

FOREVER SABAH BERHAD

Company Number: 1172311-D

(Incorporated in Malaysia, Limited by Guarantee)

Financial Statements

Year Ended 31 December 2018

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DIRECTORS

Anne @ Elizabeth B. Lasimbang
Anton Ngui Tze Vun
Cynthia Clare Ong Gaik Suan
Darrel Arthur Webber
Frederick Kugan
Junaidi Payne @ John Brian Payne
Robert Cyril Ong Kim Leong
Yee I-Lann Maria
Yong Ri Lin

SECRETARY

Sophia Mojiwat (LS 0008813)

REGISTERED OFFICE

H30, Gaya Park, Lorong Muntahan 1C,
Jalan Penampang, 88300 Kota Kinabalu,
Sabah.

AUDITORS

DMC

BANKER

RHB Bank Bhd.

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FOREVER SABAH BERHAD
(Incorporated in Malaysia)

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 2018.

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.

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

	2018
	RM
Balance brought forward	536,414
Surplus for the year	322,111
Surplus carried forward	<u>858,525</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
Cynthia Clare Ong Gaik Suan
Darrel Arthur Webber
Frederick Kugan
Junaidi Payne @ John Brian Payne
Robert Cyril Ong Kim Leong
Yee I-Lann Maria
Yong Ri Lin

(Appointed on 11 October 2018)

The company is a company limited by guarantee and thus has no shares in which the directors could have an interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the company is a party, whereby directors might acquire benefits by means of the acquisition of debentures of the company or any other body corporate.

FOREVER SABAH BERHAD
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DIRECTORS - CONTD

No director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or the fixed salary of a full time employee of the company) by reason of a contract made by the company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

ISSUE OF DEBENTURES

The company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take up debentures of the company during the year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that no known bad debts had been written-off and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in respect of these financial statements inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the financial statements of the company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances, which have arisen which render adherence to the existing method of valuation of asset or liabilities of the company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements 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.

FOREVER SABAH BERHAD
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OTHER STATUTORY INFORMATION – CONTD

(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

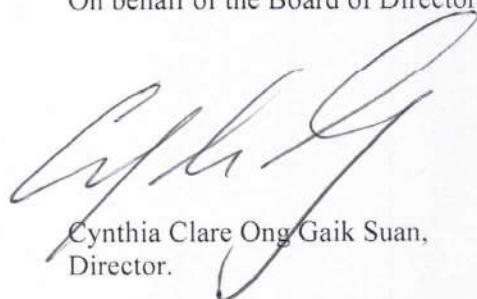
The total amount paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	2018 RM
Statutory Audit	<u>5,000</u>

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.

Kota Kinabalu.

Date: **1 4 JUN 2019**



Anne @ Elizabeth B. Lasimbang,
Director.

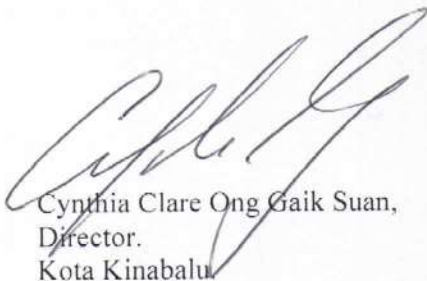
FOREVER SABAH BERHAD


**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 9 to 29 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 2018, 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 2018.

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


Cynthia Clare Ong Gaik Suan,
Director.
Kota Kinabalu

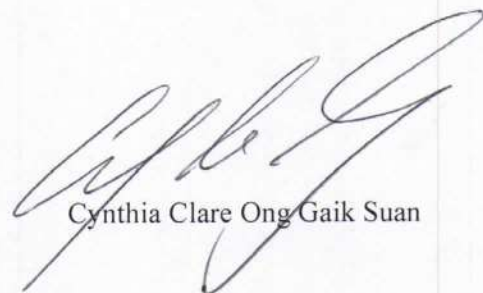

Anne @ Elizabeth B. Lasimbang,
Director.

Date: 1 4 JUN 2019

**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 9 to 29 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 1 4 JUN 2019


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
88200 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 2018, 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 9 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2018, 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FOREVER SABAH BERHAD

Company Number: 1172311-D

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 scepticism 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.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**FOREVER SABAH BERHAD**

Company Number: 1172311-D

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

- 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.

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: 002060
Chartered Accountants
Kota Kinabalu.

Date: 14 JUN 2019



CHU TET CHUNG, DESMOND
01819/04/2020 (J)
Partner.

