

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023**  
(In Ringgit Malaysia)

**Russell Bedford LC PLT**  
(LLP0030621-LCA & AF 1237)  
Chartered Accountants

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

<b>Contents</b>	<b>Pages</b>
Trustees' report	1 - 3
Statement by trustees	4
Statutory declaration	4
Independent auditors' report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 19

## **REEF CHECK MALAYSIA**

(Incorporated in Malaysia)

### **TRUSTEES' REPORT**

The trustees submit their report and the audited financial statements of the Company for the financial year ended 31 December 2023.

#### **Principal activities**

The Company is a company limited by guarantee and not having a share capital. It is established and maintained exclusively as a non profit charitable organisation to contribute to the sustainable management of coral reefs in Malaysia, to raise public awareness about the value of marine and coastal ecosystems, educate the public about the current crisis affecting marine ecosystems, to develop and implement educational programmes to raise awareness of the need for coral reef conservation and to create a Malaysia-wide network of trained volunteer teams to monitor and report on reef health using a globally accepted standard method and to obtain high quality scientific data on the health of marine and coastal ecosystems through survey programmes.

#### **Financial results**

	<b>RM</b>
Net loss for the financial year	<b>80,075</b>

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

#### **Dividend**

The income and property of the Company whencesoever derived shall be applied solely toward the promotion of the objects of the Company as a non profit charitable organisation and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Company.

#### **Reserves and provisions**

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

#### **Limited by guarantee**

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time that he is a member or within one year after he ceased to be a member for payment of debts and liabilities of the Company contracted before he and for the adjustment, of rights of the contributories amongst themselves, such amount as may be required not exceeding Ringgit Malaysia One Hundred (RM100.00).

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**Trustees**

The trustees of the Company in office since the end of the previous financial year to the date of this report are:

Yeoh Pei Cheen  
Ralph Justin Dixon (Alternate trustee to Yeoh Pei Cheen)  
Hiew Wai Phang \*  
Lim Jit Cheng \*  
Datuk Hiswani Binti Harun  
\* also a member of the Company

**Trustees' benefits**

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

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

**Other statutory information**

Before the financial statements of the Company were prepared, the trustees took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; and
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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 trustees, would substantially affect the results of the operations of the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Company.

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**Other statutory information (continued)**

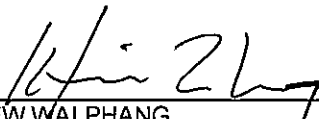
No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the trustees, will or may affect the ability of the Company to meet its obligations when they fall due.

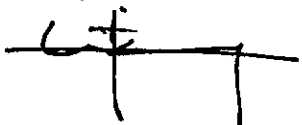
At the date of this report, the trustees are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

**Auditors' remuneration**

The auditors' remuneration is disclosed in Note 6 to the financial statements.

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

  
\_\_\_\_\_  
HIEW WAI PHANG

  
\_\_\_\_\_  
LIM JIT CHENG

Kuala Lumpur

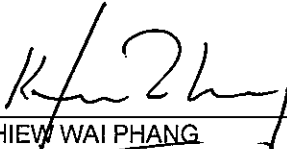
Dated: **1 2 JUL 2024**

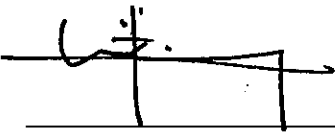
**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**STATEMENT BY TRUSTEES**

The trustees of REEF CHECK MALAYSIA, state that, in the opinion of the trustees, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year ended on that date.

