




*Financial Statements  
for the year ended 31<sup>st</sup> December 2022*

S P TAN & SUNDAR  
Chartered Accountants

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**Directors' report**  
**For the year ended 31 December 2022**

The directors have pleasure in submitting their report and the audited financial statements of the Foundation for the financial year ended 31 December 2022.

**Principal activities**

The principal activities of the Foundation are to promote public awareness, understanding and appreciation of chemistry and the chemistry profession; chemistry education in schools and universities; chemistry as a profession and career in Malaysia and the advancement of chemistry in Malaysia.

The Foundation is incorporated in Malaysia as a company limited by guarantee and does not have a share capital.

**Financial results**

	<i>RM</i>
Excess of income over expenditure after taxation	<u>3,661</u>

**Reserves and provisions**

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

**Directors of the Foundation**

The directors in office during the financial year and at the date of this report are:-

Son Ting Kueh @ Soon Ting Sing  
Mohamed Zaini Bin Abdul Rahman  
Zuriati Zakaria  
Juan Joon Ching  
Tea Hing San  
Chang Hon Fong  
Law Sie Ling

### **Directors' Interest in shares**

The foundation is limited by guarantee and does not have a share capital.

### **Directors' benefits**

Since the end of the previous financial period, no director of the Foundation has received nor become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Foundation or a related corporation with the 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.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other corporate.

### **Other statutory information**

Before the financial statements of the Foundation were made out, the Directors took reasonable steps :-

- (i) to ascertain that 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 were no known bad debts and that no provision for doubtful debts was necessary; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Foundation inadequate to any substantial extent, or

**Other statutory information (contd.)**

- (ii) that would render the value attributed to the current assets in the financial statements of the Foundation misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Foundation misleading.

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Foundation that 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 that has arisen since the end of the financial year.

No contingent 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, in the opinion of the Directors, will or may substantially affect the ability of the Foundation to meet its obligations as and when they fall due.

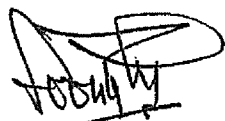
In the opinion of the Directors, the financial performance of the Foundation for the financial year ended 31 December 2022 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**Auditors**

Auditors' remuneration is disclosed in the statement of comprehensive income and expenditure.

The auditors, S P Tan & Sundar, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors



SON TING KUEH @ SOON TING  
SING



CHANG HON FONG

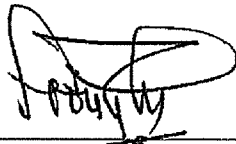
Date: 18 FEB 2023

**Statement by directors**

Pursuant to Section 251(2) of the Companies Act, 2016

We, Son Ting Kueh @ Soon Ting Sing and Chang Hon Fong, being two of the directors of IKM Law Hieng Ding Foundation, do hereby state that, in the opinion of the directors, the financial statements set out on pages 10 to 25 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2022 and of the results and cash flows of the Foundation for the year ended on that date in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a resolution of the directors



SON TING KUEH @ SOON TING  
SING



CHANG HON FONG

Date: 18 FEB 2023

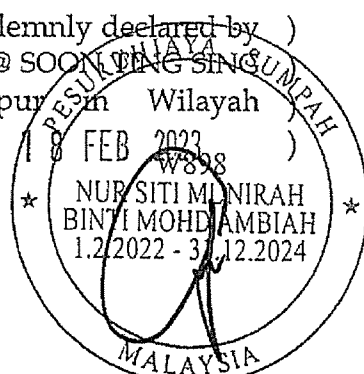
**Statutory declaration**

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

I, Son Ting Kueh @ Soon Ting Sing, being the director primarily responsible for the financial management of IKM Law Hieng Ding Foundation, do solemnly and sincerely declare that the financial statements set out on pages 10 to 25 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
SON TING KUEH @ SOON TING SING )  
at Kuala Lumpur in Wilayah )  
Persekutuan this )

