

Registration No: 199801016929 (473058-T)

Global Environment Centre

(Incorporated in Malaysia and Limited by Guarantee)

Reports and financial statements
for the year ended 31 December 2024

Global Environment Centre

(Incorporated in Malaysia and Limited by Guarantee)

Reports and financial statements for the year ended 31 December 2024

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Board Members' Report for the year ended 31 December 2024

The Board Members hereby submit their report together with the audited financial statements of the Centre for the financial year ended 31 December 2024.

Principal activities

The Centre is established to receive and administer funds for charitable, educational scientific and research purposes, all for the well being of humankind and other inhabitants of the globe and not conducted primarily for profit. The main objectives include the promotion and support activities relating to the protection of the global environment, organising workshops, creating awareness, providing training, facilitating projects and preparing projects and policy papers thereto. There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Surplus for the year	<u><u>1,338,605</u></u>

Reserves and provisions

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

Board Members

The Board Members of the Centre who served during the financial year until the date of this report are:

Mohd Ali bin Hashim
Halimah binti Hassan

They are also the Members of the Centre.

Board Members' benefits

In respect of the Board Members or past Board Members of the Centre, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Centre.

Since the end of the previous financial year, no Board Member has received or become entitled to receive a benefit by reason of a contract made by the Centre with the Board Member or with a firm of which the Board Member is a member or with a company in which the Board Member has a substantial financial interest.

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

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Other statutory information

Before the financial statements of the Centre were prepared, the Board Members took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) 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 had been written down to an amount to which they might be expected so to realise.

At the date of this report, the Board Members are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Centre inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Centre misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Centre misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Board Members:

- (a) the results of the Centre's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no contingent or other liability of the Centre 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 Centre to meet its obligations when they fall due.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Board Members, would affect substantially the results of the operations of the Centre for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Centre which secures the liability of any other person nor has any contingent liability arisen in the Centre.

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Auditors

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 14 to the financial statements.

Signed by the Board Members in accordance with a resolution of the Board dated **10 JUN 2025**



Halimah binti Hassan
Board Member



Mohd Ali bin Hashim
Board Member

Petaling Jaya

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Statement of Financial Position as at 31 December 2024

	Note	2024 RM	2023 RM
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,177,718	1,388,309
Right-of-use assets	7	125,110	254,210
Investments	8	5,940,801	2,687,852
Intangible assets	9	23,326	-
		7,266,955	4,330,371
Current assets			
Project grants receivables	10	1,964,111	2,779,487
Other receivables, deposits and prepayments	11	266,413	200,763
Fixed deposits with licensed banks	12	13,528,249	14,202,078
Cash and bank balances		4,766,815	2,605,196
		20,525,588	19,787,524
TOTAL ASSETS		27,792,543	24,117,895
EQUITY AND LIABILITIES			
Reserves			
Accumulated fund		15,226,542	13,887,937
TOTAL EQUITY		15,226,542	13,887,937
Non-current liabilities			
Lease liabilities	15	35,342	98,918
		35,342	98,918
Current liabilities			
Project grants in advance	13	12,408,484	9,928,924
Other payables and accruals	14	12,000	25,500
Lease liabilities	15	110,175	176,616
		12,530,659	10,131,040
TOTAL LIABILITIES		12,566,001	10,229,958
TOTAL EQUITY AND LIABILITIES		27,792,543	24,117,895

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

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Statement of Comprehensive Income for the year ended 31 December 2024

	Note	2024 RM	2023 RM
Income		21,853,050	20,072,171
Other operating income		734,707	825,299
Programme and operating expenses		(21,238,707)	(19,220,848)
Surplus from operations		1,349,050	1,676,622
Finance costs		(10,445)	(12,288)
Surplus before taxation	16	1,338,605	1,664,334
Taxation	17	-	-
Surplus for the year		1,338,605	1,664,334

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

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Statement of Changes in Equity for the year ended 31 December 2024

	Accumulated fund RM
At 1 January 2024	13,887,937
Surplus for the year	<u>1,338,605</u>
At 31 December 2024	<u><u>15,226,542</u></u>
At 1 January 2023	12,223,603
Surplus for the year	<u>1,664,334</u>
At 31 December 2023	<u><u>13,887,937</u></u>

