YAYASAN GENERASI GEMILANG
201401045029 (1121213 – V)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Registration No. 201401045029 (1121213 – V)

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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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 2020.

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

	2020 RM
Surplus for the financial year	-

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 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:

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.

INDEMNITY TO TRUSTEES AND OFFICERS

During the financial year, there were no indemnity given to or insurance effected for any trustee and officer of the Yayasan.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event subsequent to the end of the financial year are disclosed in Note 19 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 16 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, 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 NGIAP TEIK
Trustee

Date: 30 April 2021

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Equipment	5	80,078	132,966
Right-of-use assets	6	403,977	470,826
Total non-current assets		484,055	603,792
Current assets			
Other receivables	7	99,750	109,489
Fixed deposits placed with a licensed bank	8	184,378	430,283
Bank balances		1,563,629	868,953
Total current assets		1,847,757	1,408,725
TOTAL ASSETS		2,331,812	2,012,517
EQUITY AND LIABILITIES			
Equity			
Accumulated funds		-	-
TOTAL EQUITY		-	-
Non-current liabilities			
Lease liabilities	9	286,561	348,559
Total non-current liabilities		286,561	348,559
Current liabilities			
Lease liabilities	9	138,607	135,197
Other payables	10	94,433	68,816
Deferred income	11	1,812,211	1,459,856
Current tax liabilities		-	89
Total current liabilities		2,045,251	1,663,958
TOTAL LIABILITIES		2,331,812	2,012,517
TOTAL EQUITY AND LIABILITIES		2,331,812	2,012,517

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 2020

	Note	2020 RM	2019 RM
Income	12	4,104,163	4,065,329
Other income	13	108,467	13,864
Expenses	14	(4,185,214)	(4,048,466)
Surplus from operations		27,416	30,727
Finance costs	15	(27,416)	(30,638)
Surplus before tax	16	-	89
Income tax expense	17	-	(89)
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 2020

	Accumulated funds RM
At 1 January 2019	-
Surplus for the financial year	-
At 31 December 2019	-
Surplus for the financial year	-
At 31 December 2020	-

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 2020

	Note	2020 RM	2019 RM
Cash flows from operating activities			
Surplus before tax		-	89
Adjustments for:			
Interest income		(6,134)	(13,339)
Amortisation of deferred income		(3,054,089)	(3,015,300)
Amortisation of right-of-use assets		139,245	140,692
Depreciation on equipment		66,808	68,017
Lease liabilities interest		27,416	30,638
COVID-19-related rent concession income		(14,310)	-
Operating loss before changes in working capital		(2,841,064)	(2,789,203)
Changes in working capital:			
Receivables		9,739	81,282
Payables		25,617	(26,156)
Deferred income		3,406,444	2,614,641
Net cash (used in)/generated from operations		600,736	(119,436)
Interest paid		(27,416)	(30,638)
Income tax paid		(89)	(53)
Net cash (used in)/from operating activities		573,231	(150,127)
Cash flows from investing activities			
Interest received		6,134	13,339
Purchase of equipment		(13,920)	(164,332)
Upliftment of fixed deposits placed with a licensed bank		-	214,823
Net cash from/(used in) investing activities		(7,786)	63,830
Cash flows from financing activity	(a)		
Payment of lease liabilities		(116,674)	(127,762)
Net cash used in financing activity		(116,674)	(127,762)
Net (decrease)/increase in cash and cash equivalents		448,771	(214,059)
Cash and cash equivalents at the beginning of the financial year		1,299,236	1,513,295
Cash and cash equivalents at the end of the financial year		1,748,007	1,299,236

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	Note	2020 RM	2019 RM
Analysis of cash and cash equivalents:			
Fixed deposits placed with a licensed bank		184,378	430,283
Bank balances		1,563,629	868,953
		1,748,007	1,299,236

(a) Reconciliation of liabilities arising from financing activity

Changes in liabilities arising from financing activity are changes arising from cash flows.

(b) Total cash outflows for leases

During the financial year, the Yayasan had total cash outflows for leases of RM166,290.

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 2021.

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 amendments/improvements to MFRSs

The Yayasan has adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

<u>Amendments/Improvements to MFRSs</u>	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 *Leases* issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs (Continued)

The adoption of the above amendments/improvements to MFRSs 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.