FOREVER SABAH BERHAD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 RM	2017 RM
GRANTS & CONTRIBUTIONS RECEIVED			
Grants and donations		120,334	46,755
Individual, Business Contributions		11,317	977
		<u>131,651</u>	<u>47,732</u>
PROJECT SURPLUS/(DEFICIT)			
CBEST	5	-	(18,116)
Communities, Coasts, Island and Seas	6	-	(3)
Certified Sustainable Palm Oil (CSPO)	7	272,150	337,306
Forests	8	(13,073)	63,552
Forever Sabah Institute (FSI)	9	77,522	-
Freshwater for Future	10	(59,241)	68,736
Gamut Composting	11	-	(11,612)
Kivatu Nature Farm	12	14,815	40,573
Spaces	13	5,907	(4)
Watersheds and Communities	14	(17,834)	52,562
		<u>411,897</u>	<u>580,726</u>
LESS: ADMINISTRATIVE EXPENSES	15	(92,617)	(35,424)
ADD: OTHER INCOME			
Fixed deposit interest earned		2,831	-
Miscellaneous revenue		-	820
SURPLUS FOR THE YEAR	16	<u><u>322,111</u></u>	<u><u>546,122</u></u>

The notes from pages 12 to 29 form an integral part of the financial statements.

FOREVER SABAH BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	NOTE	2018 RM	2017 RM
NON-CURRENT ASSETS			
Property, plant and equipment	17	<u>1,594</u>	<u>-</u>
CURRENT ASSETS			
Receivables	18	344,619	150,176
Cash and cash equivalents	19	293,735	411,024
Fixed deposits		400,000	-
		<u>1,038,354</u>	<u>561,200</u>
TOTAL ASSETS		<u>1,039,948</u>	<u>561,200</u>
ACCUMULATED FUNDS			
Balance brought forward		536,414	(9,708)
Surplus for the year		322,111	546,122
Balance Carried Forward		<u>858,525</u>	<u>536,414</u>
CURRENT LIABILITIES			
Payables	20	<u>181,423</u>	<u>24,786</u>
		<u>181,423</u>	<u>24,786</u>
TOTAL EQUITY & LIABILITIES		<u>1,039,948</u>	<u>561,200</u>

The notes from pages 12 to 29 form an integral part of the financial statements.

FOREVER SABAH BERHAD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	RM	RM
Cash flows from operating activities		
Surplus for the year	322,111	546,122
Adjustments :		
Depreciation of property, plant and equipment	45	-
Interest income	2,831	-
Operating surplus before working capital changes	324,987	546,122
Increase in receivables	(194,443)	(150,176)
Increase in payables	156,637	12,085
Cash generated from operations	287,181	408,031
Interest received	(2,831)	-
Net cash generated from operations	284,350	408,031
Cash flows from investing activities		
Increase in fixed deposits	(400,000)	-
Purchase of property, plant and equipment	(1,639)	-
Net cash used in from investing activities	(401,639)	-
Net (decrease)/increase in cash and cash equivalents	(117,289)	408,031
Cash and cash equivalent at the beginning of the year	411,024	2,993
Cash and cash equivalent at the end of the year	293,735	411,024
Analysis of Cash & Cash Equivalents		
Cash in hand	287	500
Cash at bank	293,448	410,524
	293,735	411,024

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

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 1 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 4 (2017:2).

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors on **1 4 JUN 2019**

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), 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 directors are currently assessing the impact arising from the initial application of these standards on the financial statements of the company.

(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 January 2018:

- Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- MFRS 15, Revenue from contracts with customers

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 are not yet effective:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the company:

FOREVER SABAH BERHAD
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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

2. BASIS OF PREPARATION - CONTD

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019:

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020:

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021:

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

2. BASIS OF PREPARATION - CONTD

The company plans to apply the abovementioned accounting standards (where applicable), amendments and interpretations:

- from the annual period beginning on 1 January 2019 for those accounting standard, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019;
- from the annual period beginning on 1 January 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the company.

Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the company's functional currency. All financial information is presented in RM and has been rounded to the nearest ringgit, unless otherwise stated.

Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying hedges of foreign currency purchases of property, plant and equipment.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(a) Property, Plant and Equipment - contd

i) Recognition and measurement - contd

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	10 years
Office and equipment	10 years

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

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(b) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on the future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(c) Receivables

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.

Cash flows are included in the statement of cash flows on a gross basis. After recognition, receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(d) 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.

(e) Payables

Payables represent liabilities for goods or services provided to the company prior to the end of financial year which are unpaid. 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.

Cash flows are included in the statement of cash flows on a gross basis.

