Registration No: 199801016929 (473058-T)

Global Environment Centre

(Incorporated in Malaysia and Limited by Guarantee)

Reports and financial statements for the year ended 31 December 2019

Registration No: 199801016929 (473058-T)

Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Reports and financial statements for the year ended 31 December 2019

Contents

Global Environment Centre

(Incorporated in Malaysia and Limited by Guarantee)

Board Members' Report for the year ended 31 December 2019

The Board Members hereby submit their report together with the audited financial statements of the Centre for the financial year ended 31 December 2019.

Principal activities

The Centre is established to receive and administer funds for charitable, educational scientific and research purposes, all for the well being of humankind and other inhabitants of the globe and not conducted primarily for profit. The main objectives include the promotion and support activities relating to the protection of the global environment, organising workshops, creating awareness, providing training, facilitating projects and preparing projects and policy papers thereto. There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Surplus for the year	844,079

Reserves and provisions

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

Board Members

The Board Members of the Centre who served during the financial year until the date of this report are:

Zainudin bin Ismail
Mohd Ali bin Hashim

They are also the members of the Centre.

Board Members' benefits

In respect of the Board Members or past Board Members of the Centre, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Centre.

Since the end of the previous financial year, no Board Member has received or become entitled to receive a benefit by reason of a contract made by the Centre with the Board Member or with a firm of which the Board Member is a member or with a company in which the Board Member has a substantial financial interest.

Board Members' benefits (continued)

Neither during nor at the end of the financial year was the Centre a party to any arrangement whose object was to enable the Board Members to acquire benefits by means of the acquisition of shares in, or debentures of, the Centre or any other body corporate.

Other statutory information

Before the financial statements of the Centre were prepared, the Board Members took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount to which they might be expected so to realise.

At the date of this report, the Board Members are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Centre inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Centre misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Centre misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Board Members:

(a) the results of the Centre's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no contingent or other liability of the Centre 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 Centre to meet its obligations when they fall due.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Board Members, would affect substantially the results of the operations of the Centre for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Centre which secures the liability of any other person nor has any contingent liability arisen in the Centre.

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Global Environment Centre

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Auditors

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 15 to the financial statements.

Signed by the Board Members in accordance with a resolution of the Board dated 12 June 2020.

Zainudin bin Ismail
Board Member

Mohd Ali bin Hashim
Board Member

Petaling Jaya

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Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Statement by Board Members
Pursuant to Section 251(2) of the Companies Act 2016

We, Zainudin bin Ismail and Mohd Ali bin Hashim, being the Board Members of Global Environment Centre, do hereby state that, in the opinion of the Board, the accompanying financial statements set out on pages 8 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 Centre as at 31 December 2019 and of its financial performance and cash flows for the year then ended.

Signed by the Board Members in accordance with a resolution of the Board dated 12 June 2020.

Zainudin bin Ismail
Board Member

Mohd Ali bin Hashim
Board Member

Petaling Jaya

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

I, Faizal Parish bin Abdullah, being the Officer primarily responsible for the financial management of Global Environment Centre, do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 35 are in my opinion 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.

Subscribed and solemnly declared by
the above named Faizal Parish bin Abdullah
at Puchong in the state of Selangor
on 12 June 2020

Faizal Parish bin Abdullah
Officer

Before me,

PESURUHJAYA SUMPAH
No: B195
Nama: NG SAY JIN
1 Jan 2019 - 31 Dis 2021
MALAYSIA
No. C-2-45, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong Selangor

Nexia SSY PLT
(LLP0019490-LCA & AF 002009)
Chartered Accountants
UOA Business Park
Tower 3, 5th Floor, K03-05-08
1 Jalan Pengaturcara U1/51A
Section U1, 40150 Shah Alam
Selangor Darul Ehsan, Malaysia
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Independent Auditors' Report to the Members of Global Environment Centre

Registration No: 199801016929 (473058-T)
(Incorporated in Malaysia and Limited by Guarantee)

Report on the Financial Statements

Opinion

We have audited the financial statements of Global Environment Centre, which comprise the statement of financial position as at 31 December 2019, and statement of 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 and other explanatory information, as set out on pages 8 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Centre as at 31 December 2019 and of their financial performance and their 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 of 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 of our opinion

Independence and Other Ethical Responsibilities

We are independent of the Centre 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.

