

YAYASAN GENERASI GEMILANG
(1121213 – V)
(Incorporated in Malaysia)

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

TRUSTEES' REPORT

The trustees of Yayasan Generasi Gemilang ("the Yayasan") hereby submit their report together with the audited financial statements of the Yayasan for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

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

The Yayasan is incorporated and domiciled in Malaysia as a Yayasan limited by guarantee and does not have a share capital.

RESULTS

	2018 RM
Surplus for the financial year	<u>-</u>

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 Yayasan 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 necessary.

At the date of this report, the trustees are not aware of any circumstances which would require the writing off of bad debts or to make any allowance for doubtful debts in the financial statements of the Yayasan.

CURRENT ASSETS

Before the financial statements of the Yayasan 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 Yayasan 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 Yayasan misleading.

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 Yayasan 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 Yayasan 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 Yayasan which has arisen since the end of the financial year.

In the opinion of the trustees, no contingent or other liability of the Yayasan 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 substantially affect the ability of the Yayasan 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 Yayasan 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 Yayasan 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 Yayasan 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 this report are:

Dr. Chew Weng Chee	
Dr. Wong Sum Keong	
Law Gin Kye	
Noria Raja	
Rodney Koh Ngiap Teik	
Wong Koon Tatt	
Tan Kok Keat	<i>(Appointed 11 December 2018)</i>
Stefanie Tan Yuen Yeng	<i>(Appointed 11 December 2018)</i>
Dato' Sri Thong Kok Khee	<i>(Appointed 11 December 2018)</i>
Jacob Rabindranath A/L M. Krishnan	<i>(Appointed 11 December 2018)</i>
Puan Sri Thong Nyok Choo	<i>(Appointed 11 December 2018)</i>

TRUSTEES' BENEFITS

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

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 13 to the financial statements.

INDEMNITY TO AUDITORS

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

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 on behalf of the Board of Trustees in accordance with a resolution of the trustees:



.....
WONG KOON TATT

Chairman



.....
RODNEY KOH NGIAM TEIK

Trustee

Date: 30 April 2019

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current asset			
Equipment	5	36,651	46,032
Total non-current asset		<u>36,651</u>	<u>46,032</u>
Current assets			
Other receivables	6	190,771	172,030
Fixed deposits placed with licensed banks	7	910,440	68,970
Bank balances		817,678	1,289,663
Total current assets		<u>1,918,889</u>	<u>1,530,663</u>
TOTAL ASSETS		<u>1,955,540</u>	<u>1,576,695</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated funds		-	-
TOTAL EQUITY		<u>-</u>	<u>-</u>
Current liabilities			
Other payables	8	94,972	93,993
Deferred income	9	1,860,515	1,482,280
Current tax liabilities		53	422
Total current liabilities		<u>1,955,540</u>	<u>1,576,695</u>
TOTAL LIABILITIES		<u>1,955,540</u>	<u>1,576,695</u>
TOTAL EQUITY AND LIABILITIES		<u>1,955,540</u>	<u>1,576,695</u>

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

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

	Note	2018 RM	2017 RM
Income	10	3,893,119	3,830,780
Other income	11	10,286	25,415
Expenses	12	(3,903,352)	(3,855,773)
Surplus before tax	13	53	422
Income tax expense	14	(53)	(422)
Surplus for the financial year		-	-

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

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

	Accumulated funds RM
At 1 January 2017	-
Surplus for the financial year	-
At 31 December 2017	<hr/> -
Surplus for the financial year	-
At 31 December 2018	<hr/> <hr/> -