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

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Statement of Cash Flows for the year ended 31 December 2024

	2024 RM	2023 RM
Cash flows from operating activities		
Surplus before taxation	1,350,605	1,664,334
Adjustments for:		
Depreciation of property, plant and equipment	412,223	379,819
Depreciation of right-of-use assets	171,335	150,522
Amortisation of intangible asset	2,698	-
Interest on lease liabilities	10,445	12,288
Fair value adjustment of investments	(252,949)	(300,588)
Gain on disposal of property, plant and equipment	-	(53,499)
Interest income	(422,576)	(371,645)
Unrealised gain on foreign exchange	(45,172)	(77,378)
Operating surplus before working capital changes	1,226,609	1,403,853
Increase in project grants receivables	815,376	(415,083)
Increase in other receivables, deposits and prepayments	(65,650)	(45,140)
Increase in project grants in advance	2,524,732	848,439
Decrease in other payables and accruals	(25,500)	(67,562)
Net cash generated from operating activities	4,475,567	1,724,507
Cash flows from investing activities		
Purchase of property, plant and equipment	(201,632)	(864,197)
Interest received	422,576	371,645
Purchase of intangible asset	(26,024)	-
Proceeds from disposal of property, plant and equipment	-	53,500
Purchase of investments	(3,000,000)	-
Right-of-use assets created	(42,235)	(348,894)
Net cash used in investing activities	(2,847,315)	(787,946)
Cash flows from financing activities		
Lease liabilities created	-	348,894
Interest on lease liabilities	(10,445)	(12,288)
Repayment of lease liabilities	(130,017)	(143,398)
Net cash (used in)/generated from financing activities	(140,462)	193,208
Net increase in cash and cash equivalents	1,487,790	1,129,769
Cash and cash equivalents at beginning of the year	16,807,274	15,677,505
Cash and cash equivalents at end of the year	18,295,064	16,807,274

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

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Statement of Cash Flows for the year ended 31 December 2024 (continued)

	2024	2023
	RM	RM
Cash and cash equivalents comprise:		
Cash in hand - Ringgit Malaysia	8,244	8,244
Cash at bank:		
- Ringgit Malaysia	2,321,187	1,618,804
- Denominated in United States Dollar	2,387,430	923,505
- Denominated in Euro	49,954	54,643
Fixed deposits with licensed banks – Ringgit Malaysia	13,528,249	14,202,078
	<u>18,295,064</u>	<u>16,807,274</u>

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

Global Environment Centre

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Notes to the Financial Statements for the year ended 31 December 2024

1. Corporate information

The Centre is a public company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office of the Centre is located at No. 23, Jalan Limau Kasturi, Bangsar Park, 59000 Kuala Lumpur.

The principal place of business of the Centre is located at 2nd Floor, Wisma Hing, No. 76-78, Jalan SS 2/72, 47300 Petaling Jaya, Selangor.

The Centre is established to receive and administer funds for charitable, educational scientific and research purposes, all for the well being of humankind and other inhabitants of the globe and not conducted primarily for profit. The main objectives include the promotion and support activities relating to the protection of the global environment, organising workshops, creating awareness, providing training, facilitating projects and preparing projects and policy papers thereto. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Centre at the end of the financial year was 55 (2023: 54).

The financial statements were authorised for issue by the Board in accordance with a resolution of the Board Members on 10 June 2025.

2. Basis of preparation of the financial statements

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

The financial statements of the Centre have been prepared using cost and fair value bases unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Board Members to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

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3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(a) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. 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 Centre and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computers	20%
Motor vehicle	20%
Office equipment	15%
Furniture and fittings	15%
Field equipment	15%
Office renovation	30%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon 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 net carrying amount is recognised in profit or loss in the year the property, plant and equipment is derecognised.

(b) Project grants receivables

Project grants receivables represent grants pledged by various organisations and are recognised and carried at original invoiced amount.

(c) Project grants in advance

Project grants in advance are in respect of portions of grants received which are allocated or carried forward for expenditure in future financial periods according to the terms and conditions of the grants.

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3. Significant accounting policies (continued)

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts on a review of all outstanding amounts at the financial year end.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Payables

Payables are stated at cost, which the fair value of the consideration to be paid in the future for goods and services received.

