

FOREVER SABAH BERHAD

Company Number: 201601001385 (1172311-D)

(Incorporated in Malaysia, Limited by Guarantee)

These financial statements and reports of the company with
~~Qualified~~ / Unqualified Auditors' Report for the financial
year end **31 DEC 2022** were tabled at AGM held
on..... **30 JUN 2023**



.....
Director / ~~Secretary~~
Cynthia Clare Ong Gaik Suan

Financial Statements

Year Ended 31 December 2022

Company Number: 201601001385 (1172311-D)

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

Lo Lie Meng (MACS01410)

REGISTERED OFFICE

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

AUDITORS

DMC

BANKER

RHB Bank Bhd.

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Company Number: 201601001385 (1172311-D)

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 2022.

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.

	2022
	RM
Balance brought forward	1,200,319
Deficit for the year	(278,711)
Surplus carried forward	<u>921,608</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

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.

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FOREVER SABAH BERHAD
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OTHER STATUTORY INFORMATION - CONTD

- (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:

	2022 RM
Statutory Audit	<u>8,050</u>

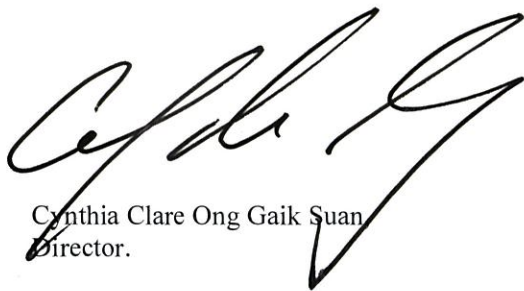
Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

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 2023

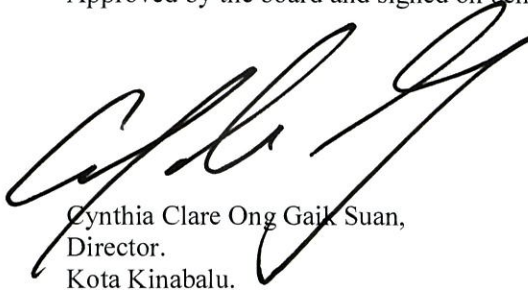
Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD

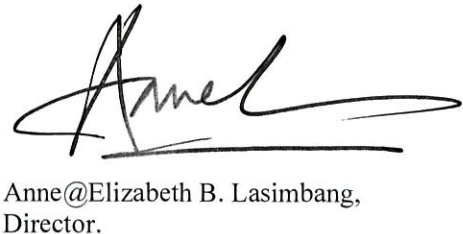
**STATEMENT BY DIRECTORS PURSUANT TO
SECTION 251(2) OF THE COMPANIES ACT, 2016**

The directors of Forever Sabah Berhad, state that, in their opinion, the financial statements of the company set out on pages 10 to 34 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the company as at 31 December 2022 and of their financial performance and cash flows of the company for the financial year then ended.

Approved by the board and signed on behalf of the directors,



Cynthia Clare Ong Gaik Suan,
Director.
Kota Kinabalu.




Anne@Elizabeth B. Lasimbang,
Director.

Date: 15 JUN 2023

**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 10 to 34 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above-named Cynthia Clare Ong
Gaik Suan, at Kota Kinabalu in the
State of Sabah on 15 JUN 2023



DATUK YONG WE KONG
561123-12-5111
16, Jalan Haji Yaakub, Kg. Air,
88807 Kota Kinabalu, Sabah.



Cynthia Clare Ong Gaik Suan

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FOREVER SABAH BERHAD

Company Number: 201601001385 (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 2022, 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 10 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the 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: 201601001385 (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, International 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: 201601001385 (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.



CHU TET CHUNG, DESMOND
01819/04/2024 (J)
Partner.