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

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

	2018 RM	2017 RM
Cash flows from operating activities		
Surplus before tax	53	422
Adjustments for:		
Interest income	(10,286)	(15,499)
Amortisation of deferred income	(2,478,044)	(2,016,280)
Loss on disposal of equipment	-	54
Depreciation on equipment	37,645	46,441
Operating loss before working capital changes	(2,450,632)	(1,984,862)
Changes in working capital:		
Receivables	(18,741)	24,726
Payables	979	13,440
Deferred income	2,856,279	2,408,261
Net cash generated from operations	387,885	461,565
Income tax paid	(422)	(88)
Net cash from operating activities	387,463	461,477
Cash flows from investing activities		
Interest received	10,286	15,499
Purchase of equipment	(29,128)	(11,523)
(Placement)/uplift of fixed deposits placed with licensed bank	(214,823)	393,103
Proceeds from disposal of equipment	864	811
Net cash (used in)/from investing activities	(232,801)	397,890
Net increase in cash and cash equivalents	154,662	859,367
Cash and cash equivalents at the beginning of the financial year	1,358,633	499,266
Cash and cash equivalents at the end of the financial year	1,513,295	1,358,633
Analysis of cash and cash equivalents:		
Bank balances	817,678	1,289,663
Fixed deposits placed with licensed banks	910,440	68,970
	1,728,118	1,358,633
Less:		
Fixed deposits with maturity date above 3 months	(214,823)	-
	1,513,295	1,358,633

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Yayasan Generasi Gemilang ("the Yayasan") is incorporated and domiciled in Malaysia as a Yayasan limited by guarantee and does not have a share capital.

The registered office of the Yayasan is located at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Yayasan is located at 82A-1, Jalan PJU 1/3B, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Yayasan are to receive and administer funds for educational, charitable purposes and for the welfare of the public. There have been no significant changes in the nature of these principal 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 30 April 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Yayasan have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the 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 Yayasan had adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property

New IC Int

IC Int 22	Foreign Currency Transactions and Advance Consideration
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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 Yayasan, and did not result in significant changes to the Yayasan's existing accounting policies, except for those as discussed below.

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

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 statements 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 statements 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 Yayasan has not restated the comparative information, which continues to be reported under MFRS 139. The Yayasan 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 statement. Other than the enhanced new disclosures relating to financial instruments, which the Yayasan has complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statement of the Yayasan, except for those as discussed below.

(i) Classification and measurement

The following are the changes in the classification of the Yayasan's financial assets:

- Trade and other receivables, including refundable deposits 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 Yayasan had the following reclassifications as at 1 January 2018:

MFRS 139 measurement category	MFRS 9 measurement category
	Amortised Cost RM
Financial assets	
<i>Loans and receivables</i>	
Trade and other receivables	172,030
Fixed deposit	68,970
Cash and bank balances	1,289,663
	<hr/> 1,530,663 <hr/>

(ii) Impairment

In previous financial years, trade and other receivables are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivables ("incurred loss model"). Upon adoption of MFRS 9, the Yayasan is recording expected credit losses on all its trade and other receivables, either on a 12-month or lifetime basis.

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 Yayasan 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
<u>New MFRSs</u>		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of MFRSs	1 January 2021 [#]
MFRS 2	Share-based Payment	1 January 2020 [*]
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020 [*] / 1 January 2021 [#]
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/ 1 January 2021 [#]
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 [*] / 1 January 2021 [#]
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/ 1 January 2021 [#]
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred/ 1 January 2021 [#]
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 [*] / 1 January 2021 [#]
MFRS 138	Intangible Assets	1 January 2020 [*] / 1 January 2021 [#]
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 Yayasan 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
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC Int</u>		
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

- (a) The Yayasan 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 Yayasan as a lessee currently accounts for as operating leases. On adoption of this standard, the Yayasan will be required to capitalise its rented premises and equipment on the statement of financial position by recognising them as “rights-of-use” assets and their corresponding lease liabilities for the present value of future lease payments.

The Yayasan 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 its financial statements of that year. The Yayasan 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)

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.

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.

- (b) The Yayasan 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. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Yayasan's functional currency.

2.5 Basis of measurement

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

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 period. It also requires the trustees to exercise their judgement in the process of applying the Yayasan'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 area involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Equipment

(i) Recognition and measurement

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 3.4(b) to the financial statements.