Information Other than the Financial Statements and Auditors' Report thereon

The Board Members of the Centre are responsible for the other information. The other information comprises the Board Members' Report but does not include the financial statements of the Centre and our auditors' report thereon.

Our opinion on the financial statements of the Centre does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Members of Global Environment Centre (continued)

Registration No: 199801016929 (473058-T)
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Report on the Financial Statements

The Board Members of the Centre are responsible for the preparation of financial statements of the Centre 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 Board Members are also responsible for such internal control as the Board Members determine is necessary to enable the preparation of financial statements of the Centre that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Centre, the Board Members are responsible for assessing the Centre'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 Board Members either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Centre, 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 Centre's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.

- Conclude on the appropriateness of the Board Members' 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 Centre'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 Centre 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 of the Centre to cease to continue as a going concern.

Independent Auditors' Report to the Members of Global Environment Centre (continued)

Registration No: 199801016929 (473058-T)
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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Centre, including the disclosures, and whether the financial statements of the Centre represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members 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 Matters

This report is made solely to the Members of the Centre, 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.

Nexia SSY PLT
LLP0019490-LCA & AF 002009
Chartered Accountants

Yong Yoon Shing
No. 00633/03/2021 J
Partner

Shah Alam
12 June 2020

Registration No: 199801016929 (473058-T)

Global Environment Centre

(Incorporated in Malaysia and Limited by Guarantee)

Statement of Financial Position as at 31 December 2019

	Note	2019	2018
		RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment	6	**579,005**	502,704
Right-of-use assets	7	**65,424**	-
Investments	8	**2,013,488**	1,915,220
		2,657,917	2,417,924
Current assets			
Project grants receivables	9	**728,160**	978,941
Other receivables, deposits and prepayments	10	**127,201**	126,966
Fixed deposits with a licensed bank	11	**4,204,371**	3,428,706
Cash and bank balances		**1,953,526**	907,759
		7,013,258	5,442,372
TOTAL ASSETS		**9,671,175**	7,860,296
EQUITY AND LIABILITIES			
Reserves			
Accumulated fund		**6,194,017**	5,349,938
TOTAL EQUITY		**6,194,017**	5,349,938
Non-current liabilities			
Lease liabilities	17	**10,776**	-
		10,776	-
Current liabilities			
Project grants in advance	13	**3,222,663**	2,468,892
Other payables and accruals	14	**187,678**	11,000
Finance lease payables	12	**-**	30,466
Lease liabilities	17	**56,041**	-
		3,466,382	2,510,358
TOTAL LIABILITIES		**3,477,158**	2,510,358
TOTAL EQUITY AND LIABILITIES		**9,671,175**	7,860,296

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

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Global Environment Centre
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Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 RM	2018 RM
Income		**8,232,246**	8,537,216
Other operating income		**294,613**	166,363
Programme and operating expenses		**(7,676,878)**	(7,618,166)
Surplus from operations		**849,981**	1,085,413
Finance costs		**(5,902)**	(2,606)
Surplus before taxation	15	**844,079**	1,082,807
Taxation	16	**-**	-
Surplus for the year		**844,079**	1,082,807

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

Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Statement of Changes in Equity
for the year ended 31 December 2019

	Accumulated fund RM
At 1 January 2019	**5,349,938**
Surplus for the year	**844,079**
At 31 December 2019	**6,194,017**
At 1 January 2018	4,267,131
Surplus for the year	1,082,807
At 31 December 2018	5,349,938

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

Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Statement of Cash Flows
for the year ended 31 December 2019