(g) Provision for liabilities

Provision for liabilities is recognised when the Centre has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made.

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3. Significant accounting policies (continued)

(h) Leases (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 16 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy.

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3. Significant accounting policies (continued)

(i) Employee benefits

i Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Centre. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Centre pays fixed contributions into separate entities or funds and will have no legal or construction obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, the Centre makes contributions to the statutory provident fund, the Employees Provident Fund. Such contributions are recognised as an expense in profit and loss in the period as incurred.

iii Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Centre recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the financial year end are discounted to present value.

(j) Foreign currencies

Foreign currency transactions

In preparing the financial statements of the Centre, transactions in currencies other than the Centre's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at the financial year end.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

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3. Significant accounting policies (continued)

(j) Foreign currencies (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Foreign currency transactions (continued)

The principal closing rates used in translation of foreign currency amounts are as follows:

	2024	2023
	RM	RM
1 Euro (EUR)	4.6626	5.0743
1 United States Dollar (USD)	4.4755	4.5915

(k) Impairment of non-financial assets

The Centre assesses at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Centre makes an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

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3. Significant accounting policies (continued)

(k) Impairment of non-financial assets (continued)

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(l) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, deposits with financial institutions, investments, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instruments classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Centre has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Centre determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

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3. Significant accounting policies (continued)

(I) Financial instruments (continued)

Financial assets (continued)

ii Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Centre's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Centre.

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3. Significant accounting policies (continued)

(I) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Centre that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

ii Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(m) Investments

Investments in non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Members, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Investments in unit trust and quoted investments, are stated at fair value.

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3. Significant accounting policies (continued)

(n) Revenue recognition

The Centre recognises revenue from contracts with customers based on the five-step model as set out below:

- i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- iii Determine the transaction price. The transaction price is the amount of consideration to which the Centre expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Centre allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Centre expects to be entitled in exchange for satisfying each performance obligation.
- v Recognise revenue when (or as) the Centre satisfies a performance obligation.

The Centre satisfies a performance obligation and recognises revenue over time if the Centre's performance:

- i Does not create an asset with an alternative use to the Centre and has an enforceable right to payment for performance completed to-date; or
- ii Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii Provides benefits that the customer simultaneously receives and consumes as the Company performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Centre satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue from contracts with customers

a. Sale of goods/services

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Centre transfers controls of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Centre expects to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

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3. Significant accounting policies (continued)

(o) Impairment of financial assets

At the end of each financial year, the Centre assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Centre uses external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Centre assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Centre considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Centre and all the cash flows that the Centre expects to receive.

The Centre measures the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Centre measures the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Centre. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Centre reverts the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Centre apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a 12-months expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

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3. Significant accounting policies (continued)

(p) Fair value measurement

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

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

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

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

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

(q) Intangible assets

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful life at an annual rate of 20% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on computer software with finite lives is recognised in profit or loss.

Gain or losses arising from derecognition of computer software is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset derecognised.

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4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2024
Amendments to MFRS 17:	Insurance Contracts	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2024
Amendments to MFRS 112:	Income Taxes	1 January 2024

(a) MFRSs that have been issued but only effective for financial period beginning on 1 January 2025 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9:	Financial Instruments	1 January 2026
Amendments to MFRS 10:	Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2026
MFRS 18:	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19:	Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

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5. Significant accounting estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Depreciation of property, plant and equipment

The Centre depreciates the property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method. The estimated useful lives applied by the Centre as disclosed in Note 3(a) reflect the Board Members' estimates of the periods that the Centre expects to derive future economic benefits from the use of the Centre's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of property, plant and equipment

The Centre carried out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Centre to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Loss allowances for financial assets

The Centre recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Centre's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Centre's financial position and result.

(d) Income tax

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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5. Significant accounting estimates (continued)

Key sources of estimation uncertainty (continued)

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised capital allowances, unutilised reinvestment allowances and unabsorbed tax losses to the extent that it is probable that taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(f) Fair value estimates of certain financial instruments

The Centre carries certain financial assets and liabilities at fair value, which required extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amounts of changes in fair value will differ if the Centre uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit or loss/equity.