All items of equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount only when it is probable that the future economic benefits associated with the item will flow to the Yayasan and the cost of the item can be reliably measured.

(ii) Subsequent costs

The cost of replacing a part of an item of 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 Yayasan and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Equipment (Continued)

(iii) Depreciation

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

	Useful lives
Furniture & fittings	3 years
Office equipment	3 years
Office renovation	3 years

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

(iv) Derecognition

An item of 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.

3.2 Financial instruments

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

Accounting policies applied from 1 January 2018

The financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Yayasan categorises the financial instruments as follows:

(a) Subsequent measurement

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in one category:

- Financial assets 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 Yayasan reclassifies its financial assets when and only when its business models for managing those assets change.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (Continued)

Accounting policies applied from 1 January 2018 (Continued)

(a) Subsequent measurement (Continued)

The Yayasan categorises the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Yayasan's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Yayasan classifies its debt instruments:

- **Amortised cost**

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 is in accordance with Note 3.4(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Yayasan classifies its financial liabilities in the following measurement category:

- Financial liabilities at amortised cost

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.2 **Financial instruments (Continued)**

Accounting policies applied from 1 January 2018 (Continued)

(b) Derecognition (Continued)

The Yayasan 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 Yayasan continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Yayasan also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Yayasan 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 Yayasan 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.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements 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

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (Continued)

Accounting policies applied until 31 December 2017 (Continued)

(a) Subsequent measurement

The Yayasan categorises the financial instruments as follows:

(i) Financial assets

Loans and receivables

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 3.4(a). Gains and losses are recognised in profit or loss through the amortisation process.

(ii) Financial liabilities

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

(b) 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 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.

(c) Offsetting of financial instruments

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

3.3 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Impairment of assets

(a) Impairment of financial assets and contract 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 Yayasan measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- 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 loss, the Yayasan consider 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 Yayasan's historical experience and informed credit assessment and including forward-looking information.

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

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

- the borrower is unable to pay its credit obligations to the Yayasan in full, without taking into account any credit enhancements held by the Yayasan; or
- the contractual payment of the financial asset is more than 90 days past due unless the Yayasan have 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 Yayasan are 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)

3.4 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

Accounting policies applied from 1 January 2018 (Continued)

At each reporting date, the Yayasan assesses whether financial assets carried at amortised cost are 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 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 Yayasan determine 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 Yayasan's procedure for recovery of amounts due.

Accounting policies applied until 31 December 2017

At each reporting date, all financial assets 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

Accounting policies applied until 31 December 2017 (Continued)

Loans and receivables

The Yayasan 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 Yayasan 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 period, 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 Yayasan. If a write-off is later recovered, the recovery is credited to the profit or loss.

(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 Yayasan make 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Impairment of assets (Continued)

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

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss. 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.

3.5 Employee benefits

(i) 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 Yayasan.

(ii) Defined contribution plans

As required by law, the Yayasan 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 period in which the employees render their services.

3.6 Income recognition

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

(i) Donations

Donations, which include unconditional promises to give, are recognised when received or when the Yayasan's rights to receive payment are established.

Restricted donations are contributions received with donor-imposed conditions. These are recognised as income when the conditions have been met, over the periods on a systematic basis to match the expenses that it is intended to compensate when incurred. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred income until the conditions are met.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Income recognition (Continued)

(ii) Program contributions

Program contributions are received with regards to programs and workshops conducted for schools, organisations and communities.

(iii) Interest income

Interest income is recognised using the effective interest method.

3.7 Income tax

Income tax expense 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.

(i) 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 financial year, and any adjustment to tax payable in respect of previous financial years.

(ii) 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 statements 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.

