

Company No.: 940689-W

INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS FOR THE PERIOD
FROM 15 APRIL 2011 (DATE OF INCORPORATION)
TO 31 DECEMBER 2011**

INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Incorporated in Malaysia as a company limited by guarantee)
Company No.: 940689-W

**FINANCIAL STATEMENTS
FOR THE PERIOD FROM 15 APRIL 2011(DATE OF INCORPORATION)
TO 31 DECEMBER 2011**

TABLE OF CONTENTS

	PAGE
Corporate information	2
Directors' report	3 – 6
Statement by directors	7
Statutory declaration	7
Report of the independent auditors	8– 9
Statement of Financial Position	10
Statement of Comprehensive Income and Expenditure	11
Statement of Changes in General Fund	12
Statement of Cash Flow	13
Notes to the financial statements	14 – 23

INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Incorporated in Malaysia as a company limited by guarantee)
Company No.: 940689-W

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tunku Zain Al-Abidin Ibni Tunku Muhriz
Wan Saifulruddin Bin Wan Jan
Wan Mohd Firdaus Bin Wan Mohd Fuaad

COMPANY SECRETARIES

Alwizah Al-Yafii Binti Ahmad Kamal

REGISTERED ADDRESS

Suite 2-4 Level 2, Tower Block, Menara Millenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL PLACE OF BUSINESS

D6, Taman Tunku,
Bukit Tunku,
50480 Kuala Lumpur.

AUDITORS

A. Razak & Co. (AF 0842)
Chartered Accountants
51-2D, 2nd Floor, Jalan Pandan 3/10
Pandan Jaya
55100 Kuala Lumpur

PRINCIPAL BANKER

CIMB Bank Berhad

DIRECTORS' REPORT
FOR THE PERIOD FROM 15 APRIL 2011 (DATE OF INCORPORATION)
TO 31 DECEMBER 2011

The directors hereby submit their report together with the audited financial statements of the INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD ("the Institute") for the period from 15 APRIL 2011 (Date of Incorporation) to 31 December 2011.

PRINCIPAL ACTIVITIES

The Institute is engaged in promoting economic and democracy ideas, policies and understanding. There was no significant change in the nature of these activities during the period.

FINANCIAL RESULTS

	RM
Deficit of income over expenditure	<u>(158,871)</u>

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

RESERVES AND PROVISIONS

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

DIRECTORS' BENEFITS

During and at the end of the period, no arrangements subsisted to which the Institute is a party, with the object or objects of enabling directors of the Institute to acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

Since the date of incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the Institute 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.

DIRECTORS

The directors who held office since the date of incorporation are:

Tunku Zain Al-Abidin Ibni Tunku Muhriz	(First Director)
Wan Saifulruddin Bin Wan Jan	(First Director)
Wan Mohd Firdaus Bin Wan Mohd Fuaad	(First Director)

BAD AND DOUBTFUL DEBTS

Before the financial statements were made out, the directors took reasonable steps to ascertain that action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Institute inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Institute have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Institute misleading.

VALUATION METHODS

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 Institute misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- a) any charge on the assets of the Institute which has arisen since the date of incorporation which secures the liabilities of any other person, or
- b) any contingent liability of the Institute which has arisen since the date of incorporation.

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 affect the ability of the Institute to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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 which would render any amounts stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Institute for the year ended 31 DECEMBER 2011 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not 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 likely, in the opinion of the directors, to affect substantially the results of the operations of the Institute for the financial year in which this report is made.

AUDITORS

The auditors, Messrs. A. Razak & Co., have indicated their willingness to be re-appointed in accordance with Section 172(2) of the Companies Act, 1965.

INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Incorporated in Malaysia as a company limited by guarantee)
Company No.: 940689-W

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



TUNKU ZAIN AL-ABIDIN IBNI TUNKU MUHRIZ
Director



WAN SAIFULRUDDIN BIN WAN JAN
Director

Kuala Lumpur, Malaysia
Date:

05 JUN 2012

INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Incorporated in Malaysia as a company limited by guarantee)
Company No.: 940689-W

STATEMENT BY DIRECTORS
Pursuant to Section 169 (15) of the Companies Act, 1965

We, TUNKU ZAIN AL-ABIDIN IBNI TUNKU MUHRIZ and WAN SAIFULRUDDIN BIN WAN JAN, two of the directors of INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD do hereby state that, in our opinion, the financial statements set out in page 10 to 23 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 DECEMBER 2011 and of the results and cash flows for the financial period ended on that date in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board and comply with the provisions of the Companies Act, 1965.

