

# **FOREVER SABAH BERHAD**

*Company Number: 1172311-D*

(Incorporated in Malaysia)

## **Financial Statements**

**Year Ended 31 December 2017**

**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

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**DIRECTORS' REPORT**

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2017.

**PRINCIPAL ACTIVITIES**

The company engaged in non-profit activities that facilitate projects, partnerships and exchanges that promote sustainable ecological co-existence, organizing and funding educational and charitable assistance to groups and individuals. It commenced its activities in 01 January 2017.

There has been no significant change in the nature of this activity during the year under review.

|                         | <b>2017</b>    |
|-------------------------|----------------|
|                         | <b>RM</b>      |
| Balance brought forward | (9,708)        |
| Surplus for the year    | 546,122        |
| Surplus carried forward | <u>536,414</u> |

In the opinion of the directors, the results of the operations of the company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**DIRECTORS**

The names of the directors of the company in office from the date of the last report to the date of this report are as follows:

|                                  |                                 |
|----------------------------------|---------------------------------|
| Anne @ Elizabeth B. Lasimbang    |                                 |
| Anton Ngui Tze Vun               | (Appointed on 10 November 2017) |
| Cynthia Clare Ong Gaik Suan      |                                 |
| Darrel Arthur Webber             |                                 |
| Frederick Kugan                  |                                 |
| Junaidi Payne @ John Brian Payne |                                 |
| Robert Cyril Ong Kim Leong       |                                 |
| Yong Ri Lin                      | (Appointed on 10 November 2017) |

**FOREVER SABAH BERHAD**  
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**OTHER STATUTORY INFORMATION – CONTD**

- (d) At the end of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the accounts of the company that would render any amount stated in this financial statements misleading.
- (e) As at the date of this report, there does not exist:
  - (i) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any person; or
  - (ii) any contingent liability in respect of the company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) no contingent liability or other liabilities 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 liability of the company to meet its obligations when they fall due;
  - (ii) the results of the operation of the company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.
  - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the company for the financial year in which this report is made.

**AUDITORS' REMUNERATIONS**

The total amount paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

|                 | <b>2017</b>  |
|-----------------|--------------|
|                 | <b>RM</b>    |
| Statutory Audit | <u>4,500</u> |

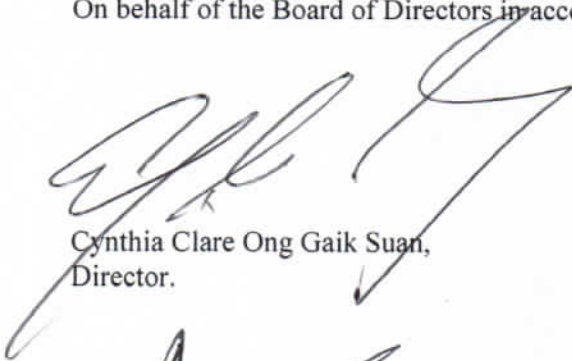
**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

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**AUDITORS**

The auditors, Messrs DMC, have indicated their willingness to accept reappointment in accordance with Section 267(4) of the Companies Act, 2016.

On behalf of the Board of Directors in accordance with a resolution of the directors,



Cynthia Clare Ong Gaik Suan,  
Director.



Anne @ Elizabeth B. Lasimbang,  
Director.

Kota Kinabalu.

Date : **15 JUN 2018**

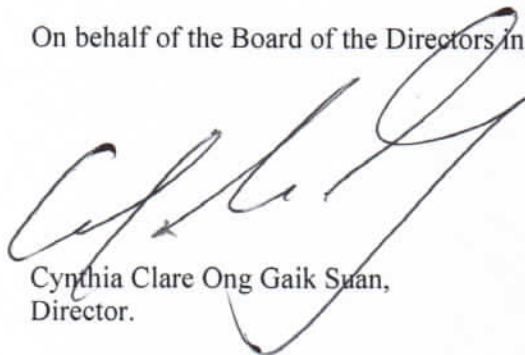
**FOREVER SABAH BERHAD**

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

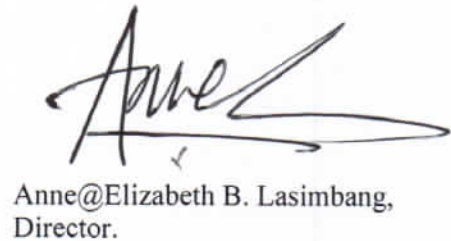
We, Cynthia Clare Ong Gaik Suan and Anne @ Elizabeth B. Lasimbang, being two of the directors of Forever Sabah Berhad, do hereby state that, in the opinion of the directors, the financial statements of the Company set out on pages 11 to 27 are drawn up in accordance with the Malaysian Financial Reporting Standards and the requirement of Companies Act, 2016 so as to give a true and fair view of:

- (i) the financial position of the company as at 31 December 2017, and its financial performance for the year ended on that date; and
- (ii) the cash flows of the company for the year ended 31 December 2017.