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 period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Deferred income

Deferred income includes amounts received for specific uses which the related expenditures have not been incurred. These amounts consist of corporate contributions and restricted donations.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

(i) Impairment of other receivables (Note 6)

The Yayasan assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Yayasan considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

5. EQUIPMENT

	Furniture & Fittings RM	Office Equipment RM	Office Renovation RM	Total RM
2018				
Cost				
At 1 January 2018	12,509	67,377	67,966	147,852
Additions	-	29,128	-	29,128
Disposal	-	(6,491)	-	(6,491)
At 31 December 2018	12,509	90,014	67,966	170,489
Accumulated depreciation				
At 1 January 2018	8,519	42,041	51,260	101,820
Depreciation for the financial year	3,342	18,365	15,938	37,645
Disposal	-	(5,627)	-	(5,627)
At 31 December 2018	11,861	54,779	67,198	133,838
Carrying amount				
At 1 January 2018	3,990	25,336	16,706	46,032
At 31 December 2018	648	35,235	768	36,651

6. OTHER RECEIVABLES

	2018 RM	2017 RM
Other receivables	101,319	93,152
Deposits	45,100	56,000
Prepayments	44,352	22,878
	<u>190,771</u>	<u>172,030</u>

7. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Fixed deposits matures within 1 to 6 months (2017: 3 months). The weighted average effective interest rate is 3.20% (2017: 3.00%) per annum.

8. OTHER PAYABLES

	2018 RM	2017 RM
Other payables	363	11,680
GST payable	-	15,047
Deposits	8,500	8,500
Accruals	86,109	58,766
	<u>94,972</u>	<u>93,993</u>

Other payables are interest-free and are normally settled on an average term of 30 days (2017: 30 days).

9. DEFERRED INCOME

	2018 RM	2017 RM
At 1 January	1,482,280	1,090,299
Received during the financial year	2,856,279	2,408,261
Recognised in profit or loss	(2,478,044)	(2,016,280)
At 31 December	<u>1,860,515</u>	<u>1,482,280</u>

Deferred income relates to corporate contributions and restricted donations received, where the conditions attached to the usage of the corporate contributions and donations are yet to be fulfilled as at the reporting date. These amounts will be recognised in profit and loss as and when expenses are incurred or, in some instances, refunded to the contributor should it remain unutilised.

10. INCOME

	2018 RM	2017 RM
Donations	3,539,591	3,503,888
Program contributions	353,528	326,892
	<u>3,893,119</u>	<u>3,830,780</u>

Donations consist of general and restricted donations received from individuals and from non-government entities including corporate bodies and non-profit organisations.

11. OTHER INCOME

	2018 RM	2017 RM
Interest income	10,286	15,499
Other income	-	9,916
	<u>10,286</u>	<u>25,415</u>

12. EXPENSES

	2018 RM	2017 RM
Charitable activities	3,287,633	3,214,860
Stakeholders relations management	164,833	171,030
Operating expenses	450,886	469,883
	<u>3,903,352</u>	<u>3,855,773</u>

13. SURPLUS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at surplus before tax:

	2018 RM	2017 RM
Auditors' remuneration		
- current year	9,075	8,250
- prior year	-	1,500
Depreciation on equipment	37,645	46,441
Office rental	132,900	169,200
Program expenses	1,253,249	1,182,177
Loss on disposal of equipment	-	54
Staff costs:		
- wages and salaries	1,973,541	1,998,453
- Employees' Provident Fund	246,750	249,992
- SOCSO	27,008	25,121
- other staff allowances	146,877	100,542
	<u></u>	<u></u>

14. INCOME TAX EXPENSE

	2018 RM	2017 RM
Income tax		
- current year	53	422
Income tax expense	<u>53</u>	<u>422</u>

The Yayasan is treated under Section 53A of the Income Tax Act 1967.

