BEFORE TAX

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

	2019 RM	2018 RM
Auditors' remuneration	25,000	25,000
Bad debts written off	-	1,475
Depreciation of plant and equipment	109,301	85,337
Employee benefits expense (Note (a))	1,947,890	1,833,231
Realised loss on foreign exchange	-	13,431
Rental of office	-	59,470
Interest expense on lease liability	9,433	-
Plant and equipment written off	<u>-</u>	<u>2,678</u>

(a) Employee benefits expense:

	2019 RM	2018 RM
Salaries, wages, bonuses and others	1,648,971	1,664,877
Defined contribution plans	<u>298,919</u>	<u>168,354</u>
	<u>1,947,890</u>	<u>1,833,231</u>

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:

	2019 RM	2018 RM
Deficit before tax	<u>(519,185)</u>	<u>(614,874)</u>
Tax at Malaysian statutory income tax rate of 28% (2018: 28%)	(145,372)	(172,165)
Tax effect on non-deductible expenses	61,566	28,395
Deferred tax asset not recognised	<u>83,806</u>	<u>143,770</u>
Tax expense	<u>-</u>	<u>-</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 28% (2018: 28%) of the estimated assessable profit for the financial year. The estimated amount of temporary difference for which no deferred tax asset is recognised in the financial statements is as follow:

	2019 RM	2018 RM
Deductible temporary differences	<u>299,308</u>	<u>-</u>
Potential deferred tax asset not recognised at 28% (2018: 28%)	<u>83,806</u>	<u>-</u>

8. PLANT AND EQUIPMENT

	Computers and office equipment RM	Campaign and action equipment RM	Renovation RM	Total RM
2018				
Cost				
At 1 January 2018	53,596	1,697	158,601	213,894
Additions	19,462	14,670	-	34,132
Written off	(6,659)	-	-	(6,659)
At 31 December 2018	<u>66,399</u>	<u>16,367</u>	<u>158,601</u>	<u>241,367</u>
Accumulated depreciation				
At 1 January 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 December 2018	<u>23,869</u>	<u>2,113</u>	<u>158,601</u>	<u>184,583</u>
Net carrying amount				
At 31 December 2018	<u>42,530</u>	<u>14,254</u>	<u>-</u>	<u>56,784</u>

8. PLANT AND EQUIPMENT (continued)

	Computers and office equipment RM	Campaign and action equipment RM	Renovation RM	Right- of-use asset RM	Total RM
2019					
Cost					
At 1 January 2019					
- As previously reported	66,399	16,367	158,601	-	241,367
- Effect of adoption of MFRS 16	-	-	-	187,735	187,735
Adjusted balance at 1 January 2019	66,399	16,367	158,601	187,735	429,102
Additions	89,566	9,716	-	-	99,282
At 31 December 2019	155,965	26,083	158,601	187,735	528,384
Accumulated depreciation					
At 1 January 2019	23,869	2,113	158,601	-	184,583
Depreciation charge for the financial year	35,840	7,202	-	66,259	109,301
At 31 December 2019	59,709	9,315	158,601	66,259	293,884
Net carrying amount					
At 31 December 2019	96,256	16,768	-	121,476	234,500

(a) Right-of-use asset

Information about leases for which the Foundation is a lessee is presented below:

	Office space RM
Carrying amount	
At 1 January 2019	-
- Effect of adoption of MFRS 16	187,735
Adjusted balance at 1 January 2019	187,735
Deprecation charge for the financial year	(66,259)
At 31 December 2019	121,476

The Foundation leases building for its office space with a lease term of 2 years

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019	2018
	RM	RM
Other receivables	88,086	7,624
Deposits	58,229	48,743
Prepayments	316,053	19,413
	<u>462,368</u>	<u>75,780</u>

10. LEASE LIABILITY

	2019	2018
	RM	RM
Non-current	58,642	-
Current	66,526	-
Total lease liability	<u>125,168</u>	<u>-</u>

The interest rate implicit in the lease is 6.15% (2018: Nil).

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	2019	2018
	RM	RM
Minimum lease payments:		
Not later than one year	72,000	-
Later than one year and not later than 5 years	60,000	-
	<u>132,000</u>	<u>-</u>
Less: Future finance charges	(6,832)	-
Present value of minimum lease payments	<u>125,168</u>	<u>-</u>
Present value of minimum lease payments:		
Not later than one year	66,526	-
Later than one year and not later than 5 years	58,642	-
	<u>125,168</u>	<u>-</u>
Less: Amount due within 12 months	(66,526)	-
Amount due after 12 months	<u>58,642</u>	<u>-</u>

11. OTHER PAYABLES AND ACCRUALS

	2019	2018
	RM	RM
Other payables	5,614,819	3,955,507
Accruals	<u>183,396</u>	<u>73,289</u>
	<u><u>5,798,215</u></u>	<u><u>4,028,796</u></u>

Included in other payables is an amount of RM5,307,316 (2018: RM3,920,708) owing to an affiliate which is also part of the global network of independent Greenpeace National and Regional organisations. The amount is non-trade, unsecured, non-interest bearing and repayable on demand.