On behalf of the Board of the Directors in accordance with a resolution of the Directors,



Cynthia Clare Ong Gaik Suan,  
Director.

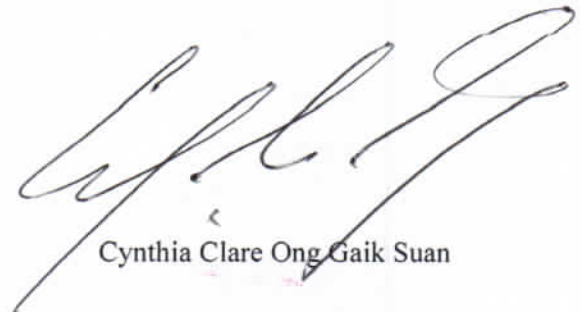


Anne@Elizabeth B. Lasimbang,  
Director.

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

I, Cynthia Clare Ong Gaik Suan (NRIC No. 650423-12-5708), being the director primarily responsible for the financial management of Forever Sabah Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 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 Declarations Act, 1960.

Subscribed and solemnly declared by  
Cynthia Clare Ong Gaik Suan, at  
Kota Kinabalu in the State of Sabah,  
this **15 JUN 2018**



Cynthia Clare Ong Gaik Suan



ERIC @ PATRICK SIKODOL  
Commissioner for Oaths  
(Pesuruhjaya Sumpah S 113)  
Shoplot Unit No. G. 18,  
Ground Floor, Golden Centre Putatan  
Putatan, Sabah, Malaysia





# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

## **FOREVER SABAH BERHAD**

Company Number: 1172311-D

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

#### **Opinion**

We have audited the financial statements of Forever Sabah Berhad, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity' fund 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 11 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 and the requirement 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.

#### **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 Statement by Directors 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 Statement by Directors and we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **FOREVER SABAH BERHAD**

Company Number: 1172311-D

#### **Information Other than the Financial Statements and Auditors' Report Thereon – contd.**

In connection with our audit of the financial statements of the company, our responsibility is to read the Statement by Directors and, in doing so, consider whether the Statement by Directors is materially inconsistent with the financial statements of the company or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The directors of the company are responsible for the preparation of financial statements of the company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The directors are also responsible for such internal controls as the directors determine 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 objectives 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 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 skepticism throughout the audit. We also:

- 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 controls.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **FOREVER SABAH BERHAD**

Company Number: 1172311-D

#### **Auditors' Responsibilities for the Audit of the Financial Statements - Contd**

- 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 auditors' 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 auditors' 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 transactions 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**FOREVER SABAH BERHAD**  
Company Number: 1172311-D

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

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.



**DMC**  
**AF: 2060**  
Chartered Accountants



**CHU TET CHUNG, DESMOND**  
**1819/04/20 (J)**  
Partner,  
Kota Kinabalu.

Date: **15 JUN 2018**

**FOREVER SABAH BERHAD****STATEMENT OF COMPREHENSIVE INCOME  
AS AT 31 DECEMBER 2017**

|  | NOTE | 2017<br>RM     | 2016<br>RM     |
|--|------|----------------|----------------|
| <b>GRANTS &amp; CONTRIBUTIONS RECEIVED</b> |      |                |                |
| Grants                                     |      | 46,755         | -              |
| Individual, Business Contributions         |      | 977            | -              |
| <b>PROECT SURPLUS/(DEFICIT)</b>            |      | <u>47,732</u>  | <u>-</u>       |
| CBEST                                      | 5    | (18,116)       | -              |
| Coasts, Communities, Island and Seas       | 6    | (3)            | -              |
| Certified Sustainable Palm Oil (CSPO)      | 7    | 337,306        | -              |
| Forests                                    | 8    | 63,552         | -              |
| Freshwater for Future                      | 9    | 68,736         | -              |
| Gamut Composting                           | 10   | (11,612)       | -              |
| Kivatu Nature Farm                         | 11   | 40,573         | -              |
| Spaces                                     | 12   | (4)            | -              |
| Watersheds and Communities                 | 13   | <u>52,562</u>  | <u>-</u>       |
|  |      | 580,726        | -              |
| <b>LESS: ADMINISTRATIVE EXPENSES</b>       | 14   | (35,424)       | (9,708)        |
| <b>ADD: OTHER INCOME</b>                   |      |                |                |
| Miscellaneous revenue                      |      | 820            | -              |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>      | 15   | <u>546,122</u> | <u>(9,708)</u> |

