

COMPANY NO : 519853-D

**YAYASAN HASH HERITAGE**  
*(Incorporated in Malaysia)*

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2017**



ACCOUNTANTS · MANAGERS OF VALUE  
MEMBER FIRM OF  
MALAYSIAN INSTITUTE OF ACCOUNTANTS

*RAVINDRA KRISHNA & ASSOCIATES*

**CHARTERED ACCOUNTANTS, MALAYSIA**

**YAYASAN HASH HERITAGE**  
*(Incorporated in Malaysia)*

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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**CORPORATE INFORMATION**

INCORPORATION : COMPANY LIMITED BY GUARANTEE

DOMICILE : MALAYSIA

BOARD OF DIRECTORS : BERNARD KHOO CHONG PHOE  
CHEONG SENG CHOW  
CHOO YON KIT  
CHRISTOPHER MARTIN BOYD  
DAVID MICHAEL SETTEGREN  
LEONG PANG WAI  
NEIL CAMPBELL  
RUSSELL NEVIL ST.GEORGE JONES

COMPANY SECRETARY : ARUL KAANDAN A/L KANDASAMY  
(MAICSA 7014840)

REGISTERED OFFICE : NO. 26C JALAN WAWASAN AMPANG 2/3,  
BANDAR BARU AMPANG,  
68000 AMPANG,  
SELANGOR DARUL EHSAN.

PRINCIPAL PLACE OF BUSINESS : NO.3 JALAN BUDIMAN 11,  
TAMAN MULIA BANDAR TUN RAZAK,  
56000 KUALA LUMPUR.

AUDITORS : RAVINDRA KRISHNA & ASSOCIATES  
(Firm No: AF 1221)  
(CHARTERED ACCOUNTANTS, MALAYSIA)  
10-2-2, 2<sup>ND</sup> FLOOR,  
QUEEN'S AVENUE, BLOCK 10,  
JALAN BAYAM, CHERAS,  
55100 KUALA LUMPUR.

PRINCIPAL BANKER : PUBLIC BANK BERHAD

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**DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2017.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year are providing managing, preserving, research, publication, creating permanent exhibition, developing a focal point and enhancing the sport of hashing. There have been no significant changes in the nature of the principal activities of the Company during the financial year.

**RESULTS**

	<b>RM</b>
Loss for the year, net of tax	<u>(6,601)</u>

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

**DIRECTORS**

The Directors who have held office during the financial year until the date of this report are:-

BERNARD KHOO CHONG PHOE  
CHEONG SENG CHOW  
CHOO YON KIT  
CHRISTOPHER MARTIN BOYD  
DAVID MICHAEL SETTEGREN  
KANAGARATNAM A/L KARTHIGESU  
LEONG PANG WAI  
NEIL CAMPBELL  
RUSSELL NEVIL ST.GEORGE JONES

- Resigned on 24/06/2017

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**DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**INDEMNITY AND INSURANCE FOR DIRECTORS**

There were no indemnity given to or insurance effected for any Directors and Auditors of the Company in accordance with Section 289 of the Companies Act 2016.

**OTHER STATUTORY INFORMATION**

- (a) Before the financial statements of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting record of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of provision for doubtful debts inadequate to any material extent; or
  - (ii) which would render the values attributed to current assets in the financial statement of the Company misleading; or
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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**OTHER STATUTORY INFORMATION (CONTINUED)**

- (c) As the date of this report, there does not exist:
  - (i) any charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person; or
  - (ii) any contingent liabilities of the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet their obligations as and when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Company which would render any amount stated in the financial statements of the Company misleading.
- (f) In the opinion of the Directors:
  - (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

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**AUDITORS**

The auditors, Messrs. RAVINDRA KRISHNA & ASSOCIATES (Firm No: AF-1221), have indicated their willingness to continue in office.

**AUDITORS' REMUNERATION**

The auditors' remuneration is disclosed in note 13 to the financial statements.

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

  
.....  
CHOO YON KIT  
(Director)

  
.....  
LEONG PANG WAI  
(Director)

Kuala Lumpur, Malaysia.

