

COMPANY NO: 526540-W

**PT FOUNDATION**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER, 2016**

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**PT FOUNDATION**  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

**THE BOARD OF TRUSTEES**

Dato' Khor Swee Wah @ Koh Bee Leng  
Hisham Bin Hussein

**SECRETARY**

Liao Chong Mei (f) (LS0000781)

**AUDITORS**

James & Co. (AF 0984)  
Chartered Accountants (M)  
No. 10B, Jalan Pangkor  
Off Jalan Tun Razak  
50400 Kuala Lumpur

**REGISTERED ADDRESS**

No. 10B, Tingkat 2  
Jalan Setiawan  
Off Jalan Tun Razak  
50400 Kuala Lumpur

**PRINCIPAL PLACE OF OPERATION**

No. 7C-1, 1<sup>st</sup> Floor,  
Jalan Ipoh Kechil,  
Off Jalan Raja Laut,  
50350 Kuala Lumpur.

**PRINCIPAL BANKS**

CIMB Bank Berhad

Maybank Berhad

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**PT FOUNDATION**  
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**TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2016**

The trustees' have pleasure in presenting their report together with the audited financial statements of the Foundation for the year financial year ended 31st December, 2016

**PRINCIPAL ACTIVITIES**

The Foundation is principally engaged in the following activities:-

- a. To help minimize the rate of infection of HIV / AIDS amongst our communities and also help reduce discrimination of our communities that is based on ignorance and lack of information.
- b. To help provide care and support and improve the quality of life for people living with HIV / AIDS.
- c. To raise, receive, manage and administer funds for the general welfare of orphaned, abandoned, abused, neglected or victims of HIV / AIDS.
- d. To organize and to give talks and conduct seminars and workshop on HIV / AIDS at hospitals, factories and companies, charity organizations, youth organizations, schools, colleges and universities.
- e. To pursue the above objectives for the benefits of Malaysians only

**RESULTS**

The results of the operations of the Foundation for the year ended 31st December, 2016 are as follows:-

	<b><u>RM</u></b>
Loss after taxation for the year	30,708
Accumulated loss brought forward less effects of adopting MPERS	116,633
	-----
Accumulated loss carried forward	147,341
	=====

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

**DIVIDENDS**

In accordance with the Memorandum of Association, no dividends are payable to the members of the Foundation.

**RESERVES AND PROVISIONS**

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

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## TRUSTEES OF THE FOUNDATION

The trustees in office since the date of the last report are as follows:-

Dato' Khor Swee Wah @ Khor Bee Leng  
Hisham Bin Hussein

## TRUSTEES' BENEFITS

Since the end of previous financial year, no trustee of the Foundation has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the trustees shown in the financial statements) by reason of a contract made by the Foundation of a related corporation with the director or with a firm of which the director is a member or with a Foundation in which the director has a substantial financial interest.

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

## OTHER FINANCIAL INFORMATION

- (a) Before the financial statements of the Foundation were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts and that no provision is required for doubtful debts and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected to realise.
- (b) At the date of this report, the directors are not aware of any circumstances, which would render:
  - (i) the values attributed to current assets in the financial statements of the Foundation 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 assets or liabilities of the Foundation 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 financial statements of the Foundation which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Foundation, which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Foundation which has arisen since the end of the financial year.

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**OTHER FINANCIAL INFORMATION – CONT'D**

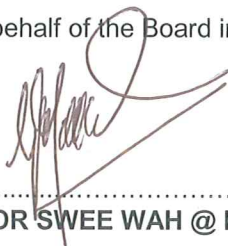
(f) In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Foundation to meet its obligations when they fall due, and
- (ii) 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 which is likely to affect substantially the results of the operations of the Foundation for the financial year in which this report is made.

**AUDITORS**

The auditors, Messrs. JAMES & Co, Chartered Accountants (M) have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,



.....  
**DATO' KHOR SWEE WAH @ KOH BEE LENG**



.....  
**HISHAM BIN HUSSEIN**

Kuala Lumpur,

Date:

**07 JUN 2017**

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**PT FOUNDATION**  
(Incorporated in Malaysia)

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

The trustees **PT FOUNDATION**, state that, in their opinion, the accompanying statement of financial position as at 31st December, 2016 and the statement of income and retained profits and statement of cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes are drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved Malaysia Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Foundation as at 31st December, 2016 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors,

  
.....  
**DATO' KHOR SWEE WAH @ KOH BEE LENG**

  
.....  
**HISHAM BIN HUSSEIN**

Kuala Lumpur,

Date: **07 JUN 2017**

**STATUTORY DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE  
FINANCIAL MANAGEMENT OF THE FOUNDATION**  
PURSUANT TO SECTION 251(1) (b) OF THE COMPANIES ACT, 2016