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



TUNKU ZAIN AL-ABIDIN IBNI
TUNKU MUHRIZ
Director



WAN SAIFULRUDDIN BIN
WAN JAN
Director


Kuala Lumpur

Date: **05 JUN 2012**

STATUTORY DECLARATION
Pursuant to Section 169 (16) of the Companies Act, 1965

I, WAN SAIFULRUDDIN BIN WAN JAN, the director primarily responsible for the financial management of INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD, do solemnly and sincerely declare that the financial statements set out in page 10 to 23 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 above named WAN SAIFULRUDDIN BIN WAN JAN (I/C No. 750620-02-5579) at Kuala Lumpur in the state of Wilayah Persekutuan on this **05 JUN 2012**

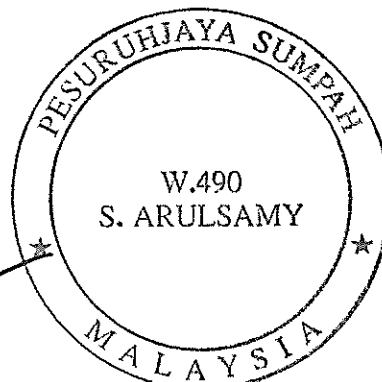


WAN SAIFULRUDDIN
BIN WAN JAN

Before me,



Commissioner for Oaths



16 - Tingkat Bawah Jalan Pudu,
55100 Kuala Lumpur.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Company No.940689-W)
(Incorporated in Malaysia as a company limited by guarantee)**

Report on the Financial Statements

We have audited the financial statements of INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income and expenditure, statement of changes in general fund and statement of cash flow for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 23.

Directors' Responsibility for the Financial Statements

The Directors of the Institute are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR DEMOCRACY & ECONOMIC AFFAIRS BERHAD
(Company No.: 940689-W)
(Incorporated in Malaysia as a company limited by guarantee)**

Opinion

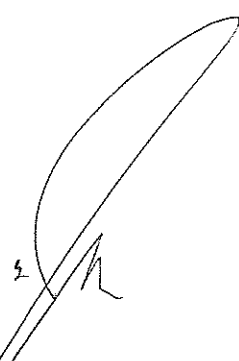
In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Institute as of 31 December 2011 and of its financial performance and cash flows for the period then ended.

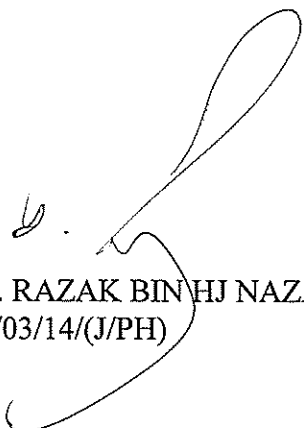
Report on Other Legal and Regulatory Requirements

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 Institute have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Institute, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


A. RAZAK & CO.
AF 0842
Chartered Accountants


ABD. RAZAK BIN HJ NAZAH DIN
1522/03/14/(J/PH)

Kuala Lumpur
Date: 05 JUN 2012

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	RM
NON CURRENT ASSETS		
Plant and equipment	4	29,647
CURRENT ASSETS		
Cash and bank balances		5,393
CURRENT LIABILITIES		
Other payables	5	(193,911)
NET CURRENT LIABILITIES		<u>(158,871)</u>
 REPRESENTED BY:		
GENERAL FUND		
Balance at beginning of the year		-
Deficit of income over expenditure		<u>(158,871)</u>
Balance as at end of the year		<u>(158,871)</u>

The annexed notes from an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
 FOR THE PERIOD FROM 15 APRIL 2011 (DATE OF INCORPORATION)
 TO 31 DECEMBER 2011

	Note	RM
INCOME		
Donations		365,653
LESS: EXPENDITURE		
Accounting fee		2,550
Audit fee		2,500
Bank charges		290
Depreciation		4,523
Design and layout		7,050
EPF & Socso		11,841
Event management expenses		8,546
Honorarium		15,250
Marketing materials		20,894
Material booklet and literature		5,196
Media monitoring		8,750
Meeting and networking		14,812
Miscellaneous cost		16,731
Penalty		443
Postages and courier		1,327
Printing and stationery		28,336
Refreshment		31,126
Rental of photocopier		3,300
Rental of premises		19,800
Salaries, wages and allowances		225,979
Secretarial fee		2,185
Staff training and benefits		11,535
Subscription fees		6,012
Tax fees		3,200
Telephone charges		8,491
Translation and editing expenses		8,330
Travelling and accommodation		34,375
Upkeep of office		12,956
Video and photography		6,200
Website fees		1,996
		524,524
Deficit of income over expenditure		(158,871)
Taxation	6	-
Net deficit of income over expenditure		(158,871)

The annexed notes from an integral part of these financial statements.