Date: 07 JUN 2018

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**STATEMENT BY DIRECTORS**  
**(SECTION 251(2) OF THE COMPANIES ACT 2016)**

In the opinion of the Directors, the accompanying financial statements as set out on pages 12 to 27 are drawn up in accordance with Malaysian Financial Reporting Standards and the provisions of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance and cash flows of the Company for the financial year then ended.

On behalf of the Board,

  
.....  
CHOO YON KIT  
(Director)

  
.....  
LEONG PANG WAI  
(Director)

Kuala Lumpur, Malaysia.

Date: 07 JUN 2018

Company No: 519853-D

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**STATUTORY DECLARATION**  
**(SECTION 251(1) OF THE COMPANIES ACT 2016)**

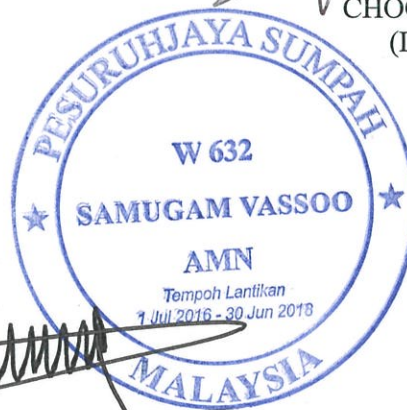
I, CHOO YON KIT, the officer primarily responsible for the financial management of **YAYASAN HASH HERITAGE** (Company No: 519853-D), do solemnly and sincerely declare that the financial statements as set out on pages 12 to 27 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by )  
CHOO YON KIT )  
NRIC NO: 491124-10-6403 )  
at Kuala Lumpur in the state of )  
Wilayah Persekutuan )  
on this **07 JUN 2018** )

  
.....  
CHOO YON KIT  
(Director)

Before me :

  
.....  
Commissioner for Oaths



No. 10-1, Jalan Bangsar Utama 1,  
Bangsar Utama,  
59000 Kuala Lumpur.



ACCOUNTANTS - MANAGERS OF VALUE  
MEMBER FIRM OF  
MALAYSIAN INSTITUTE OF ACCOUNTANTS

## **RAVINDRA KRISHNA & ASSOCIATES**

(CHARTERED ACCOUNTANTS, MALAYSIA)

(FIRM NO: AF 1221)

10-2-2, 2nd Floor, Queen's Avenue, Block 10, Jalan Bayam, Cheras, 55100 Kuala Lumpur

Tel: 03-9200 8475 Fax: 03-9200 7475 Email: ravin1022@gmail.com

NO. CBP : 000058408960

**DATO' RAVINDRAN KRISHNASAMY, DIMP  
CA(M), FCCA(UK) CPA(Aust). FCTIM, AIIA**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YAYASAN HASH HERITAGE**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of **YAYASAN HASH HERITAGE** (Company No: 519853-D), which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

##### **Basis for Opinion**

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

##### **Independence and Other Ethical Responsibilities**

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our Auditors' report thereon.

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

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

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

**Responsibility of the Directors for the Financial Statements**

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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**Other Matters**

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

*Ravindra Krishna Associates*

RAVINDRA KRISHNA & ASSOCIATES  
FIRM NO. AF 1221  
CHARTERED ACCOUNTANTS

*RA*

DATO' RAVINDRAN KRISHNASAMY  
APPROVAL NO. 01992/09/2019 J  
CHARTERED ACCOUNTANT

Kuala Lumpur, Malaysia

Date: 07 JUN 2018

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	NOTE	31-12-17 RM	31-12-16 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	6	500,704	495,645
Total non-current assets		500,704	495,645
<b>CURRENT ASSETS</b>			
Other receivables	7	2,000	2,000
Cash and cash equivalent	8	103,889	115,247
Current tax assets		1,327	1,327
Total current assets		107,216	118,574
<b>TOTAL ASSETS</b>		<b>607,920</b>	<b>614,219</b>
<b>EQUITY</b>			
Accumulated funds	9	36,574	43,175
Building funds	10	443,782	443,782
Total equity		480,356	486,957
<b>CURRENT LIABILITIES</b>			
Other payables	11	126,648	126,974
Current tax liabilities		916	288
Total current liabilities		127,564	127,262
Total liabilities		127,564	127,262
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>607,920</b>	<b>614,219</b>