*The notes from pages 14 to 27 form an integral part of the financial statements.*

## FOREVER SABAH BERHAD

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017

|                                       | NOTE | 2017<br>RM            | 2016<br>RM          |
|---------------------------------------|------|-----------------------|---------------------|
| <b>CURRENT ASSETS</b>                 |      |                       |                     |
| Other receivables                     | 16   | 150,176               | -                   |
| Cash and cash equivalents             | 17   | 411,024               | 2,993               |
|                                       |      | <u>561,200</u>        | <u>2,993</u>        |
| <b>TOTAL ASSETS</b>                   |      | <u><b>561,200</b></u> | <u><b>2,993</b></u> |
| <b>ACCUMULATED FUNDS</b>              |      |                       |                     |
| Balance brought forward               |      | (9,708)               | -                   |
| Surplus/(Deficit) for the year        |      | 546,122               | (9,708)             |
| <b>Balance Carried Forward</b>        |      | <u>536,414</u>        | <u>(9,708)</u>      |
| <b>CURRENT LIABILITIES</b>            |      |                       |                     |
| Other payables                        | 18   | 24,786                | 12,701              |
|                                       |      | <u>24,786</u>         | <u>12,701</u>       |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> |      | <u><b>561,200</b></u> | <u><b>2,993</b></u> |

*The notes from pages 14 to 27 form an integral part of the financial statements.*



**FOREVER SABAH BERHAD****CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

|  | <b>2017</b>           | <b>2016</b>         |
|--|-----------------------|---------------------|
|  | <b>RM</b>             | <b>RM</b>           |
| <b>Cash flows from operating activities</b>                  |                       |                     |
| Surplus/(Deficit) for the year                               | <u>546,122</u>        | <u>(9,708)</u>      |
| Operating surplus/(deficit) before working capital changes   | 546,122               | (9,708)             |
| Increase in other receivables                                | (150,176)             | -                   |
| Increase in other payables                                   | <u>12,085</u>         | <u>12,701</u>       |
| Net cash generated from operations                           | <u>408,031</u>        | <u>2,993</u>        |
| <b>Net increase in cash and cash equivalents</b>             | 408,031               | 2,993               |
| <b>Cash and cash equivalent at the beginning of the year</b> | <u>2,993</u>          | <u>-</u>            |
| <b>Cash and cash equivalent at the end of the year</b>       | <u><u>411,024</u></u> | <u><u>2,993</u></u> |
| <b>Analysis of Cash &amp; Cash Equivalents</b>               |                       |                     |
| Cash in hand   | 500                   | -                   |
| Cash at bank   | <u>410,524</u>        | <u>2,993</u>        |
|  | <u><u>411,024</u></u> | <u><u>2,993</u></u> |

**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**1. CORPORATE INFORMATION**

The company engaged in non-profit activities that facilitate projects, partnerships and exchanges that promote sustainable ecological co-existence, organizing and funding educational and charitable assistance to groups and individuals. It commenced its activities in 01 January 2017.

There has been no significant change in the nature of this activity during the year under review.

The company's registered office and principal place of business is located at H30, Gaya Park, Lorong Muntahan 1C, Jalan Penampang, 88300 Kota Kinabalu, Sabah.

The number of employees in the company at the end of the financial year were 2 (2016:0).

The financial statements were authorized for issue by the board of directors in accordance with a resolution of the directors on **15 JUN 2018**

**2. BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting 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 revenues and expenses during the reported period. It also requires directors to exercise their judgment in the process of applying the company's accounting policies. Although these estimates and judgments are based on the directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 4.