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

  
\_\_\_\_\_  
HIEW WAI PHANG

  
\_\_\_\_\_  
LIM JIT CHENG

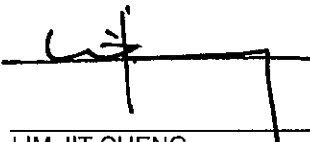
Kuala Lumpur

Dated: 1 2 JUL 2024

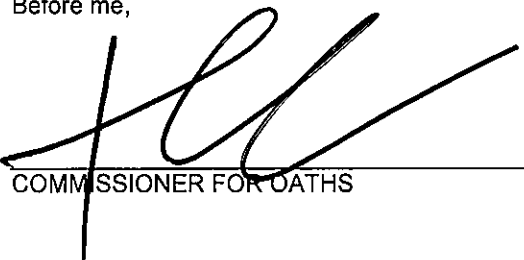
**STATUTORY DECLARATION**

I, LIM JIT CHENG, being the trustee primarily responsible for the financial management of REEF CHECK MALAYSIA, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 LIM JIT CHENG at Kuala )  
Lumpur in Wilayah Persekutuan on )  
1 2 JUL 2024 )

  
\_\_\_\_\_  
LIM JIT CHENG

Before me,

  
\_\_\_\_\_  
COMMISSIONER FOR OATHS



SO-27-05, Strata Office,  
Menara I, KL Eco City, Jalan Bangsar,  
59200 Kuala Lumpur

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **REEF CHECK MALAYSIA**

(Incorporated in Malaysia)

#### **1. Report on the audit of the financial statements**

##### **1.1 Opinion**

We have audited the accompanying financial statements which comprise the statement of financial position of the Company as at 31 December 2023, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Companies Act 2016 ("Act") and the Malaysian Financial Reporting Standards.

##### **1.2 Basis for opinion**

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.5.

We are independent of the Company in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the MIA By-Laws and the IESBA Code.

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



### 1.3 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's trustees' report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### 1.4 Responsibilities of management and those charged with governance for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the Act and the Malaysian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### 1.5 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Approved Standards on Auditing in Malaysia and the 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 the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



## 1.5 Auditors' responsibilities for the audit of the financial statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

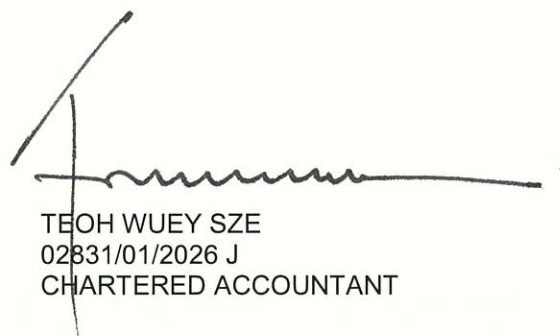
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## 2. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Teoh Wuey Sze.



RUSSELL BEDFORD LC PLT  
 LLP0030621-LCA & AF 1237  
 CHARTERED ACCOUNTANTS



TEOH WUEY SZE  
 02831/01/2026 J  
 CHARTERED ACCOUNTANT

Kuala Lumpur

Dated: 12 July 2024

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>
Revenue	4	2,959,450	3,140,401
Staff costs	5	(1,382,602)	(1,083,533)
Depreciation		(11,827)	(9,923)
Other operating expenses		(1,660,277)	(1,100,036)
<b>(Loss)/Profit from operations</b>	6	(95,256)	946,909
Finance income	7	20,949	5,381
<b>(Loss)/Profit before tax</b>		(74,307)	952,290
Income tax expense	8	(5,768)	(3,785)
<b>Net (loss)/profit/Total comprehensive (loss)/income for the year</b>		<b>(80,075)</b>	<b>948,505</b>

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
<b>Non current assets</b>			
Plant and equipment	9	78,082	22,700
<b>Current assets</b>			
Trade receivables	10	72,543	52,843
Deposits and prepayment	11	27,705	5,800
Tax recoverable		722	722
Fixed deposit with a licensed bank		915,270	616,086
Cash and bank balances		751,307	1,236,925
		1,767,547	1,912,376
<b>Total assets</b>		<b>1,845,629</b>	<b>1,935,076</b>
<b>Equity</b>			
Retained profits		1,833,579	1,913,654
<b>Current liabilities</b>			
Other payables and accruals		12,050	21,422
<b>Total liabilities</b>		<b>12,050</b>	<b>21,422</b>
<b>Total equity and liabilities</b>		<b>1,845,629</b>	<b>1,935,076</b>