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

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**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 RM	2016 RM
<b>Continuing operations:</b>			
Income	12	1,108	1,000
Cost of sales and direct expenses		-	-
Gross profit		<u>1,108</u>	<u>1,000</u>
Other operating income		-	-
Distribution expenses		-	-
Administrative expenses		(10,571)	(8,531)
Other operating expenses		-	-
Loss from operations	13	<u>(9,463)</u>	<u>(7,531)</u>
Finance cost		-	-
Investing income	14	3,490	1,518
Loss before tax		<u>(5,973)</u>	<u>(6,013)</u>
Tax expense	15	(628)	(513)
<b>Loss after tax attributable to owners</b>		<u><u>(6,601)</u></u>	<u><u>(6,526)</u></u>
<b>Other Comprehensive Income:</b>			
- Items that will not be recycled to profit or loss		-	-
- Items that may be recycled to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>		<u><u>-</u></u>	<u><u>-</u></u>
<b>Total comprehensive income for the year</b>		<u><u>(6,601)</u></u>	<u><u>(6,526)</u></u>

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

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	ACCUMULATED FUND RM	BUILDING FUND RM	TOTAL EQUITY RM
Balance as at 01 January 2017	43,175	443,782	486,957
Loss for the year	(6,601)	-	(6,601)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(6,601)	-	(6,601)
Transaction with equity holders	-	-	-
<b>Balance as at 31 December 2017</b>	<b>36,574</b>	<b>443,782</b>	<b>480,356</b>
Balance as at 01 January 2016	49,701	443,782	493,483
Loss for the year	(6,526)	-	(6,526)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(6,526)	-	(6,526)
Transaction with equity holders	-	-	-
<b>Balance as at 31 December 2016</b>	<b>43,175</b>	<b>443,782</b>	<b>486,957</b>

*The annexed notes form an integral part of this financial statements*

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 RM	2016 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(5,973)	(6,013)
Adjustment for :-			
Depreciation	6	6,492	6,492
Operating profit before working capital changes		519	479
Decrease in trade and other receivables		-	168
(Decrease) / increase in other payables		(326)	10,581
Cash flows from operations		193	11,228
Tax paid		-	(966)
Net cash inflow from operating activities		193	10,262
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(11,551)	(20,948)
Net cash outflow from investing activities		(11,551)	(20,948)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net decrease in cash and cash equivalents		-	-
		(11,358)	(10,686)
Cash and cash equivalents at 01 January		115,247	125,933
Cash and cash equivalents at 31 December	8	103,889	115,247

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

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**3. BASIS OF PREPARATION**

The financial statements of the Company have been prepared using cost-based models (that comprise historical cost, lower of cost and fair value less costs to sell and amortised cost bases), value in use basis and fair value models (that comprise fair value basis and fair value less costs to sell basis).

Management has used judgements, estimates and assumptions in recognising and measuring the reported amounts of assets and liabilities (including disclosures of contingent assets and contingent liabilities) at the end of the reporting period and the reported amounts of revenues and expenses during the reported period. As judgements and assumptions are applied in measurement, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Property, Plant and Equipment (PPE)**

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains controls of the assets. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

All other property, plant and equipment are depreciated on the basis of existence at year end by allocating the depreciable amount of a significant component or an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

	<b>Method</b>	<b>Useful life (Years)</b>
Building in progress	N/A	NIL
Leasehold land	Straight-line	100
Shelter	Straight-line	5

At the end of each reporting period, the residual values, useful lives and depreciation methods of the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

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**4.2 Impairment of Non-Financial Assets**

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

All cash-generating units and for stand-alone non-financial assets, an impairment testing is performed only if there is any indication of adverse conditions, evidenced by either external or internal sources of information.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best information available. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss. For an asset carried at revalued amount, any impairment loss is treated as a revaluation decrease in accordance with the applicable MFRSs.