- (a) Standards, amendments to published standards and interpretations that are effective. The company has applied the following amendments for the first time for the financial year beginning on 1 July 2016:
- Amendments to MFRS 101 "Presentation of Financial Statements" – Disclosure Initiative;
  - Amendments to MFRS 127 "Equity Method in Separate Financial Statements";
  - Annual Improvements to MFRSs 2012-2014 Cycle;

**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**2. BASIS OF PREPARATION - CONTD**

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods

(b) Standards and amendments that have been issued but not yet effective:

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 July 2016. None of these is expected to have a significant effect on the consolidated financial statements of the company, except the following set out below:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative' (effective from 1 January 2017) introduction an additional disclosure on the changes in liabilities from financing activities.
- Amendments to MFRS 112 'Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses' (effective from 1 January 2017) clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, the evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences. The amendments shall be applied retrospectively.

- IC Interpretation 23 'Uncertainty over Income Tax Treatments' (effective from 1 January 2019) clarifies how MFRS 112 Income Taxes is applied in recognising and measuring deferred and current income tax assets and liabilities when there are situations where there is uncertainty over whether the tax treatment will be accepted by the tax authority.

IC Interpretation 23 provides guidance on when to recognise and how to measure the uncertainty. There are 2 methods to measure the effect of uncertainty, 1) the most likely amount; and 2) the expected value. An entity shall use the measurement method which best predicts the resolution of the uncertainty.

When assessing the effects of uncertain tax treatments on current and deferred tax accounting, an entity shall assume the taxation authority:

- has a right to examine; and
- has full knowledge of all related information when making those examinations

An entity is required to apply IC Interpretation 23 retrospectively.



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**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**2. BASIS OF PREPARATION - CONTD**

(b) Standards and amendments that have been issued but not yet effective: - Contd

- MFRS 9 'Financial Instruments'(effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement"

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for the most financial liabilities, with bifurcation of the embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on the impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 16 'Leases'(effective form 1 January 2019) supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract(or part of a contract) that conveys the right to control the use of an identifies asset for a period of time in exchange for consideration

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted and account from them differently.

**FOREVER SABAH BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**2. BASIS OF PREPARATION - CONTD**

(b) Standards and amendments that have been issued but not yet effective: - Contd

- MFRS 15 'Revenue from contracts with customers'(effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction Contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promise goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct use of and obtain the benefits from the goods or services.

A new five-step process is applied before the revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies(such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk or reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licences, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures

Management is currently assessing the impact arising from the initial application of these standards on the financial statements of the company.



**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Impairment of non-financial assets**

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

**(b) Trade and other receivables**

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the company. If collection is expected in one year or less (or in the normal operating cycle of the business is longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value, with the amount of goods and service tax (GST) included. The net amount of GST recoverable from the government is presented as 'other receivables' in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows. After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(c) Cash and cash equivalent**

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk changes in value.



**FOREVER SABAH BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2017**

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**3. SIGNIFICANT ACCOUNTING POLICIES - CONTD**

**(d) Trade and other payables**

Trade and other payables represent liabilities for goods or services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, with the amount of goods and service tax (GST) included. The net amount of GST payable to the government is presented as 'trade and other payables' in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade payables are subsequently measured at amortised cost using the effective interest method.

**(e) Revenue Recognition**

Revenue is measured at the fair value of the consideration received for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and the specifics of each arrangement.

Grants, donation and other contribution are recognised on receipt basis.

**(f) Functional and presentation currency**

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the company's functional and presentation currency.

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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the company's result and financial position are tested for sensitivity to changes in the underlying parameters.

There are no critical accounting estimates and judgements made by the director during the year.

**4.1 Estimation Uncertainty - Contd**

**(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 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 referenced 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 amount might differ from the estimate made. The actual outcome may differ from the estimate made and this may have a significant effect on the company's financial position and the results.

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**5. COMMUNITY BASED ECOLOGICALLY SUSTAINABLE TOURISM (CBEST)**

The aim of this project is to develop a training programme that builds local capacity to effectively develop and manage community-based eco-tourism projects across Sabah.

|                           | <b>2017</b>            | <b>2016</b>     |
|---------------------------|------------------------|-----------------|
|                           | <b>RM</b>              | <b>RM</b>       |
| Grants received           | <u>125,640</u>         | <u>-</u>        |
| <b>Less: Expenditures</b> |                        |                 |
| Bank charges              | (1)                    | -               |
| Contract fees             | <u>(143,755)</u>       | <u>-</u>        |
|                           | <u>(143,756)</u>       | <u>-</u>        |
| Deficit from operations   | <u><u>(18,116)</u></u> | <u><u>-</u></u> |