	2019 RM	2018 RM
Cash flows from operating activities		
Surplus before taxation	**844,079**	1,082,807
Adjustments for:		
Depreciation of property, plant and equipment	**185,523**	158,953
Depreciation of right-of-use assets	**105,448**	-
Finance lease interest	**7**	2,606
Interest on lease liabilities	**5,895**	-
Impairment loss on investment	**(79,769)**	144,777
Interest income	**(164,505)**	(133,255)
Gain on disposal of property, plant and equipment	**(37,827)**	-
Unrealised loss on foreign exchange	**6,719**	-
Operating surplus before working capital changes	**865,570**	1,255,888
Decrease in project grants receivables	**244,062**	122,670
(Increase)/decrease in other receivables, deposits and prepayments	**(235)**	22,738
Increase/(decrease) in project grants in advance	**753,771**	(65,764)
Increase/(decrease) in other payables and accruals	**176,678**	(63,704)
Net cash generated from operating activities	**2,039,846**	1,271,828
Cash flows from investing activities		
Purchase of property, plant and equipment	**(292,621)**	(261,536)
Interest received	**163,130**	133,255
Proceeds from disposal of property, plant and equipment	**68,625**	-
Right-of-use assets created	**(170,872)**	-
Acquisition of investments	**(18,499)**	(500,000)
Net cash used in investing activities	**(250,237)**	(628,281)
Cash flows from financing activities		
Repayment of finance lease payables	**(30,466)**	(43,858)
Lease liabilities created	**170,872**	-
Finance lease interest	**(5,902)**	(2,606)
Repayment of lease liabilities	**(104,057)**	-
Net cash generated from/(used in) financing activities	**30,447**	(46,464)
Net increase in cash and cash equivalents	**1,820,056**	597,083
Cash and cash equivalents at beginning of the year	**4,336,465**	3,739,382
Cash and cash equivalents at end of the year	**6,156,521**	4,336,465

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

Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Statement of Cash Flows
for the year ended 31 December 2019 (continued)

	2019	2018
	RM	RM
Cash and cash equivalents comprise:		
Cash in hand	**7,500**	6,500
Cash at bank	**1,533,128**	901,259
Fixed deposits with a licensed bank	**4,615,893**	3,428,706
	6,156,521	4,336,465
Currency profile of cash and cash equivalents is as follows:		
Euro	**20,418**	21,136
United States Dollar	**1,058,623**	222,807
Malaysian Ringgit	**5,073,482**	4,091,859
Indonesian Rupiah	**4,098**	663
	6,156,521	4,336,465

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

Global Environment Centre
(Incorporated in Malaysia and Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 December 2019

1. Corporate information

The Centre is a public company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office of the Centre is located at Level 6, Menara Uni.Asia, 1008, Jalan Sultan Ismail, 50350 Kuala Lumpur.

The principal place of business of the Centre is located at 2nd Floor, Wisma Hing, No. 76-78, Jalan SS 2/72, 47300 Petaling Jaya, Selangor.

The Centre is established to receive and administer funds for charitable, educational scientific and research purposes, all for the well being of humankind and other inhabitants of the globe and not conducted primarily for profit. The main objectives include the promotion and support activities relating to the protection of the global environment, organising workshops, creating awareness, providing training, facilitating projects and preparing projects and policy papers thereto. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Centre at the end of the financial year was 39 (2018: 38).

The financial statements were authorised for issue by the Board in accordance with a resolution of the Board Members on 12 June 2020.

2. Basis of preparation of the financial statements

The financial statements comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Centre have been prepared using cost and fair value bases unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Board Members to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computers	20%
Motor vehicle	20%
Office equipment	15%
Furniture and fittings	15%
Field equipment	15%
Office renovation	30%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the year the property, plant and equipment is derecognised.

(b) Project grants receivables

Project grants receivables represent grants pledged by various organisations and are recognised and carried at original invoiced amount.

(c) Project grants in advance

Project grants in advance are in respect of portions of grants received which are allocated or carried forward for expenditure in future financial periods according to the terms and conditions of the grants.

3. Significant accounting policies (continued)

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts on a review of all outstanding amounts at the financial year end.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Payables

Payables are stated at cost, which the fair value of the consideration to be paid in the future for goods and services received.

(g) Provision for liabilities

Provision for liabilities is recognised when the Centre has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements 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 (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company 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 assets are consumed.

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 Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statement of financial position.

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

3. Significant accounting policies (continued)

(h) Leases (continued)

The Company 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 significant event or change in circumstances resulting in 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 an unchanged 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 based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 16 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy.