For a cash-generating unit, any impairment loss is allocated to the other assets of the units pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed that amount that would have been determined had no impairment loss been recognised previously. For an asset carried at revalued amount, any reversal is recognised in profit or loss to the extent that it reverses the amount previously recognised as an expense in profit or loss, net of any depreciation or amortisation that would have been charged had no impairment loss been recognised previously, and the balance is recognised in other comprehensive and accumulated in an asset revaluation reserve in equity.

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**4.3 Financial Instrument**

**a) Initial Recognition and Measurement**

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instrument measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

**b) Derecognition of Financial Instrument**

A financial asset is derecognised when, only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

**c) Subsequent Measurement of Financial Assets**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss; (ii) financial assets at amortised cost

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.3(g).

**d) Subsequent Measurement of Financial Liabilities**

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

**e) Fair Value Measurement of Financial Instruments**

The fair value of a financial asset or a financial liability is determined in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

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**f) Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial assets or liability is derecognised or impaired, and through the amortisation process of the instrument.

**g) Impairment and Uncollectibility of Financial Assets**

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial assets or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market condition.

**4.4 Tax Assets and Tax Liabilities**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

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A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability affects neither accounting profit nor taxable profit (or tax loss). The exception for the initial recognition differences include items of property, land and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset affect neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is 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 assets to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

#### **4.5 Provisions**

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counterparty (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

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A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation.

For an onerous contract, provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgments made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

**4.6 Revenue Recognition and Measurement**

The Company measures revenue from a service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any discounts and volume rebates given in a service transaction.

**5. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY**

**5.1 Judgements and Assumptions Applied**

In the selection of accounting policies for the Company, the areas that require significant judgements and assumption are in: (a) Classification of financial Assets; and (b) the determining the functional currency; and (c) contingent liabilities.

**a) Classification of Financial Assets**

Judgement is applied in determining the classification of each investment at the date of purchase on the basis of the Company business model objectives.

**b) Determining the Functional Currency**

Judgement is applied in determining the functional currency to conduct sales, purchase and other transactions.

**c) Contingent Liabilities**

The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

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**5.2 Estimation Uncertainty**

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimations uncertainties of the Company are in measuring: (a) provisions; (b) value-in-use of non-financial assets in impairment testing; (c) loss allowances of financial assets; and (d) depreciation of property, plant and equipment; and (e) impairment of receivables.

**a) Measurement of a Provision**

The Company uses a “best estimate” as the basis for measuring a provision. Management evaluates the estimates based on the Company’s historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a reference contractor’s price or market price is used as the best estimate.

If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made. The actual outcome may differ from the estimate made and this may have a significant effect on the Company’s financial position and results.

**b) Determining the Value-in-Use**

In determining the value-in-use of a stand-alone assets or a cash-generating unit, management uses reasonable and supportable inputs about sales, cost of sales and other expenses based upon past experiences, current events and reasonably possible future developments. Cash flows are projected based on those inputs and discounted at an appropriate discount rate(s). The actual outcome or event may not coincide with the inputs or assumptions and the discount rate applied in the measurement, and this may have a significant effect on the Company’s financial position and results.

**c) Loss Allowances of Financial Assets**

The Company recognises impairment losses for loan and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All other loans and receivables are categorised into credit risk classes and tested for impairment collectively, using the Company’s past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and this may affect the Company’s financial position and result.