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6. Property, plant and equipment

Cost	Furniture and fittings RM	Office equipment RM	Computers RM	Field equipment RM	Office renovation RM	Motor vehicles RM	Total RM
At 1 January 2024	116,186	237,522	1,293,739	533,785	49,389	1,382,578	3,613,199
Additions	-	23,016	123,015	37,161	18,440	-	201,632
At 31 December 2024	116,186	260,538	1,416,754	570,946	67,829	1,382,578	3,814,831
Accumulated depreciation							
At 1 January 2024	99,865	133,730	1,042,093	376,326	49,367	523,509	2,224,890
Depreciation charged	4,974	23,971	103,943	41,226	3,437	234,672	412,223
At 31 December 2024	104,839	157,701	1,146,036	417,552	52,804	758,181	2,637,113
Cost							
At 1 January 2023	108,718	190,457	1,168,166	469,893	49,389	868,285	2,854,908
Additions	7,468	47,065	125,573	63,892	-	620,199	864,197
Disposal	-	-	-	-	-	(105,906)	(105,906)
At 31 December 2023	116,186	237,522	1,293,739	533,785	49,389	1,382,578	3,613,199
Accumulated depreciation							
At 1 January 2023	94,329	113,629	935,180	332,663	48,622	426,553	1,950,976
Depreciation charged	5,536	20,101	106,913	43,663	745	202,861	379,819
Disposal	-	-	-	-	-	(105,905)	(105,905)
At 31 December 2023	99,865	133,730	1,042,093	376,326	49,367	523,509	2,224,890

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6. Property, plant and equipment (continued)

	2024 RM	2023 RM
Carrying amount		
At 31 December		
Furniture and fittings	11,347	16,321
Office equipment	102,837	103,792
Computers	270,718	251,646
Field equipment	153,394	157,459
Office renovation	15,025	22
Motor vehicles	624,397	859,069
	<u>1,177,718</u>	<u>1,388,309</u>

7. Right-of-use assets

	Buildings RM	Total RM
Cost		
At 1 January 2024	368,699	368,699
Additions	42,235	42,235
Adjustments due to lease modifications	(32,828)	(32,828)
At 31 December 2024	<u>378,106</u>	<u>378,106</u>
Accumulated depreciation		
At 1 January 2024	(114,489)	(114,489)
Charged for the year	(171,335)	(171,335)
Adjustments due to lease modifications	32,828	32,828
At 31 December 2024	<u>(252,996)</u>	<u>(252,996)</u>
Cost		
At 1 January 2023	516,734	516,734
Additions	348,894	348,894
Adjustments due to lease modifications	(488,406)	(488,406)
Disposal	(8,523)	(8,523)
At 31 December 2023	<u>368,699</u>	<u>368,699</u>
Accumulated depreciation		
At 1 January 2023	(452,353)	(452,353)
Charged for the year	(150,522)	(150,522)
Adjustments due to lease modifications	488,406	488,406
Disposal	(20)	(20)
At 31 December 2023	<u>(114,489)</u>	<u>(114,489)</u>
Carrying amount		
At 31 December 2024	<u>125,110</u>	<u>125,110</u>
At 31 December 2023	<u>254,210</u>	<u>254,210</u>

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8. Investments

Investments of the Centre consists of the following:

	2024 RM	2023 RM
<u>Unit trust fund – Public Mutual Berhad</u>		
At the beginning of the year	2,687,852	2,387,264
Fair value adjustment	228,182	300,588
At the end of the year	<u>2,916,034</u>	<u>2,687,852</u>
<u>KAF Investment Berhad</u>		
At beginning of the year	-	-
Addition during the year	3,000,000	-
Fair value adjustment	24,769	-
At the end of the year	<u>3,024,769</u>	<u>-</u>
Net Asset value (NAV)	<u>5,940,801</u>	<u>2,687,852</u>

9. Intangible assets

	Computer software RM	Total RM
Cost		
At 1 January 2024	-	-
Additions	26,024	26,024
At 31 December 2024	<u>26,024</u>	<u>26,024</u>
Accumulated amortisation		
At 1 January 2024	-	-
Charged for the year	2,698	2,698
At 31 December 2024	<u>2,698</u>	<u>2,698</u>
Carrying amount		
At 31 December 2024	<u>23,326</u>	<u>23,326</u>
At 31 December 2023	<u>-</u>	<u>-</u>