Date: **15 JUN 2023**

FOREVER SABAH BERHAD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	NOTE	2022 RM	2021 RM
GRANTS & CONTRIBUTIONS RECEIVED			
Grants and donations		79,877	-
Miscellaneous revenue		16,200	33,236
		<u>96,077</u>	<u>33,236</u>
PROJECT SURPLUS/(DEFICIT)			
Certified Sustainable Palm Oil (CSPO)	4	(123,526)	(92,933)
Forests	5	(134,225)	(1,973)
Forever Sabah Institute (FSI)	6	(41,137)	89,419
Freshwater for Future	7	(30,748)	5,166
Jurisdictional Certification of Sustainable Palm Oil (JCSPO) Secretariat	8	93,845	91,618
Organic Agriculture	9	14,184	138,338
Sabah Renewable Energy Rural Electrification Roadmap	10	6,435	(8,485)
Spaces	11	39,498	(11,685)
Human Elephant Harmony	12	61,202	9,789
Segama Wetlands	13	(124,437)	86,864
Payment for Ecosystem Services (PES)	14	(69,195)	69,363
Sabah Border Economy Study	15	-	-
		<u>(308,104)</u>	<u>375,481</u>
LESS: ADMINISTRATIVE EXPENSES	16	(149,932)	(50,268)
ADD: OTHER INCOME			
Fixed deposit interest earned		14,760	9,302
Foreign exchange gain		68,488	-
		<u>83,248</u>	<u>9,302</u>
(DEFICIT)/SURPLUS BEFORE TAX	17	<u>(278,711)</u>	<u>367,751</u>
Income tax expense	18	-	-
(DEFICIT)/SURPLUS FOR THE YEAR		<u><u>(278,711)</u></u>	<u><u>367,751</u></u>
		-	-

The notes from pages 13 to 34 form an integral part of the financial statements.

FOREVER SABAH BERHAD

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	NOTE	2022 RM	2021 RM
NON-CURRENT ASSETS			
Property, plant and equipment	19	<u>15,074</u>	<u>6,240</u>
CURRENT ASSETS			
Receivables	20	976,114	544,861
Cash and cash equivalents	21	196,774	790,734
Fixed deposits		601,602	600,000
Deposits & prepayments	22	<u>3,112</u>	<u>1,777</u>
		<u>1,777,602</u>	<u>1,937,372</u>
TOTAL ASSETS		<u>1,792,676</u>	<u>1,943,612</u>
ACCUMULATED FUNDS			
Balance brought forward		1,200,319	832,568
(Deficit)/Surplus for the year		<u>(278,711)</u>	<u>367,751</u>
Balance Carried Forward		<u>921,608</u>	<u>1,200,319</u>
CURRENT LIABILITIES			
Payables	23	<u>871,068</u>	<u>743,293</u>
		<u>871,068</u>	<u>743,293</u>
TOTAL EQUITY & LIABILITIES		<u>1,792,676</u>	<u>1,943,612</u>

The notes from pages 13 to 34 form an integral part of the financial statements.

FOREVER SABAH BERHAD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	RM	RM
Cash flows from operating activities		
(Deficit)/Surplus before tax	(278,711)	367,751
Adjustments :		
Depreciation of property, plant and equipment	1,774	605
Interest income	14,760	9,302
Operating (deficit)/surplus before working capital changes	(262,177)	377,658
Increase in receivables	(432,588)	(459,063)
Increase in payables	127,775	714,350
Cash (used in)/generated from operations	(566,990)	632,945
Interest received	(14,760)	(9,302)
Net cash (used in)/generated from operations	(581,750)	623,643
Cash flows from investing activities		
Increase in fixed deposits	(1,602)	100,000
Purchase of property, plant and equipment	(10,608)	(3,333)
Net cash (used in)/generated from investing activities	(12,210)	96,667
Net (decrease)/increase in cash and cash equivalents	(593,960)	720,310
Cash and cash equivalent at the beginning of the year	790,734	70,424
Cash and cash equivalent at the end of the year	196,774	790,734
Analysis of Cash & Cash Equivalents		
Cash in hand	800	800
Cash at bank	195,974	789,934
	196,774	790,734

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

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.

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 8 (2021:8).

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors on **15 JUN 2023**

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES - CONTD

2.1 Basis of preparation - Contd

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The principal accounting policies adopted are set out below.

2.2 Adoption of new and revised standards

During the financial year, the company have adopted the following new MFRS, new interpretation and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 3	Business Combination - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020		1 January 2022

The adoption of the new MFRS, new interpretation and amendments to MFRSs did not have any significant impact on the financial statements of the company.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.3 Standards issued but not yet effective

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

The company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Leases - Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
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	Deferred

In the opinion of the directors, these MFRSs do not have significant impact on the financial statement in future period.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.4 Property, plant and equipment

(a) 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.

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.

(b) 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.

(c) 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.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.4 Property, plant and equipment – contd'

(c) Depreciation - Contd

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 equipment	10 years
Computer equipment	5 years

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

2.5 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.