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**d) Depreciation of Property, Plant and Equipment**

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

**e) Impairment of Receivables**

The Company makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, current economic trends and changes in payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

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**6. PROPERTY, PLANT AND EQUIPMENT**

	Building in progress		Computer		Leasehold Land		Shelter		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>At cost</b>										
As at 01 January 2016	449,680	3,600	6,526	64,267	524,073					
Acquisition	20,948	-	-	-	20,948					
Disposal / written off / eliminated	-	(3,600)	-	-	(3,600)					
As at 31 December 2016 / 01 January 2017	470,628	-	6,526	64,267	541,421					
Acquisition	11,551	-	-	-	11,551					
Disposal / written off / eliminated	-	-	-	-	-					
As at 31 December 2017	482,179	-	6,526	64,267	552,972					
<b>Accumulated depreciation</b>										
As at 01 January 2016	-	(3,600)	(723)	(38,561)	(42,884)					
Depreciation charges for the year	-	-	(65)	(6,427)	(6,492)					
Disposal / written off / eliminated	-	3,600	-	-	3,600					
As at 31 December 2016 / 01 January 2017	-	-	(788)	(44,988)	(45,776)					
Depreciation charges for the year	-	-	(65)	(6,427)	(6,492)					
Disposal / written off / eliminated	-	-	-	-	-					
As at 31 December 2017	-	-	(853)	(51,415)	(52,268)					
<b>Carrying amount</b>										
As at 31 December 2016	470,628	-	5,738	19,279	495,645					
As at 31 December 2017	482,179	-	5,673	12,852	500,704					

Note :

- 1) Fully depreciated property, plant & equipment have been eliminated from cost and accumulated depreciation as at 31 December 2017.
- 2) An acre of land located next to Jalan Abang Haji Openg, Taman Tun Dr. Ismail, Mukim of Kuala Lumpur was alienated to the Yayasan by Dewan Bandaraya, Wilayah Persekutuan, for a nominal consideration RM 1,000.

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**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

(a) Property, plant and equipment purchased on cash terms :

	2017 RM	2016 RM
Purchase of property, plant and equipment	11,551	20,948
Cash payments on purchase of property, plant and equipment	11,551	20,948

**7. OTHER RECEIVABLES**

	2017 RM	2016 RM
Sundry	2,000	2,000
	2,000	2,000

**8. CASH AND CASH EQUIVALENTS**

	2017 RM	2016 RM
Cash in hand	89	89
Bank balance	7,261	22,109
Fixed deposit	96,539	93,049
As per statement of cash flows	103,889	115,247

The Company's cash management policy is to use cash , bank balances and fixed deposit to manage cash flows to ensure sufficient liquidity to meet the Company's obligations.

**9. ACCUMULATED FUNDS**

	2017 RM	2016 RM
Balance brought forward	43,175	49,701
Deficit for the year	(6,601)	(6,526)
Balance carried forward	36,574	43,175

**10. BUILDING FUNDS**

	2017 RM	2016 RM
Balance brought forward	443,782	443,782
Balance carried forward	443,782	443,782

**11. OTHER PAYABLES**

	2017 RM	2016 RM
Accruals	1,520	1,520
Sundry	125,128	125,454
	126,648	126,974

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**12. INCOME**

	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Trusteeship fee	1,108	1,000
	<u>1,108</u>	<u>1,000</u>

**13. LOSS FROM OPERATIONS**

	<b>NOTE</b>	<b>2017</b>	<b>2016</b>
		<b>RM</b>	<b>RM</b>
Loss from operations before tax has been arrived at :			
<i>After charging:</i>			
Auditors' remuneration		850	850
Property, plant & equipment - Depreciation	6	6,492	6,492
		<u>6,492</u>	<u>6,492</u>

**14. INVESTMENT INCOME**

	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Interest on fixed deposits	3,490	1,518
	<u>3,490</u>	<u>1,518</u>

**15. TAX EXPENSE**

	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Provision	628	288
Penalty	-	225
	<u>628</u>	<u>513</u>

The significant differences between the tax expense and accounting loss multiplied by the statutory rate are due to the tax effects arising from the following items:

	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Loss before taxation	(5,973)	(6,013)
Taxation at Malaysian Statutory		
Income tax rate of 18% /19%	(1075)	(1,142)
Non business income	628	288
Expenses not deductible for tax	1,169	1,233
Deferred tax assets not recognised	(94)	(91)
Penalty	-	225
Tax charges for the year	<u>628</u>	<u>513</u>

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