STATEMENT OF CHANGES IN GENERAL FUND
FOR THE PERIOD FROM 15 APRIL 2011 (DATE OF INCORPORATION)
TO 31 DECEMBER 2011

	Total RM
As at 15 April 2011	-
Deficit of income over expenditure	<u>(158,871)</u>
As at 31 December 2011	<u><u>(158,871)</u></u>

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

STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 15 APRIL 2011 (DATE OF INCORPORATION)
TO 31 DECEMBER 2011

	RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	(158,871)
Adjustment for:-	
Depreciation	4,523
Operating loss before working capital changes	(154,348)
Increase in amount due to related company	191,411
Increase in other payables	2,500
Net cash generated from operating activities	39,563
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of plant and equipment	(34,170)
Net cash used in investing activity	(34,170)
Net increase in cash and cash equivalents	5,393
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of the period	5,393

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 15 APRIL 2011 (DATE OF INCORPORATION)
TO 31 DECEMBER 2011

1 GENERAL INFORMATION

The Institute is principally engaged in raising, receiving and administering funds for education, poor people and charitable purposes and other related activities for the benefit of the community.

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

The registered office is located at Suite 2-4, Level 2, Tower Block, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.

The principal place of business is located at D6, Taman Tunku, Bukit Tunku, 50480 Kuala Lumpur.

The financial statements of the Company are presented in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on **05 JUN 2012**

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

(b) Basis of measurement

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

The financial statements have been prepared under the going concern concept as the shareholders and directors have agreed not to demand repayment of the monies due to them and to continue to provide financial support as and when the situation warrant.

(c) Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Plant and equipment is depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate is 10%.

The assets' residual values and useful lives are reviewed, and 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 recognised in the profit or loss.

(b) Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

(c) Receivables

Receivables are initially measured at anticipated realisable values. Appropriate allowances for estimated irrecoverable amounts are recognised in income statement.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(e) Payables

Payables are stated at cost which is the consideration to be paid in the future for goods and services rendered.

(f) Income recognition

Income from fund raising activities are recognized on the following basis:

- (i) to the extent that activities are completed on or before the balance sheet date, any surplus or deficit is recognized in the income statement.
- (ii) To the extent that activities take place after the end of the financial year, any income received and expense incurred is recognized in the balance sheet.

Donation income is accounted for when the right to receive donations is established.

(g) Employment benefits

(i) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the period in which the associated services are rendered by employees of the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

Profit-sharing and bonus plans are recognised when the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Company has no realistic alternative but to make the payments.

ii) Defined Contribution Plan

Contributions to the statutory pension scheme are recognised as an expense in income statement in the period to which they relate.

(h) Financial instruments

Financial instruments carried in the balance sheet include deposits, cash and bank balances and payables. There are not off balance sheet financial instruments.

Financial risk management objectives and policies

Credit risk arises when customers' commitment in respect of fund raising activities are not met.

Its deposits are placed with creditworthy financial institutions. It also seeks to control credit risk by ensuring that the income is derived from the organisation or person with an appropriate credit history.

Fair values

The carrying value of financing assets and liabilities of the Institute at the balance sheet except for investment in quoted shares approximated their fair values.

The fair values for financial assets and liabilities with a maturity of less than one year other than investment in quoted shares are assumed to approximate their face values. The fair value of the investment in quoted shares is disclosed on the face of the balance sheet.

(i) Accounting standards and interpretations

(i) New, revised and amendments to standards and interpretations that have been adopted:

FRS 7 – Financial Instruments: Disclosures
FRS 101 – Presentation of Financial Statements
FRS 139 – Financial Instruments: Recognition and Measurement
Amendments to FRS 7 – Financial Instruments: Disclosures
Amendments to FRS 107 – Statement of Cash Flows
Amendments to FRS 116 – Property, Plant and Equipment
Amendments to FRS 132 – Financial Instruments: Presentation
Amendments to FRS 139 – Financial Instruments: Recognition and Measurement

FRS 7 replaces the disclosure part of FRS 132. FRS 7 requires disclosure of the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks. When the standard is first applied, an entity is encouraged but not required to present any of the comparative disclosures required by this standard.

FRS 101 affects the presentation of the component of the financial statements and does not change the recognition and measurement of specific transactions. It introduces Statement of Comprehensive Income to present all non-owner changes in equity. The Company presents separately the components of profit or loss in the

Statement of Profit or Loss in aggregation with other comprehensive income in the Statement of Comprehensive Income.