2.6 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.

2.7 Cash and cash equivalents

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.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.8 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.

2.9 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.

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.

2.10 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.

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.10 Contingent assets and liabilities - Contd

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company. The company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.11 Revenue and Other Income

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable net of 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.

(b) Interest income

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

(c) 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.

(d) Donation

Donations received are recognised on receipt basis.

2.12 Financial Instruments

(a) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

- (b) Financial instrument categorises and subsequent measurement.

The company categorise financial instruments as follows:

Financial Assets

- i) 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.

- ii) 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.

- iii) 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.

- iv) Available-for-sale financial assets

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

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

- (b) Financial instrument categorises and subsequent measurement. – contd'

Financial Assets – Contd'

- iv) Available-for-sale financial assets – contd'

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.

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.

- (c) 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:

- i) the recognition of an asset to be received and the liability to pay for it on the trade date, and

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

(c) Regular way purchase or sale of financial assets – contd'

- ii) 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.

(d) 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.

2.13 Employee Benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) State plans

The company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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3. 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.

3.1 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.

(b) Useful Lives of Depreciable Assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. Management estimated the useful lives of property, plant and equipment and right-of-use assets to be within 3 to 52 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2021, management assesses that the useful lives represent the expected utility of the assets to the company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the company's assets. The carrying amount of the company's property, plant and equipment and right-of-use assets at the end of the reporting period is disclosed in Note 18 to the financial statements.

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4. CERTIFIED SUSTAINABLE PALM OIL (CSPO)

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

	2022	2021
	RM	RM
Corporate contribution	262,051	205,128
Grants received	9,051	145,200
	<u>271,102</u>	<u>350,328</u>
Less: Project Expenses		
Accommodation	3,618	2,446
Equipment and supplies	35,662	98,477
Fees and allowances	302,736	302,438
Food and meals	13,108	5,177
Miscellaneous charges	1,469	2,219
Office	743	3,857
Printing and stationery	1,458	2,952
Transportation	35,835	22,083
Training and workshops	-	3,612
	<u>394,628</u>	<u>443,261</u>
Deficit from project	<u>(123,526)</u>	<u>(92,933)</u>

5. 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.

	2022	2021
	RM	RM
Grants received	<u>46,208</u>	<u>142,148</u>
Less: Project Expenses		
Accommodation	6,232	3,895
Equipment and supplies	23,884	22,379

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5. FORESTS – CONTD

	2022	2021
	RM	RM
Less: Project Expenses - Contd		
Fees and allowances	85,206	73,400
Food and meals	16,348	2,003
Grants and disbursements	-	35,000
Miscellaneous charges	1,119	54
Office	25,597	-
Printing and stationery	436	552
Transportation	18,929	6,783
Training and workshops	2,682	55
	<u>180,433</u>	<u>144,121</u>
Deficit from project	<u>(134,225)</u>	<u>(1,973)</u>

6. 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.

	2022	2021
	RM	RM
Grants received	<u>715,199</u>	<u>682,860</u>
Less: Project Expenses		
Accommodation	31,936	22,935
Equipment and supplies	12,665	49,465
Fees and allowances	560,353	453,226
Food and meals	60,406	34,898
Miscellaneous charges	3,793	196
Printing and stationery	1,387	1,255
Transportation	57,926	22,958
Training and workshops	27,870	8,508
	<u>756,336</u>	<u>593,441</u>
(Deficit)/Surplus from project	<u>(41,137)</u>	<u>89,419</u>

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7. FRESHWATER FOR FUTURE

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

	2022	2021
	RM	RM
Grants received	-	84,329
Less: Project Expenses		
Equipment and supplies	-	600
Fees and allowances	29,502	78,563
Miscellaneous charges	1,246	-
	<u>30,748</u>	<u>79,163</u>
(Deficit)/Surplus from project	<u>(30,748)</u>	<u>5,166</u>

8. JURIDITIONAL CERTIFICATION OF SUSTAINABLE PALM OIL (JCSPO) SECRETARIAT

The JC Secretariat programme aims to set up an institutional establishment for Sabah's Jurisdictional Certified Sustainable Palm Oil (JCSPO), to enable Sabah to achieve state-wide certified sustainable palm oil by 2025.