Amendment to MFRS 16 Leases

The Yayasan has early adopted the amendment to MFRS 16 that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus Disease ("COVID-19") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

The Yayasan elected the practical expedient not to assess whether a rent concession received from landlord is a lease modification. The effect of adoption of the above amendment is disclosed in Note 16 to the financial statements as rent concession income.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
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 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022^/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 116	Property, Plant and Equipment	1 January 2022/ 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 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Yayasan plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant amendments/improvements to MFRSs are summarised below.

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts, and MFRS 16 Leases

The Interest Rate Benchmark Reform – Phase 2amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Yayasan plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant amendments/improvements to MFRSs are summarised below. (Continued)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entitiy's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Yayasan's 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

(a) 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 3.5(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.

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

(b) 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.

(c) 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.

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

3.2 **Leases**

(a) **Definition of lease**

At inception of a contract, the Yayasan 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 Yayasan assesses whether:

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

(b) **Lessee accounting**

At the lease commencement date, the Yayasan 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 Yayasan presents right-of-use assets and lease liabilities as separate lines in the statement of financial position.

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.

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 Yayasan 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 3.5(b).

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

3.2 **Leases (Continued)**

(b) **Lessee accounting (Continued)**

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 Yayasan uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability may 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.

The Yayasan remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "expenses" in the statement of comprehensive income.

The Yayasan has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Leases (Continued)

(b) Lessee accounting (Continued)

Short-term leases and leases of low value assets

The Yayasan has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Yayasan 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.

3.3 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 instruments.

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.

(a) Subsequent measurement

The Yayasan categorises the financial instruments as follows:

(i) Financial assets

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

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

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

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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

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

(i) **Financial assets (Continued)**

Debt instruments (Continued)

- **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 3.5(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 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 has transferred control of the asset.

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 recognises 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.

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

3.3 **Financial instruments (Continued)**

(b) **Derecognition (Continued)**

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 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.

3.4 **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise 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.

3.5 **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 Yayasan 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment of assets (Continued)

(a) Impairment of financial assets (Continued)

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

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

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

At each reporting date, the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment of assets (Continued)

(a) Impairment of financial assets (Continued)

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 Yayasan 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 Yayasan'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 Yayasan makes an estimate of the asset's recoverable amount.

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

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

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the 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 asset's 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. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.6 **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 Yayasan.

(b) **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.

3.7 **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.

3.8 **Income recognition**

(a) **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 period on a systematic basis, to match the incurred expenses that it is intended to compensate. Amounts received in advance of satisfying the donor-imposed conditions are recognised as deferred income until the conditions are met.

(b) **Program contributions**

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

(c) **Interest income**

Interest income is recognised using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 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 period, and any adjustment to tax payable in respect of previous financial years.

(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 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, unused 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)**

3.9 **Income tax (Continued)**

(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.

3.10 **Fair value measurements**

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.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Yayasan 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 Yayasan 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 Yayasan recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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 amount recognised in the financial statements include the following:

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Yayasan uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Yayasan's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets. The Yayasan's historical credit loss experience and forecast of economic conditions may also not be representative of donor's actual default in the future.

The information about the impairment losses on the Yayasan's financial assets are disclosed in Note 18(b).

5. EQUIPMENT

	Note	Furniture & fittings RM	Office equipment RM	Office renovation RM	Total RM
2020					
Cost					
At 1 January 2020		30,051	98,729	206,041	334,821
Additions		-	13,920	-	13,920
At 31 December 2020		30,051	112,649	206,041	348,741
Accumulated depreciation					
At 1 January 2020		18,298	70,027	113,530	201,855
Depreciation charge for the financial year	16	5,789	15,454	45,565	66,808
At 31 December 2020		24,087	85,481	159,095	268,663
Carrying amount					
At 1 January 2020		11,753	28,702	92,511	132,966
At 31 December 2020		5,964	27,168	46,946	80,078

