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Company registration No. 08707223

KWASA INVEST LIMITED

Report and Financial Statements

For the year ended

31 December 2019

KWASA INVEST LIMITED

Report and Financial Statements for the year ended 31 December 2019

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KWASA INVEST LIMITED

Officers and Professional Advisers

Directors	Rohaya Binti Mohammad Yusof Annie Binti Rosle Ahmad Ramzi Bin Abdullah
Registered Office	Ground Floor 40 Portman Square London United Kingdom W1H 6LT
Secretary	Norose Company Secretarial Services Limited 3 More London Riverside London, United Kingdom SE1 2AQ
Registered Number	08707223
Auditor	Deloitte LLP Gaspé House 66-72 Esplanade St Helier Jersey JE2 3QA
Bankers	HSBC Bank Plc 62-67 Park Street Southwark London United Kingdom SE1 9DZ Malayan Banking Berhad 77 Queen Victoria Street London United Kingdom EC4V 4AY CIMB Bank Berhad 27 Knightsbridge London United Kingdom SW1X 7YB

Report of the directors for the year ended 31 December 2019

The directors present their report together with the financial statements of KWASA Invest Limited (the "Company") for the year ended 31 December 2019.

Principal activity and business review

The Company was incorporated on 26 September 2013 and its registered office is 40 Portman Square, London, United Kingdom. The principal activity of the Company is the provision of research services.

Results

The statement of comprehensive income for the year ended 31 December 2019 and the statement of financial position at that date are set out on pages 8 and 10 respectively.

The net assets of the Company as at 31 December 2019 were £76,103 (2018: £6,272). The profit for the year amounted to £69,831 (2018: £84,503).

Going concern

The directors are of the belief that the Company is expected to continue to generate positive cash flows on its own account for at least twelve months from the date of approval of these financial statements bearing in mind the services that it provides to the controlling party. The directors of the Company have been given assurance from the controlling party that repayment of the loan will not be demanded within the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2019.

Directors

The directors of the Company during the year and subsequently were:

Rohaya Binti Mohammad Yusof
Annie Binti Rosle
Ahmad Ramzi Bin Abdullah (appointed 2 August 2019)

None of the directors have any beneficial interest in the ordinary share capital of the Company.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the directors' report.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The auditors have expressed their willingness to be re-appointed at the next Annual General Meeting.

Company Secretary

The Company secretary during the year and subsequently was Norose Company Secretarial Services Limited.

This report has been prepared in accordance with section 419(2) of the Companies Act 2006 relating to small entities.

On behalf of the Board

As Director RAMZI ABDULLAH

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12 February 2020

KWASA INVEST LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWASA INVEST LIMITED

Independent auditor's report to the members of KWASA Invest Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements KWASA Invest Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of financial position;
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the provisions of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the report of the directors, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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, our responsibility is to read the other information 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWASA INVEST LIMITED

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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 auditor's 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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brennand

Theo Brennand, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St. Helier, Jersey
12 February 2020

KWASA INVEST LIMITED

Statement of comprehensive income for the year ended 31 December 2019

	Notes	1 January 2019 to 31 December 2019 £	1 January 2018 to 31 December 2018 £
Revenue		**919,520**	866,618
Expenses			
Administrative expenses	**5**	**(308,882)**	(291,201)
Depreciation of ROU asset		**(31,264)**	-
Payroll costs	**6**	**(475,543)**	(481,822)
Operating profit		**103,831**	93,595
Finance income		**(3,496)**	14,288
Finance expense		**(4,523)**	-
Profit before income tax	**4**	**95,812**	107,883
Taxation	**8**	**(25,981)**	(23,380)
Profit for the year		**69,831**	84,503
Other comprehensive income		**-**	-
Total comprehensive income for the year		**69,831**	84,503

All results were derived from continuing operations.

The notes on pages 12 to 29 form an integral part of these financial statement.

KWASA INVEST LIMITED

Statement of changes in equity for the year ended 31 December 2019

	Share capital £	Accumulated profit/(loss) £	Total Equity £
Balance at 1 January 2018	100,000	(178,231)	(78,231)
Profit for the year	-	84,503	84,503
Balance at 31 December 2018	100,000	(93,728)	6,272
Balance at 1 January 2019	**100,000**	**(93,728)**	**6,272**
Profit for the year	-	**69,831**	**69,831**
Balance at 31 December 2019	**100,000**	**(23,897)**	**76,103**

The notes on pages 12 to 29 form an integral part of these financial statements.