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10. Project grants receivables

The currency profile of project grants receivables is as follows:

	2024 RM	2023 RM
United States Dollar (USD)	326,863	1,044,014
Malaysian Ringgit	1,637,248	1,735,473
	<u>1,964,111</u>	<u>2,779,487</u>

11. Other receivables, deposits and prepayments

	2024 RM	2023 RM
Other receivables	221,908	152,908
Deposits	44,505	46,205
Prepayments	-	1,650
	<u>266,413</u>	<u>200,763</u>

12. Fixed deposits with licensed banks

The interest rate of the fixed deposits during the year ranged from 2.65% to 4.20% (2023: 2.65% to 4.84%) per annum.

13. Project grants in advance

The currency profile of project grants in advance is as follows:

	2024 RM	2023 RM
Malaysian Ringgit	9,932,018	9,221,940
United States Dollar (USD)	2,476,466	706,984
	<u>12,408,484</u>	<u>9,928,924</u>

14. Other payables and accruals

	2024 RM	2023 RM
Other payables	-	-
Accruals	12,000	25,500
	<u>12,000</u>	<u>25,500</u>

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15. Lease liabilities

	2024 RM	2023 RM
Maturity analysis		
Year 1	110,175	176,616
Year 2	35,342	98,918
	145,517	275,534
Analysed as:		
Non-current	35,342	98,918
Current	110,175	176,616
	145,517	275,534

16. Surplus before taxation

	2024 RM	2023 RM
Surplus before taxation is arrived at after charging:		
Staff costs		
- Salaries and allowances	4,166,798	3,742,480
- Temporary staff costs	-	27,600
- Employees Provident Fund	480,810	435,047
- Social security costs	47,285	42,563
- Medical costs	90,785	80,737
- Staff insurance	122,958	83,899
- Staff welfare and training	81,755	72,726
- Staff recruitment costs	10,584	7,632
- Work permit	1,294	1,787
Depreciation of plant and equipment	412,223	379,819
Depreciation of right-to-use assets	171,335	150,522
Amortisation of intangible asset	2,698	-
Fair value adjustment of investments	(252,949)	(300,588)
Rental of equipment	12,099	7,319
Auditors' remuneration	12,000	12,000
Interest on lease liabilities	10,445	12,288
and crediting:		
Interest income	422,567	319,705
Gain on disposal of property, plant and equipment	-	53,499
Rental income	-	8,765
Unrealised foreign exchange gain	45,172	77,378

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17. Taxation

Taxation has not been provided for the Centre's surplus because the Centre has been approved for tax exemption under Section 44(6) of the Income Tax Act 1967 since 15 January 2007. On 1 September 2021, the Centre has received five years extension of the tax exemption from the Inland Revenue Board effective from 1 January 2021 to 31 December 2025.

18. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ["AC"]

(b) Fair value through profit or loss ["FVTPL"]

	Carrying amount RM	AC RM	FVTPL RM
2024			
Non-derivative financial assets			
Investments	5,940,801	-	5,940,801
Project grants receivables	1,964,111	1,964,111	-
Other receivables, deposits and prepayments	266,413	266,413	-
Fixed deposits with licensed banks	13,528,249	13,528,249	-
Cash and bank balances	4,766,815	4,766,815	-
	<u>26,466,389</u>	<u>20,525,588</u>	<u>5,940,801</u>
Non-derivative financial liabilities			
Project grants in advance	12,408,484	12,408,484	-
Other payables and accruals	12,000	12,000	-
Lease liabilities	145,517	145,517	-
	<u>12,566,001</u>	<u>12,566,001</u>	<u>-</u>

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17. Categories of financial instruments (continued)

	Carrying Amount RM	AC RM	FVTPL RM
2023			
Non-derivative financial assets			
Investments	2,687,852	-	2,687,852
Project grants receivables	2,779,487	2,779,487	-
Other receivables, deposits and prepayments	199,113	199,113	-
Fixed deposits with licensed banks	14,202,078	14,202,078	-
Cash and bank balances	2,605,196	2,605,196	-
	<u>22,473,726</u>	<u>19,785,874</u>	<u>2,687,852</u>
Non-derivative financial liabilities			
Project grants in advance	9,928,924	9,928,924	-
Other payables and accruals	25,500	25,500	-
Lease liabilities	275,534	275,534	-
	<u>10,229,958</u>	<u>10,229,958</u>	<u>-</u>

18. Financial risk management policies

The Centre's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Centre's businesses whilst managing its risks. The Board Members review and agree policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Centre's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Centre and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Centre has no significant interest-bearing financial assets, the Centre's income and operating cash flows are substantially independent of changes in market interest rates.