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Retained profits RM</b>	<b>Total RM</b>
At 1 January 2022	965,149	965,149
Net profit/Total comprehensive income for the year	948,505	948,505
At 31 December 2022	1,913,654	1,913,654
Net loss/Total comprehensive loss for the year	(80,075)	(80,075)
At 31 December 2023	1,833,579	1,833,579

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 RM	2022 RM
<b>Cash flows from/(used in) operating activities</b>		
(Loss)/Profit before tax	(74,307)	952,290
Adjustments for:		
Bad debts written off	-	1,800
Deposit written off	1,200	-
Depreciation	11,827	9,923
Interest income	(20,949)	(5,318)
Plant and equipment written off	2,544	-
<b>Operating (loss)/profit before working capital changes</b>	(79,685)	958,695
Increase in trade and other receivables	(42,805)	(24,410)
(Decrease)/Increase in other payables	(9,372)	15,922
<b>Cash flows generated from operations</b>	(131,862)	950,207
Income tax paid	(5,768)	(3,785)
<b>Net cash (used in)/generated from operating activities</b>	(137,630)	946,422
<b>Cash flows from/(used in) investing activities</b>		
Purchase of plant and equipment	(69,753)	(16,273)
Increase in fixed deposits with maturities of more than 3 months	(299,184)	(355,381)
Interest income received	20,949	5,318
<b>Net cash used in investing activities</b>	(347,988)	(366,336)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(485,618)	580,086
<b>Cash and cash equivalents at beginning of year</b>	1,236,925	656,839
<b>Cash and cash equivalents at end of year</b>	751,307	1,236,925
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	751,307	1,236,925
Fixed deposits with a licensed bank	915,270	616,086
	1,666,577	1,853,011
Less: Fixed deposits with maturities of more than 3 months	(915,270)	(616,086)
	751,307	1,236,925

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2023**

**1. General information**

The Company is a company limited by guarantee and not having a share capital. It is established and maintained exclusively as a non profit charitable organisation to contribute to the sustainable management of coral reefs in Malaysia, to raise public awareness about the value of marine and coastal ecosystems, educate the public about the current crisis affecting marine ecosystems, to develop and implement educational programmes to raise awareness of the need for coral reef conservation and to create a Malaysia-wide network of trained volunteer teams to monitor and report on reef health using a globally accepted standard method and to obtain high quality scientific data on the health of marine and coastal ecosystems through survey programmes.

The Company is a public limited liability company, incorporated and domiciled, in Malaysia.

The registered office is located at Suite 38, Level 21, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of operations is located at Box 606, Lot 5.19 – 5.22, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements were approved and authorised for issue by the trustees on 12 July 2024.

**2. Principal accounting policies**

**2.1 Statement of compliance**

The financial statements of the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**2.2 Basis of accounting**

The financial statements of the Company have been prepared under the historical cost convention and any other bases described in the notes to the financial statements.

The Company had adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that become mandatory for the current financial year. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in accounting policies of the Company.

The amendments to MFRS 101 Disclosure of Accounting Policies became effective for application during the current reporting period. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments have an impact on the manner in which the Company's accounting policies are disclosed, but not on the measurement, recognition or presentation of any components in the Company's financial statements.

The Company has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Company upon their initial application.

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**2.3. Material accounting policy information**

**Functional and presentation currency**

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

**Leases**

The Company has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

**3. Critical accounting estimates and judgements**

In the preparation of the financial statements, the trustees are required 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the trustees and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Company's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**4. Revenue**

**4.1 Disaggregation of revenue**

	<b>2023</b>	<b>2022</b>
<b>Type of goods or service</b>	<b>RM</b>	<b>RM</b>
Sales of training materials	36,175	64,216
Sales of training courses	90,838	25,886
<b>Total revenue from contracts with customers</b>	<b>127,013</b>	<b>90,102</b>
<b>Others</b>		
Sponsorship and donation income	2,832,437	3,050,299
	<b>2,959,450</b>	<b>3,140,401</b>

Revenue from sales of training materials and training courses are transferred to customers at a point in time.

Sponsorship and donation income is recognised in the income statement on receipt basis.



**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**4.2 Performance obligations**

**Sales of training materials**

The Company sells training materials. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 days from delivery.