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:

(i) Amortised cost

	Carrying amount RM	Amortised cost RM
2019		
Financial assets		
Other receivables and deposits	146,315	146,315
Cash and bank balances	<u>2,217,662</u>	<u>2,217,662</u>
	<u><u>2,363,977</u></u>	<u><u>2,363,977</u></u>
Financial liabilities		
Other payables and accruals	5,798,215	5,798,215
Lease liability	<u>125,168</u>	<u>125,168</u>
	<u><u>5,923,383</u></u>	<u><u>5,923,383</u></u>
2018		
Financial assets		
Other receivables and deposits	56,367	56,367
Cash and bank balances	<u>1,406,564</u>	<u>1,406,564</u>
	<u><u>1,462,931</u></u>	<u><u>1,462,931</u></u>
Financial liability		
Other payables and accruals	<u>4,028,796</u>	<u>4,028,796</u>

(b) Fair value measurements

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

12. FINANCIAL INSTRUMENTS (continued)

(b) Fair value measurements (continued)

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

13. 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, liquidity risk and interest rate 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 cash and cash equivalents), 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 statement of financial position.

The Foundation considers 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.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

As at the end of the reporting date, the Foundation did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.8(a) for the Foundation's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

The Foundation's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Foundation's exposure to liquidity risk arise principally from other payables and lease liability. 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.

13. FINANCIAL RISK MANAGEMENT (continued)**(ii) Liquidity risk (continued)**Maturity analysis

The maturity analysis of the Foundation's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	-----Contractual cash flows-----			Total
	Carrying amount	On demand or within 1 year	Between 1 and 5 years	
2019				
Other payables and accruals	5,798,215	5,798,215	-	5,798,215
Lease liability	125,168	72,000	60,000	132,000
	<u>5,923,383</u>	<u>5,870,215</u>	<u>60,000</u>	<u>5,930,215</u>
2018				
Other payables and accruals	4,028,796	4,028,796	-	4,028,796

14. CAPITAL MANAGEMENT

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

15. SIGNIFICANT EVENT SUBSEQUENT TO END OF THE FINANCIAL YEAR**Coronavirus outbreak**

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Foundation operates.

For the Foundation's financial statements for the financial year ended 31 December 2019, the Covid-19 outbreak and the related impacts are considered non-adjusting events in accordance with MFRS 110 Events after the Reporting Period. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 31 December 2019.

The Foundation is unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 December 2020 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Foundation's sales, operations and supply chains. The Foundation will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Foundation will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Foundation's operations.

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

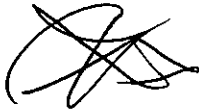
STATEMENT BY BOARD OF TRUSTEES
Pursuant to Section 251(2) of the Companies Act 2016

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 2019 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: 13 May 2020

Registration No.: 201501039024 (1170303-A)

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

STATUTORY DECLARATION

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

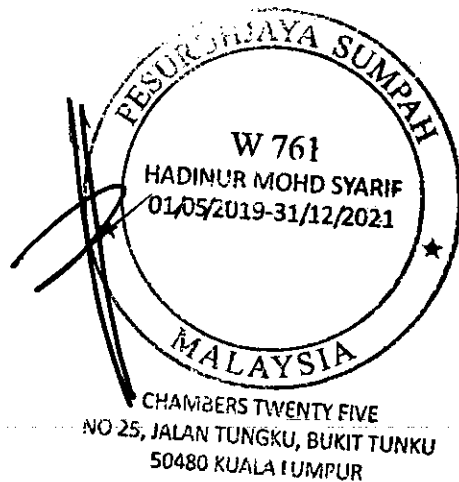
I, **JERALD A/L S JOSEPH**, being the trustee primarily responsible for the financial management of Greenpeace Southeast Asia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 5 to 29 are correct, and I make this solemn declaration 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 13 May 2020.

Before me,



Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
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**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 2019 of the Foundation, and the statement of comprehensive income and statement of 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 2019, and of its financial performance and its 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 RM519,185 during the financial year ended 31 December 2019 and, as of that date, the Foundation's current liabilities exceeded its current assets by RM3,184,711 and recorded a deficit in accumulated fund of RM3,008,853, 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.

**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 trustees 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 contents of this report.



Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants



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

Kuala Lumpur

Date: 13 May 2020