(i) Income recognition

Income of the Centre represents grants received or due and amounts received or due for services rendered and other income is recognised on cash receipt basis.

3. Significant accounting policies (continued)

(j) Employee benefits

i Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Centre. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Centre pays fixed contributions into separate entities or funds and will have no legal or construction obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, the Centre makes contributions to the statutory provident fund, the Employees Provident Fund. Such contributions are recognised as an expense in profit and loss in the period as incurred.

iii Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Centre recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the financial year end are discounted to present value.

(k) Foreign currencies

Foreign currency transactions

In preparing the financial statements of the Centre, transactions in currencies other than the Centre's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at the financial year end.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

3. Significant accounting policies (continued)

(k) Foreign currencies (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Foreign currency transactions (continued)

The principal closing rates used in translation of foreign currency amounts are as follows:

	2019	2018
	RM	RM
1 Euro (EUR)	**4.5852**	4.7279
1 United States Dollar (USD)	**4.0925**	4.1360
100 Indonesian Rupiah (IDR)	**0.0295**	0.0288

(l) Impairment of assets

The carrying amounts of assets, other than investment property, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Centre's CGUs, or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Centre are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell 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.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down 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.

3. Significant accounting policies (continued)

(l) Impairment of assets (continued)

An impairment loss is recognised in profit and loss in the period in which it arises, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill 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. Impairment loss on goodwill is not reversed in a subsequent period.

(m) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instruments classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Centre has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statement of financial position when the Centre becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'. Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial assets (continued)

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

i Financial assets at 'fair value through profit or loss'

Financial assets are classified as financial assets at 'fair value through profit or loss' when the financial assets are either 'held for trading', or upon initial recognition, financial assets are designated as financial assets at 'fair value through profit or loss'.

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

Financial assets (other than 'held for trading') are designated as financial assets at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases; or
- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as financial assets at 'fair value through profit or loss'.

After initial recognition, financial assets at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

ii 'Held-to-maturity' investments

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Centre has the positive intention and ability to hold the investments to maturity.

After initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial assets (continued)

iii Loans and receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

iv 'Available-for-sale' financial assets

Financial assets are classified as 'available-for-sale' financial assets when the financial assets are either designated as such upon initial recognition or are not classified in any of the three preceding categories.

Investment in quoted equity and debt instruments that are traded in active market and certain unquoted equity instruments (when the fair value can be determined using a valuation technique) are classified as 'available-for-sale' financial assets. 'Available-for-sale' financial assets are measured at fair value.

Gains or losses on 'available-for-sale' financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses on monetary instruments, until the 'available-for-sale' financial assets are derecognised.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial assets is derecognized.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on 'available-for-sale' equity instruments are recognised in profit or loss when the Centre's right to receive payment is established.

v Investment in unquoted equity instruments carried at cost

Investment in equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such an unquoted equity instruments, are measured at cost less any accumulated impairment losses.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial assets (continued)

vi Reclassifications of financial assets

The Centre does not reclassify derivative out of the financial assets at 'fair value through profit or loss' category while they are held or in issue. Equally, the Centre does not reclassify other financial assets out of the financial assets at 'fair value through profit or loss' category if upon initial recognition, those financial assets were designated as financial assets at 'fair value through profit or loss'. Other financial assets are not reclassified into the financial assets at 'fair value through profit or loss' category after initial recognition under another category.

When it is no longer appropriate to classify an investment as 'held-to-maturity' as a result of a change in intention and ability, the investment is reclassified as held for sale and re-measured at fair value. Any difference between the carrying amount and fair value of the investment is recognised in other comprehensive income.

vii Impairment of financial assets

At the end of each financial year, the Centre assesses whether there is any objective evidence that financial assets held, other than financial assets at 'fair value through profit or loss', are impaired.

Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For investment in equity instruments classified as 'available-for-sale', financial assets, objective evidence that the financial assets are impaired include the disappearance of an active trading market for the financial assets because of, significant financial difficulties, and a significant and/or prolonged decline of the market price below the cost.