I, **HISHAM BIN HUSSEIN (I/C No: 550831-01-5323)**, being the director primarily responsible for the financial management of **PT FOUNDATION**., do solemnly and sincerely declare that the accompanying statement of financial position as at 31st December, 2016 and the statement of income and retained profits and statement of cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared )  
by the abovenamed at Kuala Lumpur )  
in the Federal Territory of )

No: W 704 )

Nama: AJAIB SINGH )

  
.....  
**HISHAM BIN HUSSEIN**

**07 JUN 2017**

Before me:



Tingkat 1  
No. 20-6A, Jalan Pahang  
53000 Kuala Lumpur

COMPANY NO: 526540-W

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF PT FOUNDATION****Report on the Financial Statements****Opinion**

We have audited the financial statements of **PT FOUNDATION**, which comprise the statement of financial position as at 31st December, 2016, and the statement of income and retained earnings, and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, as set out on pages 12 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31st December, 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 1965 in Malaysia.

**Basis of Opinion**

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

**Independence and Other Ethical Responsibilities**

We are independent of the Foundation 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 Foundation are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Foundation and our auditors' report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact.

We have nothing to report in this regard.

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**INDEPENDENT AUDITORS' REPORT – 31ST DECEMBER 2016  
TO THE MEMBERS OF PT FOUNDATION – CONT'D  
Responsibilities of the Directors for the Financial Statements**

The directors of the Foundation are responsible for the preparation of the financial statements of the Foundation that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Foundation that are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements of the Foundation represent the underlying transactions and events in a manner that achieves fair presentation.



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**INDEPENDENT AUDITORS' REPORT – 31ST DECEMBER 2016  
TO THE MEMBERS OF PT FOUNDATION – CONT'D****Auditors' Responsibilities for the Audit of the Financial Statements – cont'd**

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.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 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 Foundation have been properly kept in accordance with the provision of the Act.

**Other Matters**

1. As stated in Note 2.1 to Financial Statement, **PT FOUNDATION** adopted Malaysian Private Entities Reporting Standard on 1 January 2016 with a transition date of 1 January 2015. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statement of financial position of the Company as at 31 December 2015, and the statements of income and retained earnings and statements of cash flow of the Company for the year ended 31 December 2015 and related disclosures. We were not engaged to the related comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2016, in this circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2016 do not contain misstatements that materially affect the financial position as at 31 December 2016 and the financial performance and cash flows for the year then ended.
2. The report is made solely to the members of the Foundation, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibilities to any other person for the content of this report.



**JAMES & CO.**  
Firm No. AF 0984  
Chartered Accountants (M)



**AUGUSTINE JAMES**  
Approval No. 1515/09/18 (J/PH)  
Chartered Accountant (M)

Kuala Lumpur,

Date: **07 JUN 2017**

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**PT FOUNDATION**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2016**

	Note	2016 RM	2015 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	59,018	82,406
<b>CURRENT ASSETS</b>			
Other receivables	7	29,829	26,490
Cash and cash equivalents	8	687,962	383,587
Total current assets		<u>717,791</u>	<u>410,077</u>
<b>TOTAL ASSETS</b>		<u><b>776,809</b></u>	<u><b>492,483</b></u>
 <b>ACCUMULATED FUND</b>		 <u>(147,341)</u>	 <u>(116,633)</u>
<b>CURRENT LIABILITIES</b>			
Other payables	9	<u>924,150</u>	<u>609,116</u>
<b>TOTAL FUND AND LIABILITIES</b>		<u><b>776,809</b></u>	<u><b>492,483</b></u>

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

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**PT FOUNDATION**  
(Incorporated in Malaysia)

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	Note	2016 RM	2015 RM
Revenue	10	1,365,268	2,147,435
Cost of Services	10	(730,994)	(1,422,263)
Gross Income over Expenditure		634,274	725,172
Other Income		440	4,918
Administrative Expenses		(153,012)	(117,705)
Depreciation of Property, Plant and Equipment		(23,388)	(23,388)
Staff Costs		(489,022)	(634,165)
<b>DEFICIT OF INCOME OVER EXPENDITURE BEFORE TAXATION</b>	11	(30,708)	(45,168)
Tax expense	12	0	0
		(30,708)	(45,168)
Accumulated Fund brought forward			
As previously reported		(116,633)	(71,465)
Effects of adopting MPERS	2.1	0	0
As restated		(116,633)	(71,465)
Accumulated Fund carried forward		(147,341)	(116,633)