Before me



SON TING KUEH @ SOON TING  
SING

SUITE 15-23A, WISMA ZELAN  
NO.1, JALAN TASIK PERMAISURI  
BANDAR TUN RAZAK, CHEERAS.  
56000, KUALA LUMPUR

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**IKM LAW HIENG DING FOUNDATION**

(Incorporated in Malaysia)  
Company No : 202001034123 (1390444 A)

**Report on the Financial Statements**

*Opinion*

We have audited the financial statements of IKM Law Hieng Ding Foundation, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income and expenditure, statement of changes in general 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 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation 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 requirements 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 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
IKM LAW HIENG DING FOUNDATION (CONTD.)**

(Incorporated in Malaysia)  
Company No : 202001034123 (1390444 A)

*Information Other than the Financial Statements and Auditors' Report Thereon (contd.)*

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.

*Responsibilities of the Directors for the Financial Statements*

The directors of the Foundation are responsible for the preparation of financial statements of the Foundation 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
IKM LAW HIENG DING FOUNDATION (CONTD.)**

(Incorporated in Malaysia)

Company No : 202001034123 (1390444 A)

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 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 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 represent the underlying transactions and events in a manner that achieves fair presentation.

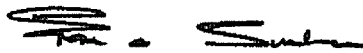
We communicate with the directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**IKM LAW HIENG DING FOUNDATION (CONTD.)**

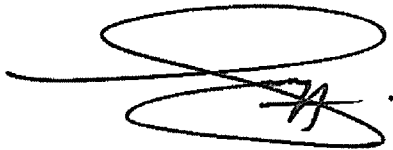
(Incorporated in Malaysia)  
Company No : 202001034123 (1390444 A)

**Other Matters**

This 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 responsibility to any other person for the content of this report.



S P TAN & SUNDAR  
AF No : 1527  
Chartered Accountants



LEONG WAI LENG  
2898/03/23(I)  
Chartered Accountant

Dated : 18 FEB 2023

Kuala Lumpur

**Statement of financial position  
as at 31 December 2022**

	<i>Note</i>	<b>2022</b> RM	<b>2021</b> RM
<b>ASSETS</b>			
<b>Non current assets</b>			
Plant and equipment	6	<u>4,938</u>	<u>4,522</u>
<b>Current assets</b>			
Inventories	7	3,500	3,500
Other receivables		-	5,400
Cash and cash equivalents	8	<u>1,123,331</u>	<u>1,141,721</u>
<b>Total current assets</b>		<u>1,126,831</u>	<u>1,150,621</u>
<b>Total Assets</b>		<u>1,131,769</u>	<u>1,155,143</u>
<b>FUNDS AND LIABILITIES</b>			
<b>General fund</b>			
Initial funds from contributors	9	1,000,000	1,000,000
Accumulated surplus		120,268	-
Excess of income over expenditure		<u>3,661</u>	<u>120,268</u>
<b>Total accumulated fund</b>		<u>1,123,929</u>	<u>1,120,268</u>
<b>Current liabilities</b>			
Other payables	10	3,200	8,887
Current tax liabilities		<u>4,640</u>	<u>25,988</u>
<b>Total current liabilities</b>		<u>7,840</u>	<u>34,875</u>
<b>Total Funds and Liabilities</b>		<u>1,131,769</u>	<u>1,155,143</u>

*The annexed notes form an integral part of these financial statements.*

**Statement of comprehensive income and expenditure  
for the year ended 31 December 2022**

	<i>Note</i>	<i>01.01.2022 to 31.12.2022 2022 RM</i>	<i>22.10.2020 to 31.12.2021 2021 RM</i>
<b>INCOME</b>			
Donation		10,000	-
Interest from fixed deposits		20,350	167,811
<b>Total income</b>		<u>30,350</u>	<u>167,811</u>
<b>LESS : EXPENDITURE</b>			
Audit fee		3,200	3,000
Bank charges		54	16
Depreciation		604	503
IKM Special Merit award		1,000	300
Incorporation expenses		-	14,941
Penalty		450	-
Printing		4,696	-
Professional fee and expenses		1,600	-
Secretarial fee and expenses		3,935	2,717
Sponsorship		10,925	-
Stationery		-	78
Sundry expenses		486	-
		<u>26,950</u>	<u>21,555</u>
<b>Excess of income over expenditure before taxation</b>		3,400	146,256
Taxation	11	261	(25,988)
<b>Excess of income over expenditure</b>		<u>3,661</u>	<u>120,268</u>