For other financial assets, objective evidence could include:

- significant financial difficulty of the issuer; or
- default or significant delay in payments and delinquency in interest or principal payments; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial assets (continued)

vii Impairment of financial assets (continued)

Impairment losses, in respect of 'held-to-maturity' investments carried at amortised cost are measured as the differences between the assets' carrying amounts and the present values of their estimated future cash flows discounted at the 'held-to-maturity' investments' original effective interest rate.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment. Objective evidence of impairment for a portfolio of receivables could include the Centre's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade and other receivables, and staff loan receivables which are reduced through the use of an allowance account, and when these becomes uncollectible. Any impairment loss is recognised in profit or loss immediately.

If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

For 'available-for-sale' financial assets, if a decline in fair value has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative losses that have been recognised are reclassified to profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as 'available-for-sale' financial assets are not reversed through profit or loss. If the fair value of a debt instrument classified as an 'available-for-sale' financial asset subsequently increases, and the increase can be objectively related to an event occurring after the impairment losses were recognised in profit or loss, the impairment losses are reversed and recognised in profit or loss.

viii Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Centre transfers the financial assets and the transfer qualifies for derecognition.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial assets (continued)

viii Impairment of financial assets (continued)

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Centre becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'. After initial recognition, financial liabilities are either classified as financial liabilities at 'fair value through profit or loss' or amortised cost using the effective interest method.

i Financial liabilities at 'fair value through profit or loss'

Financial liabilities are classified as financial liabilities at 'fair value through profit or loss' when the financial liabilities are either 'held for trading' or upon initial recognition, the financial liabilities are designated as at 'fair value through profit or loss'.

A financial liability is classified as 'held for trading' if:

- it is incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities (other than 'held for trading') are designated as financial liabilities at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as financial liabilities at 'fair value through profit or loss'.

After initial recognition, financial liabilities at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial liabilities at 'fair value through profit or loss' are recognised in profit or loss.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Financial liabilities (continued)

ii Financial liabilities at amortised cost using the effective interest method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities.

After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

iii Derecognition of financial assets

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(n) Investments

Investments in non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Members, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Investments in unit trust and quoted investments, are stated at fair value.

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements except for MFRS 16:

Title		Effective Date
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3:	Business Combinations	1 January 2019
Amendments to MFRS 11:	Joint Arrangements	1 January 2019
Amendments to MFRS 112:	Income Taxes	1 January 2019
Amendments to MFRS 119:	Employee Benefits	1 January 2019
Amendments to MFRS 123:	Borrowings Costs	1 January 2019
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	1 January 2019
IC Interpretation 23:	Uncertainty over Income Tax Treatments	1 January 2019

The Company adopted MFRS 16 Leases on 1 January 2019. MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

MFRSs that have been issued but only effective for financial period beginning on 1 January 2020 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 3:	Business Combinations	1 January 2020
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2020
Amendments to MFRS 9:	Financial Instruments	1 January 2020
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 139:	Financial Instruments: Recognition and measurement	1 January 2020
MFRS 17:	Insurance Contracts	1 January 2021
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

5. Significant accounting estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Depreciation of property, plant and equipment

The Centre depreciates the property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method. The estimated useful lives applied by the Centre as disclosed in Note 3(a) reflect the Board Members' estimates of the periods that the Centre expects to derive future economic benefits from the use of the Centre's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of property, plant and equipment

The Centre carried out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Centre to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Loss allowances for financial assets

The Centre recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Centre's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Centre's financial position and result.

(d) Income tax

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Significant accounting estimates (continued)

Key sources of estimation uncertainty (continued)

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised capital allowances, unutilised reinvestment allowances and unabsorbed tax losses to the extent that it is probable that taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(f) Fair value estimates of certain financial instruments

The Centre carries certain financial assets and liabilities at fair value, which required extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value will differ if the Centre uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit or loss/equity.