The Centre's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

Interest rate sensitivity analysis**i Fair value sensitivity analysis for fixed rate instrument**

The Centre does not account for any fixed rate financial liabilities at 'fair value through profit or loss' and does not designate derivatives as hedging instrument under fair value hedge accounting method. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

Global Environment Centre

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18. Financial risk management policies (continued)

(b) Liquidity risk

The Centre manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Centre maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Centre strives to maintain available banking facilities at a reasonable level to its overall debt position.

(c) Foreign currency risk

The Centre is exposed to transactional currency risk primarily through transactions that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD) and Euro (EUR).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Centre's results 2024 RM	Increase/ (decrease) in the Centre's results 2023 RM
Effects on surplus before taxation:		
USD		
- strengthened by 5% (2023: 5%)	42,070	63,027
- weakened by 5% (2023: 5%)	(42,070)	(63,027)
EUR:		
- strengthened by 5% (2023: 5%)	2,498	2,732
- weakened by 5% (2023: 5%)	(2,498)	(2,732)

19. Fair values of the financial instruments

The fair values of the financial instruments of the Centre as at 31 December 2024 are not materially different from their carrying values.

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Statement by Board Members Pursuant to Section 251(2) of the Companies Act 2016

We, Halimah binti Hassan and Mohd Ali bin Hashim, being the Board Members of Global Environment Centre, do hereby state that, in the opinion of the Board, the accompanying financial statements set out on pages 4 to 31 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Centre as at 31 December 2024 and of its financial performance and cash flows for the year then ended.

Signed by the Board Members in accordance with a resolution of the Board dated **10 JUN 2025**



Halimah binti Hassan
Board Member

Petaling Jaya



Mohd Ali bin Hashim
Board Member

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

I, Faizal Parish bin Abdullah, being the Officer primarily responsible for the financial management of Global Environment Centre, do solemnly and sincerely declare that the accompanying financial statements set out on pages 4 to 31 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 Faizal Parish bin Abdullah
at Puchong in the state of Selangor
on **10 JUN 2025**



Faizal Parish bin Abdullah
Officer

Before me,



No. 71-1, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor.

Independent Auditors' Report to the Members of Global Environment Centre

Registration No: 199801016929 (473058-T)
(Incorporated in Malaysia and Limited by Guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global Environment Centre, which comprise the statement of financial position as at 31 December 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Centre as at 31 December 2024 and of their financial performance and their 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 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 Centre 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 (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 Board Members of the Centre are responsible for the other information. The other information comprises the Board Members' Report but does not include the financial statements of the Centre and our auditors' report thereon.

Our opinion on the financial statements of the Centre does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Independent Auditors' Report to the Members of Global Environment Centre (continued)

Registration No: 199801016929 (473058-T)

(Incorporated in Malaysia and Limited by Guarantee)

Information Other than the Financial Statements and Auditors' Report thereon (continued)

If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Financial Statements

The Board Members of the Centre are responsible for the preparation of financial statements of the Centre 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 Board Members are also responsible for such internal control as the Board Members determine is necessary to enable the preparation of financial statements of the Centre that are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Centre, 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.

Independent Auditors' Report to the Members of Global Environment Centre (continued)

Registration No: 199801016929 (473058-T)

(Incorporated in Malaysia and Limited by Guarantee)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Board Members' 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 Centre'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 Centre 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 of the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Centre, including the disclosures, and whether the financial statements of the Centre represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members 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.

Other Matters

This report is made solely to the Members of the Centre, 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.



Nexia SSY PLT

201906000679 (LLP0019490-LCA) & AF 002009

Chartered Accountants

Shah Alam

10 JUN 2025



Yong Yoon Shing

No. 00633/03/2027 J

Partner