*The annexed notes form an integral part of these financial statements.*

**Statement of changes in general fund  
for the year ended 31 December 2022**

	<i>Note</i>	<i>RM</i>
Balance at 22 October 2020		-
Initial funds from contributors	9	1,000,000
Excess of income over expenditure		120,268
Balance at 31 December 2021		<u>1,120,268</u>
Excess of income over expenditure		3,661
Balance at 31 December 2022		<u><u>1,123,929</u></u>

*The annexed notes form an integral part of these financial statements.*

**Statement of cash flows**  
**for the year ended 31 December 2022**

	<i>01.01.2022 to 31.12.2022 2022 RM</i>	<i>22.10.2020 to 31.12.2021 2021 RM</i>
<b>Cash flows from operating activities</b>		
Excess of income over expenditure before taxation	3,400	146,256
Adjustments for :-		
Depreciation of plant and equipment	604	503
Incorporation expenses	-	14,941
Interest income	(20,350)	(167,811)
Operating loss before working capital changes	<u>(16,346)</u>	<u>(6,111)</u>
Inventories	-	(3,500)
Receivables	5,400	(5,400)
Payables	(5,687)	8,887
Cash outflow from operations	<u>(16,633)</u>	<u>(6,124)</u>
Incorporation expenses paid	-	(14,941)
Tax paid	(21,087)	-
Net cash outflow from operating activities	<u>(37,720)</u>	<u>(21,065)</u>
<b>Cash flows from investing activities</b>		
Interest received	<u>20,350</u>	<u>167,811</u>
Placement of deposits with maturity 90 days or more	-	(1,100,000)
Purchase of plant and equipment	(1,020)	(5,025)
Net cash inflow/(outflow) from investing activities	19,330	(937,214)
<b>Cash flows from financing activities</b>		
Initial funds from contributors	-	1,000,000
Net (decrease)/increase in cash and cash equivalents	<u>(18,390)</u>	<u>41,721</u>
Cash and cash equivalents at beginning of year/period	41,721	-
<b>Cash and cash equivalents at end of year/period (Note 8)</b>	<u>23,331</u>	<u>41,721</u>

*The annexed notes form an integral part of these financial statements.*

**Notes to the financial statements  
for the year ended 31 December 2022**

**1. General information**

The principal activities of the Foundation are to promote public awareness, understanding and appreciation of chemistry and the chemistry profession; chemistry education in schools and universities; chemistry as a profession and career in Malaysia and the advancement of chemistry in Malaysia. The Foundation has not started its activities during this financial year but intends to commence in the next financial year.

The registered office of the Company is located at Suite 12B-23 Level 12B, Wisma Zelan, No. 1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur.

The financial statements of the Foundation are presented in Ringgit Malaysia (RM) which is also the functional currency of the Foundation.

The financial statements were authorised for issue by the Board of Directors on \_\_\_\_\_.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Foundation have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the directors to make estimates and assumptions that affect the reported amounts to assets, liabilities, revenue and expenses and disclosure of contingent liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.



## **2. Basis of preparation (contd.)**

### **2.1 Adoption of new and amended standards**

During the financial year, the Foundation have adopted the following new MFRSs, new interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Boards that are mandatory for current financial year :-

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to MFRS 3, *Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141, *Annual Improvement to MFRS Standards 2018 – 2020*

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Foundation.

### **2.2 Standard issued but not yet effective**

As at the date of authorisation of these financial statements, the following accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standard Board but have not been adopted by the Foundation :-

#### ***MFRSs and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance contracts*
- Amendment to MFRS 17, *Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### ***MFRSs and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Lease – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants*

#### ***MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

The adoption of the above accounting standards and amendments to accounting standards are either not applicable or not expected to have any significant impact to the financial statements of the Foundation upon their initial applications.