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

(f) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(f) Provisions - contd

Where the company expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(g) Contingent assets and liabilities

The company does not recognise contingent assets and liabilities other than those arising from business combination, but discloses its existence in the financial statements. A contingent liability is possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

(h) Revenue Recognition

i) Revenue

Revenue is measured at the fair value of the consideration received or receivable net to discount and rebate on an accrual basis. Revenue is recognised to the extent that it is probable that economic benefits associated with the transaction will flow to the company.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(h) Revenue Recognition - contd

iii) Government and other grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the company will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

iv) Donation

Donations received are recognised on receipt basis.

(i) Financial Instruments

i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

ii) Financial instrument categorises and subsequent measurement.

The company categorise financial instruments as follows:

Financial Assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets classified as fair value through profit or loss is subsequently measured at their fair values with the gain or loss recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(i) Financial Instruments - contd

ii) Financial instrument categorises and subsequent measurement. - contd

Financial Assets - contd

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market the company has the positive intention and ability to hold them to maturity. Financial assets categorised as held to maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debts instruments that are not quoted in an active market. Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On de-recognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit and loss.

Fair value through profit and loss category comprises of financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES - CONTD

(i) Financial Instruments - contd

ii) Financial instrument categorises and subsequent measurement. - contd

Financial Liabilities - contd

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

iii) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and de-recognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) de-recognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

iv) De-recognition

A financial asset or part of it is de-recognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit and loss.

A financial liability or part of it is de-recognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss.

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.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS - CONTD

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

(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 account 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.

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.

	2018 RM	2017 RM
Grants received	-	125,640
Less: Project Expenses		
Bank charges	-	1
Contract fees	-	143,755
	-	143,756
Deficit from project	-	(18,116)

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

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.

	2018 RM	2017 RM
Grants received	-	18,000
Less: Project Expenses		
Contract fees	-	18,000
Transportation	-	3
	-	18,003
Deficit from project	-	(3)

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.

	2018 RM	2017 RM
Corporate contribution	97,958	206,700
Grants received	306,261	353,139
Non grants revenue	700,000	-
	1,104,219	559,839
Less: Project Expenses		
Grants and disbursements	82,622	-
Accommodation	15,384	5,301
Bank charges	-	3
Contract fees	-	11,100
Equipment and supplies	106,965	534
Fees and allowances	459,427	183,504
Food and meals	56,813	4,055
Miscellaneous charges	3,883	71
Printing & Stationery	5,657	2,028
Training and workshops	30,246	600
Transportation	71,072	15,337
	832,069	222,533
Surplus from project	272,150	337,306

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

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.

	2018 RM	2017 RM
Corporate contribution	4,000	-
Grants received	9,483	176,150
Programme service fee	-	54,891
	<u>13,483</u>	<u>231,041</u>
Less: Project Expenses		
Accommodation	640	140
Equipment and supplies	234	53
Fees and allowances	18,106	144,284
Food and meals	3,534	1,543
Miscellaneous charges	1	136
Printing & Stationery	74	19
Salaries	-	18,000
Training and workshops	180	-
Transportation	3,787	3,314
	<u>26,556</u>	<u>167,489</u>
(Deficit)/Surplus from project	<u>(13,073)</u>	<u>63,552</u>

9. FOREVER SABAH INSTITUTE (FSI)

The Forever Sabah Institute (FSI), working in a network of allied hubs, facilitates innovative, experiential, grounded and change-inspired learning across the organic web of Forever Sabah to share knowledge, skills and practices to catalyse transformative processes.

	2018 RM	2017 RM
Grants received	<u>115,472</u>	<u>-</u>
Less: Project Expenses		
Accommodation	698	-
Equipment and supplies	995	-
Fees and allowances	36,000	-
Food and meals	257	-
	<u>37,950</u>	<u>-</u>
Surplus from project	<u>77,522</u>	<u>-</u>

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10. FRESHWATER FOR FUTURE

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

	2018	2017
	RM	RM
Grants received	-	156,538
Training and facilitation fees	-	4,000
	<u>-</u>	<u>160,538</u>
Less: Project Expenses		
Accommodation	1,084	5,000
Contract fees	-	23,880
Equipment and supplies	13,736	2,677
Fees and allowances	30,630	30,440
Food and meals	1,428	937
Miscellaneous charges	16	4,231
Printing & Stationery	581	193
Supplies	-	80
Training and workshops	88	815
Transportation	11,678	16,943
Travel and meetings	-	6,606
	<u>59,241</u>	<u>91,802</u>
(Deficit)/Surplus from project	<u>(59,241)</u>	<u>68,736</u>