KWASA INVEST LIMITED

Statement of financial position as at 31 December 2019

	Notes	31 December 2019 £	31 December 2019 £	31 December 2018 £	31 December 2018 £
Non-current assets					
Property - fixtures and fittings	9	-		15,112	
Right of use asset	9	367,288		-	
			367,288		15,112
Current assets					
Trade and other receivables	10	23,988		13,328	
VAT recoverable		7,538		9,596	
Cash and cash equivalents	11	374,410		1,220,262	
			405,936		1,243,186
Total assets			773,224		1,258,298
Equity					
Share capital	14	100,000		100,000	
Accumulated Profits		(23,897)		(93,728)	
Total equity			76,103		6,272
Non-current liabilities					
Lease liability	13	278,430		-	
Deferred taxation	7	-		1,579	
			278,430		1,579
Current liabilities					
Trade and other payables	12	17,509		29,508	
Loan payable to parent	16	275,242		1,194,762	
Current taxation	8	53,737		26,177	
Lease liability	13	72,203		-	
			418,691		1,250,447
Total liabilities			697,121		1,252,026
Total equity and liabilities			773,224		1,258,298

These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.
The financial statements were approved by the Board and authorised for issue on 12 February 2020.

Company registration No: 08707223

Director RAMZI ABDULLAH
12 February 2020

The notes on pages 12 to 29 form an integral part of these financial statement.

KWASA INVEST LIMITED

Statement of cash flows for the year ended 31 December 2019

	Notes	1 January 2019 to 31 December 2019	1 January 2018 to 31 December 2018
		£	£
Cash flows from operating activities			
Profit before income tax		**95,812**	107,883
Adjustments for:			
Depreciation		**46,376**	29,971
Finance income		-	(14,288)
Finance expense		**4,523**	-
Changes in working capital:			
(Increase)/ decrease in trade and other receivables		**(8,602)**	26,549
Decrease in trade and other payables		**(931,519)**	(862,298)
Tax paid		-	(25,150)
Net cash used in operating activities		**(793,410)**	(737,333)
Cash flows from investing activities			
Bank interest received		-	14,288
Net cash generated from investing activities		-	14,288
Cash flows from financing activities			
Payments of lease liability principal		**(47,919)**	-
Interest paid		**(4,523)**	-
Net cash used in financing activities		**(52,442)**	-
Net decrease in cash and cash equivalents		**(845,852)**	(723,045)
Cash and cash equivalents at the beginning of the year		**1,220,262**	1,943,307
Cash and cash equivalents at the end of the year	11	**374,410**	1,220,262

The notes on pages 12 to 29 form an integral part of these financial statements

1 Accounting policies

General information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England. The address of its registered office is Ground Floor, 40 Portman Square, London, United Kingdom. The principal activity of the Company is the provision of research services. These financial statements have been approved for issue by the Board of Directors on 12th February 2020.

Going concern

The directors are of the belief that the Company is expected to continue to generate positive cash flows on its own account for at least twelve months from the date of approval of these financial statements bearing in mind the services that it provides to the controlling party. The directors of the Company have been given assurance from the controlling party that repayment of the loan will not be demanded within the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2019.

Functional and presentation currency

Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the 'functional currency'). The Financial statements are presented in pound sterling, which is the functional currency and presentation currency of the Company.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by EU and the Companies Act 2006.

The financial statements have been prepared on a going concern basis, applying the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate. There are areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

1 Accounting policies *(continued)*

Basis of preparation *(continued)*

Changes in accounting policy and disclosures

(a) Standards and amendments to existing standards and interpretations effective on or after 1 January 2019 adopted by the Company

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019.

IFRS 16, Leases

The Company has initially applied IFRS 16 *Leases*, from 1 January 2019.

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated — i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

1 Accounting policies *(continued)*

Basis of preparation *(continued)*

Changes in accounting policy and disclosures (continued)

(a) Standards and amendments to existing standards and interpretations effective on or after 1 January 2019 adopted by the Company (continued)

IFRS 16, Leases (continued)

Definition of lease
The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a lease. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

The Company had an existing lease at Portman Square, London at 1 January 2019, which expired during the year. The new lease for this property was recognised under IFRS 16.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases — i.e. these leases are on-balance sheet.