5. EQUIPMENT (CONTINUED)

	Note	Furniture & fittings RM	Office equipment RM	Office renovation RM	Total RM
2019					
Cost					
At 1 January 2019		12,509	90,014	67,966	170,489
Additions		17,542	8,715	138,075	164,332
At 31 December 2019		30,051	98,729	206,041	334,821
Accumulated depreciation					
At 1 January 2019		11,861	54,779	67,198	133,838
Depreciation charge for the financial year	16	6,437	15,248	46,332	68,017
At 31 December 2019		18,298	70,027	113,530	201,855
Carrying amount					
At 1 January 2019		648	35,235	768	36,651
At 31 December 2019		11,753	28,702	92,511	132,966

6. RIGHT-OF-USE ASSETS

The Yayasan leases several office premises for their office space and operation site.

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

	Note	Office premises RM
2020		
Cost		
At 1 January 2020		611,518
Additions		72,396
At 31 December 2020		683,914
Accumulated amortisation		
At 1 January 2020		140,692
Amortisation for the financial year	16	139,245
At 31 December 2020		279,937
Carrying amount		
At 1 January 2020		470,826
At 31 December 2020		403,977

6. RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Office premises RM
2019		
Cost		
At 1 January 2019/31 December 2019		611,518
Accumulated amortisation		
At 1 January 2019		-
Amortisation for the financial year	16	140,692
At 31 December 2019		140,692
Carrying amount		
At 31 December 2019		470,826

The leases for office space and operation site generally have lease term between 2 to 6 years.

Extension and termination options

All the lease contracts include extension and termination options. These options are negotiated by the Yayasan to provide flexibility in managing the leased-asset portfolio and align with the Yayasan's needs.

Restrictions

The Yayasan is restricted from assigning and subleasing the leased assets.

7. OTHER RECEIVABLES

	2020 RM	2019 RM
Other receivables	54,058	60,496
Deposits	42,500	45,100
Prepayments	3,192	3,893
	99,750	109,489

The information about the credit exposures are disclosed in Note 18(b)(i).

8. FIXED DEPOSITS PLACED WITH A LICENSED BANK

The fixed deposits bear interest at rates ranging from 1.55% to 3.2% (2019: 2.95% to 3.25%) per annum with maturity periods of one to three (2019: one to three) months.

9. LEASE LIABILITIES

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

	2020 RM	2019 RM
Minimum lease payments:		
Not later than one year	158,400	158,400
Later than one year and not later than 5 years	303,800	380,600
	462,200	539,000
Less: Future finance charges	(37,032)	(55,244)
Present value of minimum lease payments	425,168	483,756
Present value of minimum lease payments:		
Not later than one year	138,607	135,197
Later than one year and not later than 5 years	286,561	348,559
	425,168	483,756
Less: Amount due within 12 months	(138,607)	(135,197)
Amount due after 12 months	286,561	348,559

The average interest rate implicit in the leases is 5.67% (2019: 5.67%).

10. OTHER PAYABLES

	2020 RM	2019 RM
Other payables	5,247	-
Deposits	8,500	8,500
Accruals	80,686	60,316
	94,433	68,816

Other payables are non-interest bearing and have an average term of 30 days (2019: 30 days).

For explanations on the Yayasan's liquidity risk management processes, refer to Note 18(b)(ii).

11. DEFERRED INCOME

	2020 RM	2019 RM
At 1 January	1,459,856	1,860,515
Received during the financial year	3,406,444	2,614,641
Recognised in profit or loss	(3,054,089)	(3,015,300)
At 31 December	1,812,211	1,459,856

11. DEFERRED INCOME (CONTINUED)

Deferred income relates to corporate contributions and restricted donations received, whereby the conditions attached to the usage of the corporate contributions and restricted 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 contributors should it remain unutilised.

12. INCOME

	2020 RM	2019 RM
Donations	3,817,751	3,759,068
Program contributions	286,412	306,261
	4,104,163	4,065,329

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

13. OTHER INCOME

	2020 RM	2019 RM
Interest income	6,134	13,339
Other income	102,333	525
	108,467	13,864

The Yayasan received RM83,400 during the year under the PERKESO Wage Subsidy Program.