A reconciliation of income tax expense applicable to surplus before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Yayasan is as follows:

	2018 RM	2017 RM
Surplus before tax	<u>53</u>	<u>422</u>
Taxation at the applicable statutory tax rate of 0% to 28% (2017: 0% to 28%)	-	-
Tax effects arising from:		
- non-deductible expenses	1,048,776	1,031,690
- non-taxable income	(1,048,723)	(1,031,268)
Income tax expense	<u>53</u>	<u>422</u>

15. 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) Loan and receivables

(ii) Other financial liabilities

	Amortised cost RM
2018	
Financial assets	
Other receivables	190,771
Fixed deposits placed with licensed banks	910,440
Bank balances	817,678
	<u>1,918,889</u>
Financial liability	
Other payables*	<u>94,972</u>

15. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2017			
Financial assets			
Other receivables	172,030	-	172,030
Fixed deposits placed with licensed banks	68,970	-	68,970
Bank balances	1,289,663	-	1,289,663
	<u>1,530,663</u>	<u>-</u>	<u>1,530,663</u>
Financial liability			
Other payables*	-	78,946	78,946

* exclude GST payable

(b) Financial risk management

The Yayasan's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Yayasan's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Yayasan. The Yayasan does not trade in derivative instruments.

(i) Credit risk

Credit risk is the risk of financial loss to the Yayasan that may arise on outstanding financial instruments should a counterparty default on its obligations. The Yayasan is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions. The Yayasan has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Other receivables and other financial assets

For other receivables and other financial assets (cash and cash equivalents), the Yayasan minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Yayasan'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 Yayasan 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 Yayasan 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.

15. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(i) **Credit risk (Continued)**

Other receivables and other financial assets (Continued)

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.

For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Yayasan will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.4(a) for the Yayasan's other accounting policies for impairment of financial assets.

As at the reporting date, the Yayasan's maximum exposure to credit risk is represented by the carrying amounts recognised in the statement of financial position.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Yayasan will encounter difficulty in meeting financial obligations when they fall due. The Yayasan's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Yayasan's exposure to liquidity risk arises principally from other payables.

The Yayasan's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Yayasan maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Yayasan uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Yayasan's treasury department also ensures that there is sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

15. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

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

	On demand or within 1 year RM
2018	
Financial liability	
Other payables*	94,972
2017	
Financial liability	
Other payables*	78,946

*excludes GST payable

(c) Fair value measurement

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

(d) Fair value hierarchy

As the financial assets and liabilities of the Yayasan are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT BY TRUSTEE

Pursuant to Section 251(2) of the Companies Act 2016

We, **WONG KOON TATT** and **RODNEY KOH NGIAP TEIK**, being two of the trustees of **YAYASAN GENERASI GEMILANG**, do hereby state that in the opinion of the trustees, the accompanying financial statements are drawn up in accordance with 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 Yayasan as at 31 December 2018 and of its financial performance and cash flows for the financial year then ended.

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



.....
WONG KOON TATT
Chairman



.....
RODNEY KOH NGIAP TEIK
Trustee

Kuala Lumpur

Date: 30 April 2019

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATUTORY DECLARATION

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

I, **NGIAM WEI-LI**, being the officer primarily responsible for the financial management of **YAYASAN GENERASI GEMILANG**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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.



.....
NGIAM WEI-LI

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

Before me,



.....
Commissioner for Oaths

43, Leboh Ampang
50100 Kuala Lumpur

Company No. 1121213- V

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YAYASAN GENERASI GEMILANG ("THE YAYASAN")**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yayasan Generasi Gemilang ("the Yayasan"), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Yayasan for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 31.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under 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 Yayasan 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.

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA)
Chartered Accountants (AF 0117)
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Company No. 1121213- V

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In preparing the financial statements of the Yayasan, the trustees are responsible for assessing the Yayasan'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 Yayasan or to cease operations, or have no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Yayasan 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.

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

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

- identify and assess the risks of material misstatement of the financial statements of the Yayasan, 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 Yayasan'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 Yayasan'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 Yayasan 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 Yayasan to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Yayasan, including the disclosures, and whether the financial statements of the Yayasan represent 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. 1121213– V

Other Matters

This report is made solely to the members of the Yayasan, 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
LLP0019411-LCA & No. AF 0117
Chartered Accountants



Dato' Lock Peng Kuan
No. 02819/10/2020 J
Chartered Accountant

Kuala Lumpur

Date: 30 April 2019