	2022	2021
	RM	RM
Grants received	389,647	377,351
Less: Project Expenses		
Accommodation	3,947	616
Fees and allowances	261,355	254,064
Equipment and supplies	12,105	26,653
Food and meals	1,496	826
Miscellaneous charges	2,735	248
Office	2,500	-
Printing and stationary	436	839
Training and workshops	350	-
Transportation	10,878	2,487
	<u>295,802</u>	<u>285,733</u>
Surplus from project	<u>93,845</u>	<u>91,618</u>

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9. ORGANIC AGRICULTURE

This programme assist farmers in the Tuaran district to revitalize their abandoned paddy fields, and support rice production using sustainable methods.

	2022	2021
	RM	RM
Grants received	421,426	388,296
Less: Project Expenses		
Accommodation	6,252	1,635
Construction costs	9,000	7,758
Fees and allowances	252,684	129,896
Food and meals	17,909	2,534
Equipment and supplies	73,163	92,340
Miscellaneous charges	723	363
Office	6,000	2,000
Printing and stationery	1,262	456
Transportation	23,989	8,622
Training and workshops	16,260	4,354
	<u>407,242</u>	<u>249,958</u>
Surplus from project	<u>14,184</u>	<u>138,338</u>

10. SABAH RENEWABLE ENERGY RURAL ELECTRIFICATION ROADMAP

This project is a multi-stakeholder initiative that charts a course for energy access for all in Sabah. The roadmap provides the tools, data and approaches required to optimize renewable energy deployment in Sabah, and connects climate changes mitigation with energy justice, local economies and environmental stewardship. This encompasses activities such as policy development and advocacy related to the roadmap.

	2022	2021
	RM	RM
Grants received	1,793,918	1,718,529

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**10. SABAH RENEWABLE ENERGY RURAL ELECTRIFICATION ROADMAP –
CONTD'**

	2022	2021
	RM	RM
Less: Project Expenses		
Accommodation	41,240	11,247
Equipment and supplies	10,366	16,736
Fees and allowances	1,550,761	1,642,625
Food and meals	1,988	17,736
Miscellaneous charges	15	801
Printing and stationery	2,137	48
Training and workshops	89,208	5,576
Transportation	91,768	32,245
	<u>1,787,483</u>	<u>1,727,014</u>
Surplus/(Deficit) from project	<u>6,435</u>	<u>(8,485)</u>

11. SPACES

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

	2022	2021
	RM	RM
Grant received	<u>138,915</u>	<u>34,694</u>
Less: Project Expenses		
Equipment and supplies	-	971
Fees and allowances	99,349	45,407
Miscellaneous charges	68	1
	<u>99,417</u>	<u>46,379</u>
Surplus/(Deficit) from project	<u>39,498</u>	<u>(11,685)</u>

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12. HUMAN ELEPHANT HARMONY

This programme seeks to build harmony between the people of four Telupid villages and elephants, in a multi-use landscape through the implementation of a community ranger team, identification of an elephant use zone and research on elephant feeding behaviour and interactions with humans.

	2022	2021
	RM	RM
Grant received	<u>337,357</u>	<u>258,301</u>
Less: Project Expenses		
Accommodation	2,949	1,475
Fees and allowances	234,745	192,050
Equipment and supplies	5,275	4,868
Food and meals	6,212	6,341
Miscellaneous charges	5,256	3,310
Printing and stationery	342	261
Training and workshops	222	225
Transportation	<u>21,154</u>	<u>39,982</u>
	<u>276,155</u>	<u>248,512</u>
Surplus from project	<u><u>61,202</u></u>	<u><u>9,789</u></u>

13. SEGAMA WETLANDS

The Segama Wetlands project addresses riparian biodiversity and water quality management in the Segama and Kinabatangan Deltas in Sabah.

	2022	2021
	RM	RM
Grant received	<u>81,000</u>	<u>323,494</u>
Less: Project Expenses		
Accommodation	8,228	2,140
Start up costs	-	500

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13. SEGAMA WETLANDS – CONTD'

	2022	2021
	RM	RM
Less: Project Expenses - Contd		
Equipment and supplies	19,759	14,223
Fees and allowances	107,895	194,589
Food and meals	17,213	9,127
Miscellaneous charges	12,918	345
Printing and stationery	1,340	875
Training and workshops	7,520	7,976
Transportation	30,564	6,855
	<u>205,437</u>	<u>236,630</u>
(Deficit)/Surplus from project	<u>(124,437)</u>	<u>86,864</u>

14. PAYMENT FOR ECOSYSTEM SERVICES (PES)

This project aims to strengthen the livelihoods rooted in watershed stewardship in the face of coronavirus pandemic in three indigenous communities within the Babagon Catchment, Sabah.