14. EXPENSES

	2020 RM	2019 RM
Charitable activities	3,409,517	3,376,942
Stakeholders relations management	169,087	154,672
Operating expenses	606,610	516,852
	4,185,214	4,048,466

15. FINANCE COSTS

	2020 RM	2019 RM
Interest expense on lease liabilities	27,416	30,638

16. SURPLUS BEFORE TAX

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

	Note	2020 RM	2019 RM
Auditors' remuneration			
- current year		8,400	8,635
- prior year		(235)	746
Amortisation of right-of-use assets	6	139,245	140,692
Depreciation on equipment	5	66,808	68,017
Employee benefits expense:			
- wages and salaries		2,083,337	1,993,449
- Employees' Provident Fund		258,981	251,289
- SOCSO		28,173	26,783
- other staff allowances		51,957	105,060
Expenses relating to:			
- lease of low value assets		6,000	6,000
- short-term lease		16,200	15,600
Interest expense on lease liabilities		27,416	30,638
Program expenses		1,524,682	1,415,830
COVID-19-related rent concession income		(14,310)	-

17. INCOME TAX EXPENSE

	2020 RM	2019 RM
Income tax expense		
- current year	-	89

The Yayasan is treated under Section 53A of the Income Tax Act 1967. The Yayasan is exempted from tax under Subsection 44(6) of the Income Tax Act 1967 from 1 June 2020 till 31 May 2025.

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

	2020 RM	2019 RM
Surplus before tax	-	89
Tax at the applicable statutory income tax rate of 0% to 28% (2019: 0% to 28%)	-	-
Tax effects arising from:		
- non-deductible expenses	-	1,099,800
- non-taxable income	-	(1,099,711)
Income tax expense	-	89

18. 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:

	Carrying amount RM	Amortised cost RM
At 31 December 2020		
Financial assets		
Other receivables*	96,558	96,558
Fixed deposits placed with a licensed bank	184,378	184,378
Bank balances	1,563,629	1,563,629
	1,844,565	1,844,565
Financial liabilities		
Lease liabilities	425,168	425,168
Other payables	94,433	94,433
	519,601	519,601
At 31 December 2019		
Financial assets		
Other receivables*	105,596	105,596
Fixed deposits placed with a licensed bank	430,283	430,283
Bank balances	868,953	868,953
	1,404,832	1,404,832
Financial liability		
Lease liabilities	483,756	483,756
Other payables	68,816	68,816
	552,572	552,572

* *exclude prepayments*

(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 optimise value for its stakeholders. The Yayasan does not trade in financial instruments.

18. **FINANCIAL INSTRUMENTS (CONTINUED)**

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

(i) **Credit risk**

Credit risk is the risk of financial loss to the Yayasan that may arises 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 (including 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 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 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.

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 Yayasan did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.5(a) for the Yayasan's other accounting policies for impairment of financial assets.

(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.

18. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

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

		Contractual cash flows		
	Carrying amount RM	**On demand or within one year RM**	**Between one to five years RM**	**Total RM**
At 31 December 2020				
Financial liabilities				
Lease liabilities	425,168	158,400	303,800	462,200
Other payables	94,433	94,433	-	94,433
	519,601	252,833	303,800	556,633
At 31 December 2019				
Financial liabilities				
Lease liabilities	483,756	158,400	380,600	539,000
Other payables	68,816	68,816	-	68,816
	552,572	227,216	380,600	607,816

(c) Fair value measurement

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

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.

19. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the 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 Yayasan has performed assessments on the overall impact of the situation on the Yayasan's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 December 2020.

Given the fluidity of the situation, the Yayasan is unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 December 2021 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Yayasan will continuously monitor any material changes to future economic conditions that will affect the Yayasan.

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT BY TRUSTEES
(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 set out on pages 5 to 35 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 2020 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 2021

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 as set out on pages 5 to 35 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 2021.

Before me,

PESURUHJAYA SUMPAH
W 761
HADINUR MOHD SYARIF
01/05/2019-31/12/2021
MALAYSIA

....
Commissioner for Oaths

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Registration No. 201401045029 (1121213 – V)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YAYASAN GENERASI GEMILANG
(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 2020, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Yayasan as at 31 December 2020, and of its financial performance and its 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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.

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 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 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.

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.

Other Matter

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
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2023 J
Chartered Accountant

Kuala Lumpur

Date: 30 April 2021