There was no impact on the Company on transition as brought forward leases expired in the year and the Company has applied the permitted practical expedient to recognise such leases as short-term leases.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

IAS 12 Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

1 Accounting policies *(continued)*

Basis of preparation *(continued)*

Changes in accounting policy and disclosures (continued)

(b) New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2020 and not early adopted

The following new and amended standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2020 or later periods and are expected to be relevant to the Company:

Standard/ interpretation	Content	Applicable for financial years beginning on/after
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020

The Company's assessment of the impact of these new standards and interpretations is set out below. There are other new accounting standards, amendments and interpretations issued which are not relevant to the Company and have not been listed above.

Amendment to IAS 1 and IAS 8 Definition of Material

The amendment to IAS 1 and IAS 8 use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting and clarify the explanation of the definition of material and incorporate some of the guidance in IAS 1 about immaterial information.

The amendments should be applied for annual periods beginning on or after 1 January 2020, with earlier application permitted. This amendment will not have any impact on the financial statements of the Company.

Income

Income deriving from the provision of research services is recognised in the statement of comprehensive income in the period in which the service is performed (on an accruals basis). Research service fee is charged at full cost plus a 10.8% mark-up of the Company's expenses.

1 Accounting policies *(continued)*

Leases - policy applicable from 1 January 2019

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

1 Accounting policies *(continued)*

Leases - policy applicable before 1 January 2019

Finance leases
Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

Operating leases
All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term.

Interest

Interest income and expenses are recognised within 'finance income' and 'finance costs' respectively in the statement of comprehensive income using the effective interest rate method.

Expenses

Expenses include legal cost, accounting cost, audit cost, payroll costs, rental cost, and other fees. They are recognised as an expense in the statement of comprehensive income in the period in which they are incurred (on an accruals basis).

Fixtures and equipment and depreciation

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if the item can be measured reliably.

An item of fixture and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of comprehensive income. All other repairs and maintenance are charged to the Statement of comprehensive income during the financial year in which they are incurred.

1 Accounting policies *(continued)*

Fixtures and equipment and depreciation *(continued)*

Fixtures and equipment are depreciated using straight line method based on the estimated useful life at the following rates:

Furniture, fixtures and fittings	20%

Furniture, fixtures and fittings and office equipment which costs less than £1,000 per unit are expensed fully in the year of acquisition.

Residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each statement of financial position date. At each statement of financial position date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. Impairment loss is recognised if the carrying amount exceeds the recoverable amount as disclosed.

Financial instruments

i. Recognition and initial measurement
Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii. Classification and subsequent measurement

a. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

All of the Company's financial assets are held at amortised cost.

b. Subsequent measurement

Debt instruments
Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses on financial assets are presented as separate line item in the consolidated statement of comprehensive income.

1 Accounting policies *(continued)*

Financial instruments *(continued)*

iii. Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

iv. Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss, including tenants' deposits and trade and other receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1 Accounting policies *(continued)*

Financial instruments *(continued)*

iv. Impairment (continued)

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

Please refer to Note 2 under credit risk section for further disclosures about the Company's impairment of trade and other receivables.

Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the period end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the period end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax balances are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary difference arising on property, plant and equipment, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probably that the temporary difference will not reverse in the foreseeable future.

Revenues, expenses and assets are recognised net of the amount of sales tax, except for receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Uncertainties

In June 2016, the United Kingdom voted by referendum to leave the European Union. The original timetable for exit was extended a number of times subsequent to this date. Following the general election in December 2019, the UK government passed the Withdrawal Agreement paving the way for the United Kingdom to leave the European Union on 31 January 2020. A period of negotiation is now expected throughout 2020 and possibly beyond to establish the future relationship with the European Union. As a result, there is uncertainty over future trade agreements, currency fluctuations and other market factors that are out of the control of the Company. Risk disclosures in note 2 do not account for any predicted movements due to Brexit due to the remaining significant uncertainty.

2 Financial Risk Management

The board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Company's activities are reviewed regularly and potential risks are considered.

The Company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk (including currency risk, interest rate risk and other price risk)

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loan payable to parent

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from related companies and cash and cash equivalents held at banks.

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	31 December 2019 £	31 December 2018 £
Trade and other receivables		
Other receivables	**2,950**	22,924
Cash and cash equivalents	**374,410**	1,220,262

The recoverability of these amounts due from related companies is reviewed on an ongoing basis.