**Sales of training courses**

The Company provides training course to train certified divers to conduct Reef Check surveys and participate in coral reef conservation. Revenue is recognised at a point in time when the services are provided.

**4.3 Transaction price allocated to the remaining performance obligations**

For practical expediency, no information is provided on the remaining performance obligation at the reporting date that have an original expected duration of one year or less as allowed under the paragraph 121(a) of MFRS 15.

**4.4 Financing components**

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**5. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Defined contribution plan	114,885	85,204
Salaries, wages, bonus and allowances	1,252,087	987,072
Others employee related expenses	15,630	11,257
	<u>1,382,602</u>	<u>1,083,533</u>

**6. (Loss)/Profit from operations**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit from operations is arrived at after charging:		
Auditors' remuneration	2,000	2,000
Bad debts written off	-	1,800
Deposits written off	1,200	-
Plant and equipment written off	2,544	-
Loss on foreign exchange - realised	6,529	-
Expenses relating to short term leases	<u>106,088</u>	<u>89,471</u>

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**7. Finance income**

	<b>2023 RM</b>	<b>2022 RM</b>
Interest income from short term deposits	20,949	5,381

**8. Income tax expense**

	<b>2023 RM</b>	<b>2022 RM</b>
Expected income tax payable		
- current year	(3,785)	(722)
- under provision in prior year	(1,983)	(3,063)
	<u>(5,768)</u>	<u>(3,785)</u>

The Company has been granted exemption from income tax under paragraph 13, schedule 6 of the Income Tax Act 1967.

**9. Plant and equipment**

	<b>Motor vehicle RM</b>	<b>Furniture, fittings and equipment RM</b>	<b>Renovation RM</b>	<b>Total RM</b>
<b>Cost</b>				
At 1 January 2022	6,000	81,475	-	87,475
Additions	-	16,273	-	16,273
At 31 December 2022	6,000	97,748	-	103,748
Additions	2,950	45,673	21,130	69,753
Written off	-	(32,120)	-	(32,120)
At 31 December 2023	<u>8,950</u>	<u>111,301</u>	<u>21,130</u>	<u>141,381</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	6,000	65,125	-	71,125
Charge for the year	-	9,923	-	9,923
At 31 December 2022	6,000	75,048	-	81,048
Charge for the year	590	10,885	352	11,827
Written off	-	(29,576)	-	(29,576)
At 31 December 2023	<u>6,590</u>	<u>56,357</u>	<u>352</u>	<u>63,299</u>
<b>Carrying amount</b>				
At 31 December 2023	<u>2,360</u>	<u>54,944</u>	<u>20,778</u>	<u>78,082</u>
At 31 December 2022	<u>-</u>	<u>22,700</u>	<u>-</u>	<u>22,700</u>

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**9. Plant and equipment (continued)**

Depreciation on plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

Furniture, fittings and equipment	20%
Motor vehicle	20%
Renovation	20%

**10. Trade receivables**

The Company's normal trade credit term is 30 days. (2022: 30 days)

The following table provides information on the trade receivables credit risk exposure.

	<b>2023</b> <b>RM</b>	<b>2022</b> <b>RM</b>
Not past due	24,310	18,550
31 - 60 days past due	-	32,593
More than 60 days past due	48,233	1,700
	<u>72,543</u>	<u>52,843</u>

There is no allowance for expected credit loss being made by the Company.

**11. Deposits and prepayment**

	<b>2023</b> <b>RM</b>	<b>2022</b> <b>RM</b>
Deposits	7,500	5,800
Prepayment	20,205	-
	<u>27,705</u>	<u>5,800</u>

**12. Limited by guarantee**

Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time that he is a member or within one year after he ceased to be a member for payment of debts and liabilities of the Company contracted before he and for the adjustment, of rights of the contributories amongst themselves, such amount as may be required not exceeding Ringgit Malaysia One Hundred (RM100.00).