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6. Property, plant and equipment

	Furniture and fittings RM	Office equipment RM	Computers RM	Field equipment RM	Office renovation RM	Motor vehicles RM	Total RM
Carrying amount							
At 1 January 2019	**30,609**	**17,908**	**171,524**	**119,148**	**23,747**	**139,768**	**502,704**
Additions	**2,829**	**15,342**	**145,485**	**26,572**	**-**	**102,393**	**292,621**
Disposal	**-**	**(899)**	**-**	**(9,109)**	**-**	**(20,789)**	**(30,797)**
Depreciation charge	**(8,601)**	**(5,512)**	**(66,260)**	**(32,730)**	**(8,358)**	**(64,062)**	**(185,523)**
At 31 December 2019	**24,837**	**26,839**	**250,749**	**103,881**	**15,389**	**157,310**	**579,005**
At 31 December 2019							
Cost	**99,517**	**106,947**	**898,389**	**318,361**	**43,420**	**431,260**	**1,897,894**
Accumulated depreciation	**(74,680)**	**(80,108)**	**(647,640)**	**(214,480)**	**(28,031)**	**(273,950)**	**(1,318,889)**
Carrying amount	**24,837**	**26,839**	**250,749**	**103,881**	**15,389**	**157,310**	**579,005**
At 31 December 2018							
Cost	96,688	92,504	752,904	303,414	43,420	385,867	1,674,797
Accumulated depreciation	(66,079)	(74,596)	(581,380)	(184,266)	(19,673)	(246,099)	(1,172,093)
Carrying amount	30,609	17,908	171,524	119,148	23,747	139,768	502,704
Depreciation charge - 2018	8,021	4,627	57,735	33,483	4,118	50,969	158,953

7. Right-of-use assets

	Buildings RM	Total RM
Cost		
At 1 January 2019	-	-
Additions	**170,872**	**170,872**
At 31 December 2019	**170,872**	**170,872**
Accumulated depreciation		
At 1 January 2019	-	-
Charged for the year	**(105,448)**	**(105,448)**
At 31 December 2019	**(105,448)**	**(105,448)**
Carrying amount		
At 31 December 2019	**65,424**	**65,424**
At 31 December 2018	-	-

8. Investments

Investments of the Centre consists of the following:

	2019 RM	2018 RM
Unit trust fund – Public Mutual Berhad		
At cost		
At the beginning of the year	**2,000,000**	1,500,000
Additions during the year	**18,499**	500,000
Net impairment loss	**(5,011)**	(84,780)
At the end of the year	**2,013,488**	1,915,220
Net Asset value (NAV)	**2,013,488**	1,915,220

9. Project grants receivables

The currency profile of project grants receivables is as follows:

	2019 RM	2018 RM
United States Dollar	**233,309**	82,571
Malaysian Ringgit	**494,851**	896,370
	728,160	978,941

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10. Other receivables, deposits and prepayments

	2019	2018
	RM	RM
Other receivables	**95,460**	96,211
Deposits	**28,491**	29,855
Prepayments	**3,250**	900
	127,201	126,966

11. Fixed deposits with a licensed bank

The interest rate of the fixed deposits during the year ranged from 2.80% to 4.20% (2018: 2.80% to 4.20%) per annum.

12. Finance lease payables

	2019	2018
	RM	RM
Minimum finance lease payments		
- not later than one year	**-**	31,015
- later than one year and not later than two years	**-**	-
Total minimum finance lease payments	**-**	31,015
Less: Future finance charges on finance lease	**-**	(549)
Present value of finance lease payables	**-**	30,466
Present value of finance lease payables		
- not later than one year	**-**	30,466
- later than one year and not later than two years	**-**	-
	-	30,466
Presented as:		
- Non-current liabilities	**-**	-
- Current liabilities	**-**	30,466
	-	30,466

The finance lease payables bear interest rate ranged from 2.58% to 2.65% (2018: 2.58% to 2.65%) per annum.