The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The expected loss was calculated as zero.

2 Financial risk management *(continued)*

Credit risk (continued)

Categorisation of Financial Assets and Financial Liabilities

The table shows the carrying amounts / fair values and levels of fair value hierarchy of financial assets and financial liabilities by category of financial instrument as at 31 December 2019 and 31 December 2018. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount/Fair value		Level of fair value hierarchy	
	31 December 2019	**31 December 2018**	**31 December 2019**	**31 December 2018**
Financial assets not measured at fair value				
Trade and other receivables	**2,950**	22,924	-	-
Cash and cash equivalents	**374,410**	1,220,262	-	-
	377,360	1,243,186		
Financial liabilities not measured at fair value				
Trade and other payables	**(17,509)**	(29,508)	-	-
Loan payable to parent	**(275,242)**	(1,194,762)	-	-
	(292,751)	(1,224,270)		

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position.

The Company's liquidity position is monitored and reviewed on a quarterly basis by the directors.

2 Financial risk management *(continued)*

Financial risk factors *(continued)*

The amounts disclosed in the below tables are the contractual undiscounted cash flows. The maturity analysis of financial instruments as at 31 December 2019 is as follows:

	Carrying amount/Fair value 31 December 2019	31 December 2018
Financial assets - due within one year		
Trade and other receivables	**2,950**	22,924
Cash and cash equivalents	**374,410**	1,220,262
	377,360	1,243,186
Financial liabilities - due on demand		
Trade and other payables	**(17,509)**	(29,508)
Loan payable to parent	**(275,242)**	(1,194,762)
	(292,751)	(1,224,270)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, currency and interest rates. The Company's market risk arises from open position in interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

a) Market risk
The Company is not exposed to market risk, currency risk and interest rate risk with respect to financial instruments as it does not hold any marketable equity securities or investments exposed to market risk.

b) Fair values
The fair values of the Company's financial assets and liabilities are not materially different to their carrying values.

c) Sensitivity analysis
IFRS 7 requires disclosure of sensitivity analysis for each type of market risk to which the entity is exposed at the report date showing how profit or loss and equity would have been affected by changing the relevant risk variables that were reasonably possible at that date.

As discussed above, the Company does not have significant exposure to market risk and therefore no sensitivity analysis for those risks has been disclosed.

2 Financial risk management (continued)

Capital management

The Company considers its capital to comprise its ordinary share capital.

The directors' objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders.

Credit risk management

In order to minimise credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Furthermore, the Company reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors have not made any such estimates or judgements in the period.

4 Profit before tax

	31 December 2019 £	31 December 2018 £
Profit before taxation is stated after charging:		
Operating expenses:		
Operating leases rentals	**56,205**	83,216
Depreciation	**15,112**	29,971
Pension cost	**3,210**	1,092
Audit fees	**9,792**	9,300
Interest payable	**4,523**	-
Depreciation of ROU asset	**31,264**	-

The future aggregate minimum rentals payables under non-cancellable operating leases are as follows:

Not later than 1 year	-	54,206
Later than 1 year and no later than 5 years	-	-
	-	54,206

The Company entered into a new lease during the year, which has been recognised under IFRS 16. See note 13.

5 Administrative expenses

	1 January 2019 to 31 December 2019	1 January 2018 to 31 December 2018
	£	£
Administration expenses		
Rental costs	**56,205**	83,216
Office costs	**39,575**	66,554
Advisory	**74,093**	23,996
Travelling	**84,910**	80,354
Miscellaneous	**54,099**	37,081
	308,882	291,201

6 Staff Costs

	31 December 2019	31 December 2018
	£	£
Number of staff employed:		
Average for the year	**5**	5
At year-end	**5**	5
Total staff costs for the year	**475,543**	481,822
Directors Remuneration:		
Directors emoluments	**139,721**	122,068
Other short term benefits	**16,054**	-

7 Deferred tax

Deferred taxation relates to the difference between the tax base of assets in the balance sheet and their carrying value. The movement on the deferred tax account is as shown below:

	31 December 2019	31 December 2018
	£	£
At 1 January	**1,579**	4,710
Recognised in profit and loss tax expense-accelerated capital allowances	**(1,579)**	(3,131)
At 31 December	**-**	1,579

8 Taxation on profit

The Company is a subject to UK income tax at the prevailing basic rate of 19% (2018:19%).