**6. COMMUNITIES, COASTS, ISLANDS AND SEAS**

The aim of this project is to support the appropriate recognition and scaling up of the number of locally managed marine areas on Sabah's coasts and islands and to better protect biodiversity in Sabah's seas.

|                           | <b>2017</b>       | <b>2016</b>     |
|---------------------------|-------------------|-----------------|
|                           | <b>RM</b>         | <b>RM</b>       |
| Grants received           | <u>18,000</u>     | <u>-</u>        |
| <b>Less: Expenditures</b> |                   |                 |
| Transportation            | (3)               | -               |
| Contract fees             | <u>(18,000)</u>   | <u>-</u>        |
|                           | <u>(18,003)</u>   | <u>-</u>        |
| Deficit from operations   | <u><u>(3)</u></u> | <u><u>-</u></u> |



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**7. CERTIFIED SUSTAINABLE PALM OIL (CSPO)**

The project supports local smallholders in adopting more sustainable agricultural practices and increasing their readiness for certification by 2025.

|                           | <b>2017</b>      | <b>2016</b> |
|---------------------------|------------------|-------------|
|                           | <b>RM</b>        | <b>RM</b>   |
| Corporate contribution    | 206,700          | -           |
| Grants received           | 353,139          | -           |
|                           | <u>559,839</u>   | <u>-</u>    |
| <b>Less: Expenditures</b> |                  |             |
| Project expenses          | (211,430)        | -           |
| Bank charges              | (3)              | -           |
| Contract fees             | (11,100)         | -           |
|                           | <u>(222,533)</u> | <u>-</u>    |
| Surplus from operations   | <u>337,306</u>   | <u>-</u>    |

**8. FORESTS**

The focus of this project is to improve the resilience and sustainability of Sabah's forested landscapes through four key areas: avoiding deforestation, forest restoration, re-establishing forest connectivity and further expanding Sabah's network of fully protected forests.

|                           | <b>2017</b>      | <b>2016</b> |
|---------------------------|------------------|-------------|
|                           | <b>RM</b>        | <b>RM</b>   |
| Grants received           | 176,150          | -           |
| Programme service fee     | 54,891           | -           |
|                           | <u>231,041</u>   | <u>-</u>    |
| <b>Less: Expenditures</b> |                  |             |
| Project expenses          | (149,489)        | -           |
| Salaries                  | (18,000)         | -           |
|                           | <u>(167,489)</u> | <u>-</u>    |
| Surplus from operations   | <u>63,552</u>    | <u>-</u>    |

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**9. FRESHWATER FOR FUTURE**

This project aims to improve the resilience and management of freshwater species, habitat and watershed ecosystem services for Sabah.

|                                | 2017<br>RM      | 2016<br>RM |
|--------------------------------|-----------------|------------|
| Grants received                | 156,538         | -          |
| Training and facilitation fees | 4,000           | -          |
|                                | <u>160,538</u>  | <u>-</u>   |
| <b>Less: Expenditures</b>      |                 |            |
| Project expenses               | (61,236)        | -          |
| Supplies                       | (80)            | -          |
| Contract fees                  | (23,880)        | -          |
| Travel and meetings            | (6,606)         | -          |
|                                | <u>(91,802)</u> | <u>-</u>   |
| Surplus from operations        | <u>68,736</u>   | <u>-</u>   |

**10. GAMUT COMPOSTING**

The project's goal was to divert green waste from landfills, and convert it to organic fertilizer.

|                           | 2017<br>RM      | 2016<br>RM |
|---------------------------|-----------------|------------|
| Grants received           | <u>14,622</u>   | <u>-</u>   |
| <b>Less: Expenditures</b> |                 |            |
| Bank charges              | (3)             | -          |
| Supplies                  | (1,181)         | -          |
| Contract fees             | (23,000)        | -          |
| Travel and meetings       | (2,050)         | -          |
|                           | <u>(26,234)</u> | <u>-</u>   |
| Deficit from operations   | <u>(11,612)</u> | <u>-</u>   |

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**11. KIVATU NATURE FARM**

This project works to shift agriculture practices in Sabah towards models of sustainable models of food production.

|                           | 2017<br>RM | 2016<br>RM |
|---------------------------|------------|------------|
| Grants received           | 137,871    | -          |
| <b>Less: Expenditures</b> |            |            |
| Project expenses          | (97,297)   | -          |
| Bank charges              | (1)        | -          |
|                           | (97,298)   | -          |
| Surplus for operations    | 40,573     | -          |