11. GAMUT COMPOSTING

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

	2018	2017
	RM	RM
Grants received	-	14,622
Less: Project Expenses		
Bank charges	-	3
Contract fees	-	23,000
Supplies	-	1,181
Travel and meetings	-	2,050
	<u>-</u>	<u>26,234</u>
Deficit from project	<u>-</u>	<u>(11,612)</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

12. KIVATU NATURE FARM

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

	2018 RM	2017 RM
Grants received	<u>98,116</u>	<u>137,871</u>
Less: Project Expenses		
Grants and disbursements	(13,186)	13,186
Accommodation	5,575	-
Construction and start up costs	453	10,249
Equipment and supplies	16,479	3,660
Fees and allowances	40,900	43,700
Food and meals	8,728	-
Miscellaneous charges	-	14
Printing & Stationery	5,810	8
Training and workshops	4,312	24,630
Transportation	14,230	1,850
Bank charges	<u>-</u>	<u>1</u>
	<u>83,301</u>	<u>97,298</u>
Surplus for project	<u><u>14,815</u></u>	<u><u>40,573</u></u>

13. SPACES

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

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

13. SPACES - CONTD

	2018 RM	2017 RM
Grant received	<u>68,497</u>	<u>24,000</u>
Less: Project Expenses		
Equipment and supplies	844	-
Fees and allowances	60,000	-
Food and meals	54	-
Miscellaneous charges	1	-
Training and workshops	1,448	-
Transportation	243	-
Bank charges	-	4
Salaries	<u>-</u>	<u>24,000</u>
	<u>62,590</u>	<u>24,004</u>
Surplus/(Deficit) from project	<u><u>5,907</u></u>	<u><u>(4)</u></u>

14. 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.

	2018 RM	2017 RM
Grant received	<u>162,325</u>	<u>65,717</u>
Less: Project Expenses		
Accommodation	2,629	210
Equipment and supplies	32,626	-
Fees and allowances	117,400	6,400
Food and meals	8,153	-
Miscellaneous charges	30	10
Printing & Stationery	913	-
Training and workshops	1,548	-
Transportation	16,860	418
Salaries	-	6,000
Travel and meetings	<u>-</u>	<u>117</u>
	<u>180,159</u>	<u>13,155</u>
(Deficit)/Surplus from project	<u><u>(17,834)</u></u>	<u><u>52,562</u></u>

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15. ADMINISTRATIVE EXPENSES

	2018 RM	2017 RM
Accommodation	212	-
Bank charges	40	111
Business registration fees	35	535
Contract fees	6,000	-
Depreciation and amortisation	45	-
Fees and allowance	2,000	24,000
Miscellaneous charges	-	4
Professional services	10,440	8,020
Rental expenses	14,708	-
Salaries	32,259	-
Supplies	17,893	1,051
Transportation	1,524	4
Travel and meetings	7,461	1,667
Workpass and visa	-	32
	<u>92,617</u>	<u>35,424</u>

16. SURPLUS FOR THE YEAR

	2018 RM	2017 RM
This is arrived at after charging:-		
Auditors' remuneration	5,000	4,500
Depreciation of fixed assets	45	-
Rental expenses	<u>14,708</u>	<u>-</u>

17. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings RM	Office Equipment RM	TOTAL RM
At Cost:-			
Additions	760	879	1,639
As at 31.12.2017	-	-	-
As at 31.12.2018	<u>760</u>	<u>879</u>	<u>1,639</u>

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17. PROPERTY, PLANT AND EQUIPMENT - CONTD

	Furniture & Fittings RM	Office Equipment RM	TOTAL RM
Accumulated Depreciation:-			
Charge for 2017	-	-	-
Charge for the year	38	7	45
As at 31.12.2017	-	-	-
As at 31.12.2018	38	7	45
Net Book Value:-			
As at 31.12.2018	722	872	1,594
As at 31.12.2017	-	-	-

18. RECEIVABLES

	2018 RM	2017 RM
Sundry receivables	344,255	149,929
Prepayments	364	247
	<u>344,619</u>	<u>150,176</u>

19. 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:

	2018 RM	2017 RM
Cash at bank	293,448	410,524
Cash in hand	287	500
	<u>293,735</u>	<u>411,024</u>

20. PAYABLES

	2018 RM	2017 RM
Payables	<u>181,423</u>	<u>24,786</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2018

21. 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 minimised 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.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confront the current year presentation.