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit and loss before tax as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years or items that are never taxable or deductible. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

The Company is subject to UK corporation tax for the year at the main rate for companies (i.e. 19%).

Taxation on profit on ordinary activities

Tax expense	31 December 2019 £	31 December 2018 £
Current tax expense		
Current tax on profits for the year	**27,300**	26,192
Adjustment for (over) / under provision in prior years	**260**	319
Total current tax	**27,560**	26,511
Deferred tax expense		
Origination and reversal of temporary differences	**(1,579)**	(3,131)
Effect of changes in tax rate on opening liability	-	-
Total deferred tax	**(1,579)**	(3,131)
Total tax expense	**25,981**	23,380

The reasons for the difference between the actual tax charge for the year and the rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

Profit before tax	**95,812**	107,883
Tax using the company's domestic tax rate of 19% (2018: 19%)	**18,204**	20,498
Expenses not deductible for tax purposes	**7,517**	2,563
Adjustment for (over) / under provision in previous years	**260**	319
Effect of changes in tax rate	-	-
Total tax expense	**25,981**	23,380

9 Property, fixtures and equipment

	ROU Assets	Fixtures and Fittings
	£	£
Property, fixtures and equipment		
Cost		
Balance at 1 January	-	149,857
Additions	398,552	-
Balance as at 31 December 2019	398,552	149,857
Depreciation		
As at 1 January 2019	-	134,745
Depreciation	31,264	15,112
Balance at 31 December 2019	31,264	149,857
Net book value at 31 December 2019	367,288	-
Net book value at 31 December 2018	-	15,112

10 Trade and other receivables

	31 December 2019	31 December 2018
	£	£
Amounts falling due within one year:		
Receivables and prepayments	**23,988**	10,667
Bank interest receivable	-	2,661
	23,988	13,328

11 Cash and cash equivalents

	31 December 2019	31 December 2018
	£	£
HSBC Bank (UK)	**339,309**	143,110
Maybank	**15,688**	767,725
CIMB	**19,413**	309,427
	374,410	1,220,262

The banks have the following Moody's credit rating; HSBC Bank (UK) Aa3 (2018: Aa3), Maybank A3 (2018: A3) and CIMB has A3 (2018: A3).

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

12 Liabilities

	31 December 2019 £	31 December 2018 £
Trade and other payables		
Accruals	**17,509**	326
Other creditors	-	24,892
Rent free creditor	-	4,290
	17,509	29,508

13 Leases liability

	31 December 2019 £	31 December 2018 £
Rights of use of assets		
Balance at 1 January 2019	-	-
Additions	**398,552**	-
Depreciation charge during the year	**(31,264)**	-
Balance at 31 December 2019	**367,288**	-
Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**81,800**	-
One to five years	**292,463**	-
More than five years	-	-
Total undiscounted lease liabilities at 31 December 2019	**374,263**	-

Lease liabilities included in the statement of financial position at 31 December 2019
Current £72,203
Non-current £278,430

Amounts recognised in statement of comprehensive income

Interest on lease liabilities £4,523
Variable lease payments not included in the measurement of lease liabilities £NIL

Amounts recognised in statement of cash flows

Total cash outflow of leases £47,919
Total cash outflow of short term leases £56,205

14 Share capital

	31 December 2019 £	31 December 2018 £
Share capital		
Authorised		
100,000 ordinary shares of £1.00 each	**100,000**	100,000
Called up issued and fully paid		
100,000 ordinary shares of £1.00 each	**100,000**	100,000

15 Dividends per share

No dividends were paid during the year £Nil (2018: £Nil).

16 Related party transactions

EPF, the ultimate controlling party, offered a loan facility to KWASA Invest Limited of £3,536,182, of which £2,536,182 has been drawn down by way of a shareholder loan to cover the initial expenses of the company. The loan is repayable on demand and does not accrue interest. At the year-end, the loan balance was £275,242 (2018: £1,194,762).

Income of £919,520 (2018: £866,618) was charged to EPF in the year for the provision of research services of which £Nil (2018: £2,661) was receivable at the year end and is include within Trade and other receivables.

17 Subsequent events

As at the date of signing, the Directors are not aware of any subsequent events to the Company.

18 Controlling party

The ultimate controlling party is the Employees Provident Fund, of Bangunan KWSP, Jalan Raja Laut, 50350, Kuala Lumpur, Malaysia.