**12. SPACES**

This project utilises spatial planning for biodiversity conservation, sustainable economic development and society, adopting a holistic approach to better land utilisation for Sabah.

|                           | 2017<br>RM | 2016<br>RM |
|---------------------------|------------|------------|
| Grant received            | 24,000     | -          |
| <b>Less: Expenditures</b> |            |            |
| Bank charges              | (4)        | -          |
| Salaries                  | (24,000)   | -          |
|                           | (24,004)   | -          |
| Deficit from operations   | (4)        | -          |



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**13. WATERSHEDS AND COMMUNITIES**

The aim of this project is to transform the Telupid Forest Complex into a 'Living Landscapes' that strengthens ecosystem, species and cultural resilience in the face of climate warming and economic stressors.

|                           | <b>2017</b>          | <b>2016</b>     |
|---------------------------|----------------------|-----------------|
|                           | <b>RM</b>            | <b>RM</b>       |
| Grant received            | <u>65,717</u>        | <u>-</u>        |
| <b>Less: Expenditures</b> |                      |                 |
| Project expenses          | (7,038)              | -               |
| Salaries                  | (6,000)              | -               |
| Travel and meetings       | <u>(117)</u>         | <u>-</u>        |
|                           | <u>(13,155)</u>      | <u>-</u>        |
| Surplus from operations   | <u><u>52,562</u></u> | <u><u>-</u></u> |

**14. ADMINISTRATIVE EXPENSES**

|                            | <b>2017</b>          | <b>2016</b>         |
|----------------------------|----------------------|---------------------|
|                            | <b>RM</b>            | <b>RM</b>           |
| Transportation             | 4                    | 20                  |
| Bank charges               | 111                  | -                   |
| Business registration fees | 535                  | -                   |
| Fees and allowance         | 24,000               | -                   |
| Miscellaneous charges      | 4                    | -                   |
| Supplies                   | 1,051                | 610                 |
| Workpass and visa          | 32                   | -                   |
| Travel and meetings        | 1,667                | -                   |
| Professional services      | <u>8,020</u>         | <u>9,070</u>        |
|                            | <u><u>35,424</u></u> | <u><u>9,700</u></u> |

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**15. SURPLUS/(DEFICIT) FOR THE YEAR**

This is arrived at after charging:-

|                        | <b>2017</b>  | <b>2016</b>  |
|------------------------|--------------|--------------|
|                        | <b>RM</b>    | <b>RM</b>    |
| Auditors' remuneration | <u>4,500</u> | <u>1,000</u> |

**16. OTHER RECEIVABLES**

|                    | <b>2017</b>    | <b>2016</b> |
|--------------------|----------------|-------------|
|                    | <b>RM</b>      | <b>RM</b>   |
| Sundry receivables | 149,929        | -           |
| Prepayments        | <u>247</u>     | <u>-</u>    |
|                    | <u>150,176</u> | <u>-</u>    |

**17. CASH & CASH EQUIVALENTS**

The company's cash management policy is to use cash and bank balances to manage cash flows to ensure sufficient liquidity to meet the company's obligations. The components of cash and equivalents consist of:

|              | <b>2017</b>    | <b>2016</b>  |
|--------------|----------------|--------------|
|              | <b>RM</b>      | <b>RM</b>    |
| Cash at bank | 410,524        | 2,993        |
| Cash in hand | <u>500</u>     | <u>-</u>     |
|              | <u>411,024</u> | <u>2,993</u> |

**18. OTHER PAYABLES**

|                | <b>2017</b>   | <b>2016</b>   |
|----------------|---------------|---------------|
|                | <b>RM</b>     | <b>RM</b>     |
| Other payables | <u>24,786</u> | <u>12,701</u> |

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**19. FINANCIAL INSTRUMENTS**

**(a) Financial Risk**

The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the company businesses whilst managing its interest rate, liquidity and credit risks. The company operates within clearly defined guidelines that are approved by the Board and the company's policy is to not engage in speculative transactions.

**(b) Credit Risk**

Credit risks, or the risk of counter parties defaulting, are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimized and monitored via strictly limiting the company's associations to business partner with high creditworthiness. Trade receivables are monitored on an ongoing basis via company management reporting procedures.

The company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

**(c) Liquidity Risk**

The company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the company maintains sufficient levels of cash to meet its working capital requirement. The company strives to maintain available banking facilities of a reasonable level to its overall debt position.

**(d) Fair Value**

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. It is not practical for the company to determine the fair values as at balance sheet date.