### **3. Summary of principal accounting policies**

These principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, unless otherwise stated.

#### **(a) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful life. The principal annual depreciation rate is:

Furniture and fixtures	10%
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The assets' residual values and useful life are reviewed, adjusted if appropriate, annually.

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

#### **(b) Financial assets**

The Foundation classifies its financial assets at amortised cost when the asset is held within an entity model with the objective to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets of the Foundation which fall under this category are other receivables and cash and cash equivalents.

At initial recognition, the Foundation measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset for an item that is not at fair values through profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets are classified as current assets for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current.

### **3. Summary of principal accounting policies (contd.)**

#### **(b) *Financial assets (contd.)***

A financial asset is derecognised when the risks and rewards relating to the financial asset have expired or had been fully transferred or had been partially transferred with no control over the same. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received is recognised in profit or loss.

#### **(c) *Financial liabilities***

The Foundation's financial liabilities are categorized as other financial liabilities and are recognised initially at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current.

A financial liability is derecognised when the obligation specified in the contract is either discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition 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 or loss.

#### **(d) *Impairment***

The Foundation recognises an allowance for expected credit loss ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, no impairment loss has been identified.

**3. Summary of principal accounting policies (contd.)**

**(e) Inventories**

Inventories comprise books on the Biography of the late Law Hieng Ding and are stated at cost. The cost will be charged to profit or loss when the books are sold or given away.

**(f) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include deposits held at call with banks and other short term investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**(g) Taxation**

**(i) Current tax**

Income tax on profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

**(ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that 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 the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that 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 the accounting profit nor taxable profit or loss.

**3. Summary of principal accounting policies (contd.)**

**(g) Taxation (contd.)**

**(ii) Deferred tax (contd.)**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(h) Revenue recognition**

Interest from fixed deposits is recognised on the maturity basis in accordance with the terms of the deposits.

Donation received from Institut Kimia Malaysia is recognised in the statement of comprehensive income and expenditure when the Foundation is entitled to the donation.

#### **4. Critical accounting estimates and judgement in applying accounting policies**

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The directors exercise their judgement in the process of applying the Foundation's accounting policies. Estimates and assumptions are based on the directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

There are no significant arrears of estimation uncertainty and critical judgements in applying accounting policies that have significant affect on the amounts recognised in the financial statements.

#### **5. Financial risk management and capital management**

##### **a) Financial risk management**

The Foundation's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Foundation's objectives and principal activities whilst minimizing the potential adverse impact arising from fluctuation in interest rate risk and liquidity risk.

Information on the management of the related exposures to the respective financial risks is detailed below:

##### **Interest rate risk**

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates exposures arise from deposits placed with licensed banks and other financial institutions which are short term in nature and earn market interest rates.

##### **Liquidity risk**

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting its financial obligations due to insufficient funds. The Foundation maintains sufficient cash and cash equivalents to enable it to meet its operational obligations when they fall due.

**5. Financial risk management and capital management (contd.)**

a) Financial risk management (contd.)

**Fair value of the financial instruments**

The carrying amounts of the financial assets and liabilities as at end of reporting period approximated their fair values.

b) Capital risk management

The Foundation considers its general funds as its capital. As at 31 December 2022, the Foundation is not exposed to any capital risk as there are no outstanding borrowings made with any financial institutions nor related companies.