13. Project grants in advance

The currency profile of project grants in advance is as follows:

	2019	2018
	RM	RM
Malaysian Ringgit	**3,222,663**	2,468,892

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14. Other payables and accruals

	2019 RM	2018 RM
Other payables	**176,678**	-
Accruals	**11,000**	11,000
	187,678	11,000

15. Surplus before taxation

	2019 RM	2018 RM
Surplus before taxation is arrived at after charging:		
Staff costs		
- Salaries and allowances	**2,595,645**	2,314,408
- Temporary staff costs	**71,559**	103,795
- Employees Provident Fund	**304,811**	272,527
- Social security costs	**26,469**	25,010
- Medical costs	**71,349**	28,857
- Staff welfare training	**34,241**	100,849
- Staff insurance	**34,253**	-
Depreciation of plant and equipment	**185,523**	158,953
Depreciation of right-to-use assets	**105,448**	-
Diminution in value of investments	**-**	144,777
Rental of office	**109,950**	104,700
Rental of equipment	**660**	-
Auditors' remuneration	**11,000**	11,000
Finance lease interest	**7**	2,606
Interest on lease liabilities	**5,895**	-
Unrealised foreign exchange loss	**6,719**	-
and crediting:		
Interest income	**164,505**	133,255
Gain on disposal of property, plant and equipment	**37,827**	-
Excess in value of investments	**79,769**	-
Rental income	**-**	3,600
Unrealised foreign exchange gain	**-**	20,184

16. Taxation

Taxation has not been provided for the Centre's surplus because the Centre has been approved for tax exemption under Section 44(6) of the Income Tax Act 1967 effective from the year of assessment 2007. Application has been made to the Inland Revenue Board for tax exemption.

17. Lease liabilities

	2019 RM	2018 RM
Maturity analysis		
Year 1	**56,041**	-
Year 2	**10,776**	-
	66,817	-
Analysed as:		
Non-current	**10,776**	-
Current	**56,041**	-
	66,817	-

18. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:
(a) Loans and receivables [L&R]
(b) Other financial liabilities [OFL]

	Carrying amount RM	**L&R RM**	**OFL RM**
2019			
Non-derivative financial assets			
Project grants receivables	**728,160**	**728,160**	-
Other receivables, deposits and prepayments	**123,951**	**123,951**	-
Fixed deposits with a licensed bank	**4,204,371**	**4,204,371**	-
Cash and bank balances	**1,953,526**	**1,953,526**	-
	7,010,008	**7,010,008**	-
Non-derivative financial liabilities			
Project grants in advance	**3,222,663**	-	**3,222,663**
Other payables and accruals	**187,678**	-	**187,678**
Lease liabilities	**66,817**	-	**66,817**
	3,477,158	-	**3,477,158**

18. Categories of financial instruments (continued)

	Carrying Amount RM	L&R RM	OFL RM
2018			
Non-derivative financial assets			
Project grants receivables	978,941	978,941	-
Other receivables and deposits	126,066	126,066	-
Fixed deposits with a licensed bank	3,428,706	3,428,706	-
Cash and bank balances	907,759	907,759	-
	5,441,472	5,441,472	-
Non-derivative financial liabilities			
Project grants in advance	2,468,892	-	2,468,892
Other payables and accruals	11,000	-	11,000
Finance lease liabilities	30,466	-	30,466
	2,510,358	-	2,510,358

19. Financial risk management policies

The Centre's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Centre's businesses whilst managing its risks. The Board Members review and agree policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Centre's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Centre and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Centre has no significant interest-bearing financial assets, the Centre's income and operating cash flows are substantially independent of changes in market interest rates.

The Centre's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

Interest rate sensitivity analysis

i Fair value sensitivity analysis for fixed rate instrument

The Centre does not account for any fixed rate financial liabilities at 'fair value through profit or loss' and does not designate derivatives as hedging instrument under fair value hedge accounting method. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

19. Financial risk management policies (continued)

(b) Liquidity risk

The Centre manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Centre maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Centre strives to maintain available banking facilities at a reasonable level to its overall debt position.

(c) Foreign currency risk

The Centre is exposed to transactional currency risk primarily through transactions that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD) and Euro (EUR).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Centre's results 2019 RM	Increase/ (decrease) in the Centre's results 2018 RM
Effects on surplus before taxation:		
USD		
- strengthened by 5% (2018: 5%)	**11,165**	4,128
- weakened by 5% (2018: 5%)	**(11,165)**	(4,128)
EUR:		
- strengthened by 5% (2018: 5%)	**-**	-
- weakened by 5% (2018: 5%)	**-**	-

20. Fair values of the financial instruments

The fair values of the financial instruments of the Centre as at 31 December 2019 are not materially different from their carrying values.