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

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**PT FOUNDATION**  
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**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	2016 RM	2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit of Income over Expenditure before taxation for the year	(30,388)	(45,168)
Adjustments:		
Depreciation of property, plant and equipment	23,388	23,388
Deficit of Income over Expenditure before working capital changes	(7,000)	(21,780)
Increase/(Decrease) in Working Capital	(3,339)	31,185
Other debtors and deposits	314,714	(116,359)
Other creditors and accruals	304,375	(106,954)
Net cash generated from / (used in) operations	0	0
Tax paid	304,375	(106,954)
Net cash generated from / (used in) operating activities	304,375	(106,954)
Net increase / (decrease) in cash and cash equivalents	304,375	(106,954)
Cash and cash equivalents as at 1st January	383,587	490,541
<b>Cash and cash equivalents as at 31st December</b>	<b>687,962</b>	<b>383,587</b>

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

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**PT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER, 2016**

**1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION**

The Foundation is principally engaged in the following activities:-

- a. To help minimize the rate of infection of HIV / AIDS amongst our communities and also help reduce discrimination of our communities that is based on ignorance and lack of information.
- b. To help provide care and support and improve the quality of life for people living with HIV / AIDS.
- c. To raise, receive, manage and administer funds for the general welfare of orphaned, abandoned, abused, neglected or victims of HIV / AIDS.
- d. To organize and to give talks and conduct seminars and workshop on HIV / AIDS at hospitals, factories and companies, charity organizations, youth organizations, schools, colleges and universities.
- e. To pursue the above objectives for the benefits of Malaysians only

The Foundation is a foundation limited by guarantee, incorporated and domiciled in Malaysia.

The financial statements of the Foundation are presented in Ringgit Malaysia (RM)

The financial statements were authorised for issue by the Trustees on **07 JUN 2017**

**2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT**

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 1965.

**2.1 Transition to the new MPERS Framework**

For the current year ended 31st December 2016, the Foundation had adopted the new Malaysian Private Entities Reporting Standards (MPERS). The date of transition to the new MPERS Framework is 1st January, 2015

Adoption of the new MPERS Framework requires that all the Standards in MPERS be applied to the financial statements for the current year ended 31 December 2016, the comparative financial statements for the year ended 31 December 2015, and to the opening statement of financial position at the date of transition to MPERS. MPERS provides for some mandatory exceptions and non-mandatory exemptions to the retrospective application of some standards.

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## 2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT - CONT'D

The adoption of the Amendments to MPERS Framework has no effect on the financial statement of the Foundation for the current year ended 31 December 2016 and the comparative year ended 31 December 2015.

### 2.2 Early Adoption of the Amendments to MPERS

In October 2015, the MASB issued Amendments to MPERS that are effective for financial statements beginning on or after 1 January 2017, with early application permitted. The Foundation has opted to early apply the Amendments for the current year ended 31 December 2016. The early adoption of the Amendments to MPERS has no effect on the financial statements of the Foundation for the current year ended 31 December 2016 and the comparative year ended 31 December 2015.

## 3. BASIS OF PREPARATION

The financial statements of the Foundation have been prepared using cost and fair value basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement and hence, the actual results may not coincide with the reported amounts. The areas involving estimation uncertainties are disclosed in Note 5.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Property, plant and equipment.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

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

All property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

The annual depreciation rates used are as follows:

Air-Conditioners	20%
Computers	20%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%

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#### **4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

##### **4.1 Property, plant and equipment- Cont'd**

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

Upon the disposal of an item of plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

##### **4.2 Translation of Foreign Currency Transactions**

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing dates). Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit and loss in the period.

##### **4.3 Impairment of Non-Financial Assets**

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

At the end of each reporting date, the Foundation assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Foundation estimates the recoverable amount of the asset or cash-generating unit.

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

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

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#### **4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

##### **4.3 Impairment of Non-Financial Assets - Cont'd**

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

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

The Foundation reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

##### **4.4 Financial Instruments**

###### **(a) Initial Recognition and Measurement**

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

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

###### **(b) Derecognition of Financial Instruments**

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

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



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#### 4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

##### 4.4 Financial Instruments - Cont'd

###### (c) Subsequent Measurement of Financial Assets

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

After initial recognition, investments in preference shares and ordinary shares are measured at their fair value by reference to the active market prices, if observable, or otherwise by valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investment in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

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

###### (d) Subsequent Measurement of Financial Liabilities

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

###### (e) Fair Value Measurement of Financial Instruments

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

###### (f) Recognition of Gains and Losses

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

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

###### (g) Impairment and Uncollectability of Financial Assets

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

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#### 4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

##### 4.4 Financial Instruments - Cont'd

###### (g) Impairment and Uncollectability of Financial Assets - Cont'd

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account.

Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

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

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Foundation may estimate the recoverable amount using an adjusted net asset value approach.

##### 4.5 Tax Assets and Tax Liabilities

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

A deferred tax liability is recognised for all taxable temporary difference, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

##### 4.5 Tax Assets and Tax Liabilities - Cont'd

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

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Foundation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Foundation does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it become probable that sufficient taxable profit will be available.

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

##### 4.6 Employee Benefits

The Foundation recognizes a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Foundation consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

###### (a) Short-Term Employee Benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

###### (b) Post-Employment Benefits – Defined Contribution Plans

The Foundation makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Foundation has no further payment obligations.

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#### 4. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

##### 4.7 Revenue Recognition and Measurement

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

Revenue from a sale of goods is recognised when: (a) the Foundation has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Foundation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Foundation; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Foundation recognises grants as follows:

- (a) A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are receivable.
- (b) A grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met.
- (c) Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

#### 5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

##### 5.1 Judgements and Assumptions Applied

In the selection of accounting policies for the Foundation, there are no areas that require significant judgements and assumptions.

##### 5.2 Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Foundation are in measuring: (a) loss allowances of financial assets and (b) depreciation of property, plant and equipment.

##### (a) Loss Allowances of Financial Assets

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

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## 5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY - CONT'D

### 5.2 Estimation Uncertainty - Cont'd

#### (b) Depreciation of Property, Plant and Equipment

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

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**6. PROPERTY, PLANT AND EQUIPMENT****2016****COST**

	Balance at 01.01.2016 RM	Additions RM	Disposal RM	Balance at 31.12.2016 RM
Air-Conditioners	24,017	0	0	24,017
Computers	67,395	0	0	67,395
Furniture and fittings	14,187	0	0	14,187
Office equipment	32,405	0	0	32,405
Renovation	206,857	0	0	206,857
	<u>344,861</u>	<u>0</u>	<u>0</u>	<u>344,861</u>

**ACCUMULATED DEPRECIATION**

	Balance at 01.01.2016 RM	Charge for the year RM	Adjustment RM	Balance at 31.12.2016 RM
Air-Conditioners	23,356	660	0	24,016
Computers	65,888	0	0	65,888
Furniture and fittings	11,180	814	0	11,994
Office equipment	28,761	1,228	0	29,989
Renovation	133,270	20,686	0	153,956
	<u>262,455</u>	<u>23,388</u>	<u>0</u>	<u>285,843</u>

**NET BOOK VALUE**

	Balance at 31.12.2016 RM
Air-Conditioners	1
Computers	1,507
Furniture and fittings	2,193
Office equipment	2,416
Renovation	52,901
	<u>59,018</u>

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**6. PROPERTY, PLANT AND EQUIPMENT - CONT'D****2015****COST**

	Balance at 01.01.2015 RM	Additions RM	Disposal RM	Balance at 31.12.2015 RM
Air-Conditioners	24,017	0	0	24,017
Computers	67,395	0	0	67,395
Furniture and fittings	14,187	0	0	14,187
Office equipment	32,405	0	0	32,405
Renovation	206,857	0	0	206,857
	<u>344,861</u>	<u>0</u>	<u>0</u>	<u>344,861</u>

**ACCUMULATED DEPRECIATION**

	Balance at 01.01.2015 RM	Charge for the year RM	Adjustment RM	Balance at 31.12.2015 RM
Air-Conditioners	22,696	660	0	23,356
Computers	65,888	0	0	65,888
Furniture and fittings	10,366	814	0	11,180
Office equipment	27,533	1,228	0	28,761
Renovation	112,584	20,686	0	133,270
	<u>239,067</u>	<u>23,388</u>	<u>0</u>	<u>262,455</u>

**NET BOOK VALUE**

	Balance at 31.12.2015 RM
Air-Conditioners	661
Computers	1,507
Furniture and fittings	3,007
Office equipment	3,644
Renovation	73,587
	<u>82,406</u>

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**7. OTHER RECEIVABLES**

	2016 RM	2015 RM
Other receivables	<u>29,829</u>	<u>26,490</u>

**8. CASH AND CASH EQUIVALENTS**

	2016 RM	2015 RM
Cash and bank balances	<u>687,962</u>	<u>383,587</u>

The Foundation's cash management policy is to use bank balances, to ensure sufficient liquidity to meet the Foundation's obligations. The components of cash and equivalents are as stated.