	2022	2021
	RM	RM
Grant received	<u>139,053</u>	<u>129,967</u>
Less: Project Expenses		
Accommodation	180	-
Fees and allowances	155,747	37,053
Equipment and supplies	33,325	15,160
Food and meals	7,945	2,142
Miscellaneous charges	1,592	1
Printing and stationery	970	2,248
Training and workshops	700	400
Transportation	7,789	3,600
	<u>208,248</u>	<u>60,604</u>
(Deficit)/Surplus from project	<u>(69,195)</u>	<u>69,363</u>

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15. SABAH BORDER ECONOMY STUDY

The objective of the study is to prepare a comprehensive economic development plan for the Sabah-Kalimantan and Sabah-Sarawak border area.

	2022	2021
	RM	RM
Miscellaneous revenue	268,685	-
Less: Project Expenses		
Accommodation	11,599	-
Equipment and supplies	51	-
Fees and allowances	187,229	-
Food and meals	19,937	-
Printing and stationery	9,521	-
Training and workshops	40,348	-
	<u>268,685</u>	<u>-</u>
Surplus/(Deficit) from project	<u>-</u>	<u>-</u>

16. ADMINISTRATIVE EXPENSES

	2022	2021
	RM	RM
Bank charges	1,187	204
Business registration fees	105	35
Depreciation of property, plant and equipment	1,774	605
Fees and allowances	99,508	7,858
Foreign exchange loss	-	796
Food aid	-	1,052
Insurance	2,817	1,306
Membership fee	1,000	1,000
Miscellaneous charges	-	9
Penalty & fines	79	-
Professional services	13,140	11,490
Rental expenses - office	5,357	2,143
Office utilities and supplies	20,318	13,191
Transportation	1,761	112
Travel and meetings	2,886	10,467
	<u>149,932</u>	<u>50,268</u>

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17. (DEFICIT)/SURPLUS BEFORE TAX

	2022 RM	2021 RM
This is arrived at after charging:-		
Auditors' remuneration	8,050	5,000
Depreciation of fixed assets	1,774	605
Rental expenses	<u>5,357</u>	<u>2,143</u>
And crediting:-		
Interest income	<u>14,760</u>	<u>9,302</u>

18. INCOME TAX EXPENSE

	2022 RM	2021 RM
Malaysian Income Tax		
- Current year provision	<u>-</u>	<u>-</u>

19. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings RM	Office Equipment RM	Computer Equipment RM	TOTAL RM
At Cost:-				
Additions	-	-	10,608	10,608
As at 31.12.2021	<u>3,480</u>	<u>879</u>	<u>3,333</u>	<u>7,692</u>
As at 31.12.2022	<u>3,480</u>	<u>879</u>	<u>13,941</u>	<u>18,300</u>
Accumulated Depreciation:-				
Charge for 2021	<u>348</u>	<u>88</u>	<u>169</u>	<u>605</u>
Charge for the year	174	44	1,556	1,774
As at 31.12.2021	<u>1,012</u>	<u>271</u>	<u>169</u>	<u>1,452</u>
As at 31.12.2022	<u>1,186</u>	<u>315</u>	<u>1,725</u>	<u>3,226</u>
Net Book Value:-				
As at 31.12.2022	<u>2,294</u>	<u>564</u>	<u>12,216</u>	<u>15,074</u>
As at 31.12.2021	<u>2,468</u>	<u>608</u>	<u>3,164</u>	<u>6,240</u>

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20. RECEIVABLES

	2022	2021
	RM	RM
Sundry receivables	<u>976,114</u>	<u>544,861</u>

21. 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:

	2022	2021
	RM	RM
Cash at bank	195,974	789,934
Cash in hand	800	800
	<u>196,774</u>	<u>790,734</u>

22. DEPOSITS & PREPAYMENTS

	2022	2021
	RM	RM
Deposits & prepayments	<u>3,112</u>	<u>1,777</u>

23. PAYABLES

	2022	2021
	RM	RM
Payables	<u>871,068</u>	<u>743,293</u>

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24. 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.