**6. Plant and equipment**

	<i>As at</i>		<i>Balance</i>
<b>2022</b>	<i>01.01.2022</i>	<i>Additions</i>	<i>as at</i>
<b>At cost</b>	<i>RM</i>	<i>RM</i>	<i>31.12.2022</i>
Furniture and fittings	5,025	1,020	6,045
			<hr/>
			<i>Balance</i>
	<i>As at</i>	<i>Charge for</i>	<i>as at</i>
	<i>01.01.2022</i>	<i>the year</i>	<i>31.12.2022</i>
<b>Accumulated depreciation</b>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Furniture and fittings	503	604	1,107
			<hr/>
			<i>Balance</i>
			<i>as at</i>
			<i>31.12.2022</i>
<b>Net carrying amount</b>			
Furniture and fittings			4,938
			<hr/>

**6. Plant and equipment (contd.)**

	<i>As at</i> 22.10.2020	<i>Additions</i>	<i>Balance</i> <i>as at</i> 31.12.2021
2021	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>At cost</b>			
Furniture and fittings	-	5,025	5,025
	<i>As at</i> 22.10.2020	<i>Charge for</i> <i>the period</i>	<i>Balance</i> <i>as at</i> 31.12.2021
	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>Accumulated depreciation</b>			
Furniture and fittings	-	503	503
			<i>Balance</i> <i>as at</i> 31.12.2021
<b>Net carrying amount</b>			
Furniture and fittings			4,522

**7. Inventories**

	2022	2021
	<i>RM</i>	<i>RM</i>
Books	3,500	3,500

**8. Cash and cash equivalents**

The components of cash and cash equivalents consist of:

Bank balance	14,081	41,721
Fixed deposits placed with licensed banks	1,109,250	1,100,000
Cash and cash equivalents as per statement of financial position	1,123,331	1,141,721
Less : Deposits with maturity 90 days or more	(1,100,000)	(1,100,000)
Cash and cash equivalents as per statement of cash flows	23,331	41,721



## 9. Initial funds from contributors

As a requirement under the guidelines of the Companies Commission of Malaysia, a company limited by guarantee (“CLBG”) which desires to omit the word “Berhad” is required to obtain an initial fund of at least RM1 million prior to its incorporation. This fund is to ensure that the CLBG will be able to carry out its objectives as soon as it is incorporated and to sustain its operations for at least 2 years.

## 10. Other payables

	2022	2021
	RM	RM
Accrual	3,200	3,000
Amount due to Institut Kimia Malaysia	-	5,887
	<u>3,200</u>	<u>8,887</u>

All short term payables are measured at undiscounted amounts because the effects of discounting is immaterial.

The amount due to Institut Kimia Malaysia is unsecured, interest free and repayable on demand.

## 11. Taxation

	01.01.2022	22.10.2020
	to 31.12.2022	to 31.12.2021
	2022	2021
	RM	RM
Malaysian income tax		
- Current year	4,640	25,988
- Previous year	(4,901)	-
	<u>(261)</u>	<u>25,988</u>

**11. Taxation (contd.)**

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:

	<i>01.01.2022 to 31.12.2022 2022 RM</i>	<i>22.10.2020 to 31.12.2021 2021 RM</i>
Excess of income over expenditure before taxation	<u>3,400</u>	<u>146,256</u>
Tax calculated at the Malaysian statutory tax rate	816	24,863
Tax effects of non-deductible expenses	6,224	1,125
Income tax - Previous year	(4,901)	-
Income not subject to tax	<u>(2,400)</u>	<u>-</u>
	<u>(261)</u>	<u>25,988</u>

**12. Related party disclosures**

(a) Transaction with related parties

As stipulated in Clause 19 of the Foundation's Constitution, the members of Institut Kimia Malaysia shall automatically become members of the Foundation.

The Foundation considers transactions with Institut Kimia Malaysia or its members as related party transactions. The following are related party transactions during the year :

	<i>2022 RM</i>	<i>2021 RM</i>
<u>Institut Kimia Malaysia</u>		
Advances	-	5,887
Donation received	<u>10,000</u>	<u>-</u>

**12. Related party disclosures (contd.)**

(b) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director of the Foundation.

No compensation has been paid to key management personnel during the year.

**13. Financial instruments by category**

Financial assets and liabilities are categorised as follows :

	2022	2021
	RM	RM
<b>Financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Other receivables	-	5,400
Cash and cash equivalents	<u>1,123,331</u>	<u>1,141,721</u>
	<u>1,123,331</u>	<u>1,147,121</u>
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Other payables	<u>3,200</u>	<u>8,887</u>