**9. OTHER PAYABLES**

	2016 RM	2015 RM
Grant payable	826,021	359,035
Non-trade payables and accruals	<u>98,129</u>	<u>250,081</u>
	<u>924,150</u>	<u>609,116</u>

**10. REVENUE AND COST OF SERVICES**

	2016 RM	2015 RM
Revenue:		
Grants	502,532	1,143,474
ISEAN HiVos	702,367	944,239
Donations	<u>160,369</u>	<u>59,722</u>
	<u>1,365,268</u>	<u>2,147,435</u>
Cost of services	<u>(730,994)</u>	<u>(1,422,263)</u>
Gross Income over Expenditure	<u>634,274</u>	<u>725,172</u>

**11. DEFICIT OF INCOME OVER EXPENDITURE**

	2016 RM	2015 RM
Deficit of income over expenditure before taxation has been arrived at:		
<i>After charging:</i>		
Auditors' remuneration	7,000	8,000
Rental of premises	46,851	26,334
Depreciation of property, plant and equipment	23,388	23,388
Staff costs	<u>489,022</u>	<u>634,165</u>



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**12. TAX EXPENSE**

	2016 RM	2015 RM
Current income tax expense:		
Taxes payable in Malaysia	<u>0</u>	<u>0</u>

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

	2016 RM	2015 RM
Deficit of income over expenditure	<u>(30,708)</u>	<u>(45,168)</u>
Tax at the statutory income tax rate of 19% / 20%	(5,835)	(9,034)
Tax effects of expenses disallowed for tax purpose:		
- Depreciation of non-qualifying assets	0	0
- Other expenses disallowed for tax purpose	30	3,258
Originating and reversal of temporary differences	<u>5,805</u>	<u>5,776</u>
Effective tax expense	<u>0</u>	<u>0</u>

Deferred tax assets have not been recognised in respect of tax lossess carried forward.

**13. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year financial statements.

Lodged by :      ASTEC SERVICES  
                      No.10B, Tingkat Dua  
                      Jalan Setiawan  
                      Off Jalan Tun Razak  
                      50400 Kuala Lumpur

Tel No.        :      03-40431849

**PT FOUNDATION**  
(Incorporated in Malaysia)**DETAILED INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	<b>2016</b> <b>RM</b>	<b>2015</b> <b>RM</b>
Funds generated from AIDS awareness and educational programmes		
Grants	329,830	1,009,504
Less: Cost of Services	(10,830)	(478,024)
	<u>319,000</u>	<u>531,480</u>
HIV Screening test	172,702	133,970
Less: Direct expenses	(17,797)	0
	<u>154,905</u>	<u>133,970</u>
ISEAN HIVos	702,367	944,239
Less: Direct expenses	(702,367)	(944,239)
	<u>0</u>	<u>0</u>
Donations	160,369	59,722
<b>REVENUE</b>	<u>634,274</u>	<u>725,172</u>
<b>OTHER INCOME</b>		
Selling of merchandise	265	4,918
Other Income	175	0
	<u>634,714</u>	<u>730,090</u>
<b>LESS :</b>		
<b>SCHEDULE OF OPERATING EXPENSES</b>		
(As per Annexure 1)	(665,422)	(775,258)
<b>DEFICIT OF INCOME OVER EXPENDITURE</b>	<u>(30,708)</u>	<u>(45,168)</u>

**PT FOUNDATION**  
(Incorporated in Malaysia)**SCHEDULE OF OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	2016 RM	2015 RM
<b>ADMINISTRATIVE EXPENSES</b>		
Auditors' remuneration	7,000	8,000
Bank charges	241	467
Goods and Services Tax -GST	1,086	2
Insurance	275	0
Medical expenses	1,237	805
Penalty	150	1,834
Printing, stationery and periodicals	12,747	11,133
Professional fees	894	60
Rental of premises	46,851	26,334
Research fees	0	14,458
Secretarial fee and disbursements	1,170	450
Subscription fee	100	0
Telephone charges	15,314	11,153
Travelling and accommodation	30,012	21,128
Upkeep of office	9,230	5,784
Upkeep of office equipment	7,638	1,630
Utilities	17,227	13,166
Web expenses	1,840	1,301
	153,012	117,705
<b>DEPRECIATION EXPENSES</b>		
Depreciation of property, plant and equipment	23,388	23,388
<b>STAFF COSTS</b>		
EPF and Socso	58,026	23,004
Salaries and allowances	410,786	589,285
Staff welfare and training	20,210	21,876
	489,022	634,165
	<u>665,422</u>	<u>775,258</u>