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**13. Financial instruments, financial risks and capital risk management**

**13.1 Categories of financial instruments**

The following table sets out the financial instruments as at the reporting date:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
Amortised cost:		
- trade and other receivables	80,043	58,643
- fixed deposits with licensed banks	915,270	616,086
- cash and bank balances	751,307	1,236,925
	<u>1,746,620</u>	<u>1,911,654</u>
<b>Financial liabilities</b>		
Amortised cost:		
- other payables and accruals	<u>12,050</u>	<u>21,422</u>

**13.2 Financial risk management policies and objectives**

The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

**Liquidity risk management**

The Company maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities.

The undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay equal to the carrying amounts of the financial liabilities as disclosed in the respective notes.

**Credit risk management**

The Company's credit risk is primarily attributable to its trade and other receivables and bank balances. The company minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than the following:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Bank balances with one financial institution (2022: one)	<u>1,565,866</u>	<u>1,690,993</u>

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**13.2 Financial risk management policies and objectives (continued)**
**Credit risk management (continued)**

The Company's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write -off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

**i) Trade receivables**

For trade receivables, the Company has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. Where appropriate, the Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. In determining the ECL of other trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

**ii) Other receivables**

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**13.2 Financial risk management policies and objectives (continued)**

**Credit risk management (continued)**

**iii) Bank balances**

The bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

**Fair value of financial assets and financial liabilities**

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the respectively short-term maturity of these financial instruments.

**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023 RM</b>	<b>2022 RM</b>
<b>Revenue</b>		
Sales of services – training courses	90,838	25,886
Sales of goods – training materials	36,175	64,216
Sponsorship income	2,832,437	3,050,299
	2,959,450	3,140,401
<b>Staff costs</b>		
EPF and SOCSO	130,515	96,461
Salaries, wages and allowances	1,252,087	987,072
	(1,382,602)	(1,083,533)
<b>Depreciation</b>	(11,827)	(9,923)
Other operating expenses	(1,660,277)	(1,100,036)
<b>(Loss)/Profit from operation</b>	(95,256)	946,909
Finance income:		
Interest income from short term deposits	20,949	5,381
<b>(Loss)/Profit before tax</b>	(74,307)	952,290

**Appendix A**

The statement has been prepared for management purpose only.  
It does not form part of the audited financial statements.



**REEF CHECK MALAYSIA**  
(Incorporated in Malaysia)
**Appendix A**
**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**
**Other operating expenses**

	<b>2023</b> <b>RM</b>	<b>2022</b> <b>RM</b>
Accounting fees	8,500	1,500
Advertisement and promotion	6,392	12,305
Auditors' remuneration	2,000	2,000
Bad debts written off	-	1,800
Bank charges	730	377
Custom charges	348	-
Consultancy fee	219,410	203,624
Consumables	121	27,542
Deposit written off	1,200	-
Dive services	370,092	194,023
Donation and gift	29,009	2,700
Entertainment	5,285	2,279
Expenses relating to short term leases	106,088	89,471
Freight charges	350	722
General expenses	3,252	41,430
Insurance	1,217	5,767
License fee	7,365	610
Loss on foreign exchange - realised	6,529	-
Low value assets	12,450	6,039
Meals and accommodation	218,060	175,463
Medical fee	272	826
Petrol	12,411	7,188
Penalty	-	65
Plant and equipment written off	2,544	-
Printing, stationery and postages	27,426	22,576
Professional fees	59,697	50,866
Purchases of ecodiver training pack	8,475	-
Purchases for field programme	81,723	67,435
Purchases for reef rehabilitation projects	59,356	2,665
Repair and maintenance	4,807	14,913
Secretarial fees	2,640	4,094
Seminar and symposium	11,434	3,184
Service tax	722	445
Sponsorship	108,934	26,800
Staff welfare	11,455	1,842
Stamp duty	80	-
Subscription	3,528	2,005
Tax fees	1,348	1,000
Telephone expenses	9,080	7,218
Transportation	84,085	32,686
Training materials	44,947	29,825
Travelling expenses	80,755	46,591
Tools and equipment	40,920	6,400
Upkeep of office equipment	2,000	1,666
Upkeep of motor vehicle	2,008	120
Water and electricity	1,232	1,974
	<b>1,660,277</b>	<b>1,100,036</b>

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