FRS 101 also changes the terms “Balance Sheet” and “Cash Flow Statement” into “Statement of Financial Position” and “Statement of Cash Flows”, respectively. Other changes include presentation of an additional Statement of Financial Position as at the opening of comparative period when there is retrospective adjustment, restatement or reclassification, and disclosure of information that enables users to evaluate the Institute’s objectives, policies and processes for managing capital.

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances.

Amendments to FRS 7 specifies the disclosure requirement of financial asset reclassified out of the fair value through profit or loss category.

Amendments to FRS 139 permits the reclassification of non-derivative financial assets out of the fair value through profit or loss category and from available-for-sale category to loans and receivables category in certain circumstances. It also clarifies the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The amendment also resulted in contracts for contingent consideration in a business combination in the acquirer’s books being included within the scope of FRS 139.

(ii) Amendments to standards and new interpretations that will be effective for annual period beginning on or after 1 January 2011 that have been early adopted:

Amendments to FRS 7 – Financial Instruments: Disclosures
Amendments to FRS 101 – Presentation of Financial Statements
Amendments to FRS 132 – Financial Instruments: Presentation
Amendments to FRS 139 – Financial Instruments: Recognition and Measurement

Amendments to FRS 7 enhances the disclosure requirements on fair value measurement using three levels of fair value hierarchy and reinforces existing principles for disclosures about liquidity risk.

It also requires qualitative disclosures to be made in the context of quantitative disclosures to enable users to link related disclosure and form an overall picture of the nature and extent of risks arising from financial instruments.

Amendments to FRS 101 clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

Amendments to FRS 139 clarifies that consequential amendments to FRS 139 following changes made to FRS 3 shall not apply to contingent consideration that arose from a business combination for which the acquisition date preceded the application of the revised FRS 3.

Amendments to IC Interpretation 13 clarifies that the 'fair value' of award credits should take into account discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale.

The adoption of the above did not result in any significant changes to the Institute's results and financial position.

(c) Accounting standards and interpretations that have yet to be adopted in preparing these financial statements

Revised standard and new interpretation that will be effective for annual period beginning on or after 1 January 2012:

FRS 124 – Related Party Disclosures

FRS 124 simplifies the definition of related party and provides partial exemption from disclosures for government-related entities instead of full exemption.

4. PLANT AND EQUIPMENT

<i>COST</i>	Office equipment, fixtures and fittings	Computer Software	Total
	<u>RM</u>	<u>RM</u>	<u>RM</u>
Balance at beginning	-	-	-
Addition	23,110	11,059	34,169
Balance at 31 December	<u>23,110</u>	<u>11,059</u>	<u>34,169</u>
ACCUMULATED DEPRECIATION			
Balance at beginning	-	-	-
Charge during the year	2,311	2,211	4,522
Balance at 31 December	<u>2,311</u>	<u>2,211</u>	<u>4,522</u>
NET BOOK VALUE At 31 DECEMBER 2011	<u>20,799</u>	<u>8,848</u>	<u>29,647</u>

5. OTHER PAYABLES AND ACCRUALS

	2011 RM
Accruals	2,500
Ideas Management	<u>191,411</u>
	<u>193,911</u>

6. INCOME TAX EXPENSE

No provision for taxation has been made since the Company is in a tax less position.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2011 <u>RM</u>
Loss before taxation	<u>(158,871)</u>
Tax calculated at a tax rate of 20%	(31,774)
Expenses not deductible for tax purposes	437
Unrecognised deferred tax assets	<u>31,337</u>
	<u>-</u>

7. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its foreign exchange, interest rate, credit, liquidity and cash flow risks.

(b) Foreign Exchange Risk

The Company operates solely in Malaysia and therefore is not exposed to foreign exchange risk.

(c) Interest Rate Risk

The Company is not exposed to interest rate risk as it has no long term interest-bearing assets or interest-bearing debts as at 31 December 2011.

(d) Credit Risk

The Company has a credit assessment in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

7. FINANCIAL INSTRUMENTS

(e) Liquidity and Cash Flow Risk

The Institute maintains sufficient cash to enable it to meet its operational obligations when they fall due.

(f) Fair Values

The carrying amounts of financial assets and liabilities as at statement of financial position date approximated their fair values.

8. GUARANTEE BY MEMBERS

Under the Memorandum and Articles of Association, every member undertakes to contribute (if found necessary upon the winding up of the Institute) a sum of not more than RM100 towards the assets of the Institute.

9. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements prepared by the Company since the date of incorporation (15 April 2011) to 31 December 2011.

Lodged on behalf by:

ZI Corporate Services Sdn Bhd
Suite 2-4, Level 2, Tower Block,
Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur.

Tel : 03 -2094 0999